



Province of the
EASTERN CAPE
EDUCATION



NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2023

ECONOMICS P2

MARKS: 150

TIME: 2 hours

This question paper consists of 12 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK.
 - SECTION A: COMPULSORY
 - SECTION B: Answer TWO of the three questions.
 - SECTION C: Answer ONE of the two questions.
2. Number the answers correctly according to the numbering system used in this question paper.
3. Write the question number above EACH answer.
4. Read the questions carefully and start EACH question on a NEW page.
5. Leave 2–3 lines between subsections of questions.
6. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.
7. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
8. Use only black or blue ink.
9. You may use a non-programmable pocket calculator.
10. Write neatly and legibly.

SECTION A (COMPULSORY)**30 MARKS – 20 MINUTES****QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.8) in the ANSWER BOOK, for example 1.1.9 D.

1.1.1 A market situation dominated by a few large businesses is known as a/an ...

- A monopoly.
- B oligopoly.
- C monopolistic competition.
- D perfect market.

1.1.2 Firms that determine their own prices are known as price ...

- A negotiators.
- B -takers.
- C -makers.
- D searchers.

1.1.3 A period during which at least one factor of production is fixed:

- A Long run
- B Short run
- C Immediate
- D First

1.1.4 In all market structures, profits are maximised at the point where ...

- A $MC = MR$.
- B $MC > AC$.
- C $MC = AR$.
- D $AR > MR$.

1.1.5 A change in quantity demanded due to a change in income is called ... elasticity.

- A price
- B supply
- C income
- D demand

1.1.6 An economic system that is a contributor to the North-South divide is known as ...

- A socialism.
- B mixed economy.
- C federal.
- D capitalism.

1.1.7 Investment in the form of buildings, machines and equipment in a foreign country is known as ...

- A immobility of factors of production.
- B restricting trade between countries.
- C poor standard of living.
- D foreign direct investment.

1.1.8 Resources that may become exhausted if they are not managed sustainably are known as ...resources.

- A renewable
- B non-renewable
- C finite
- D man-made

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–I) next to the question numbers (1.2.1 to 1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Product market	A aggregate demand is equal to aggregate supply
1.2.2 Accounting profits	B demand in smaller quantities when income increases
1.2.3 Market equilibrium	C disputes international trade agreements
1.2.4 Opportunity cost	D introduction of contaminants that damage the natural environment
1.2.5 Inferior goods	E when costs per unit decrease and quantity increases
1.2.6 United Nations	F difference between total income from the sale of goods and explicit costs
1.2.7 Economies of scale	G the next best alternative that is given up
1.2.8 Pollution	H goods and services are traded
	I demand increase with an increase in income

(8 x 1) (8)

- 1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 Products that are exactly the same

1.3.2 Costs recognised in accounting statements but not considered in making business decisions

1.3.3 Degree of satisfaction that a consumer gains from consuming an extra unit of a product

1.3.4 A scenario where a country produces a product more efficiently than others

1.3.5 Knowledge that has practical application for the daily survival of local communities

1.3.6 Future change in rainfall and temperature (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the three questions from this section in your ANSWER BOOK.

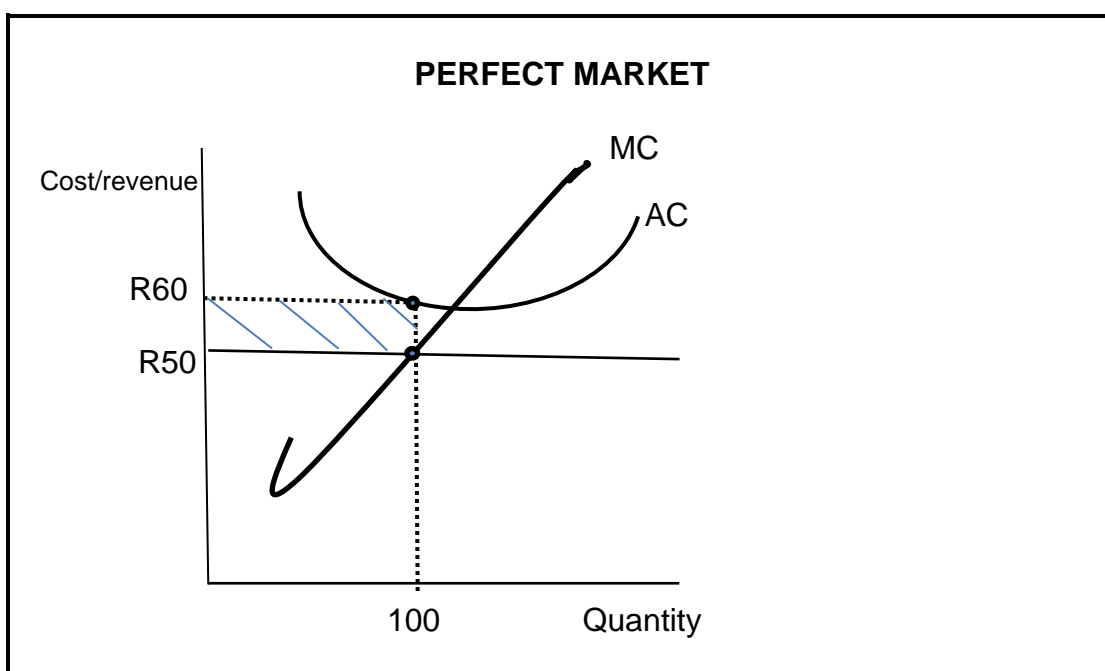
QUESTION 2: MICROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO examples of fixed costs. (2)

2.1.2 How are businesses affected by inelastic demand? (2)

2.2 Study the graph below and answer the questions that follow.



2.2.1 At which quantity is output maximised? (1)

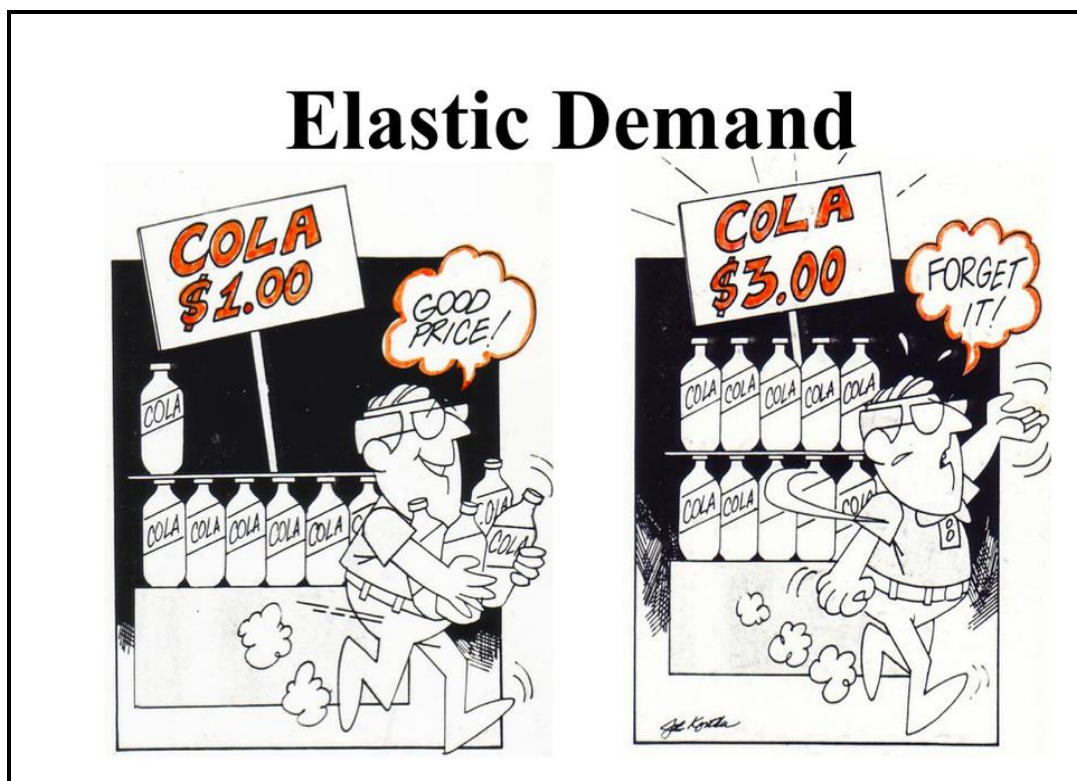
2.2.2 What is represented by the shaded area in the above graph? (1)

2.2.3 Describe the term *perfect market*. (2)

2.2.4 Why are sellers in a perfectly competitive market known as price takers? (2)

2.2.5 How do consumers benefit from perfect competition? (4)

2.3 Read the information below and answer the questions that follow.



[Adapted from [google images](#)]

- 2.3.1 From the extract above, which price displays that the product is elastic? (1)
- 2.3.2 Name any ONE other degree of elasticity of demand. (1)
- 2.3.3 Describe the term *price elasticity of demand*. (2)
- 2.3.4 Briefly explain *perfectly inelastic demand*. (2)
- 2.3.5 Examine the importance of price elasticity of demand and demand forecasting. (4)

2.4 Briefly discuss any TWO objectives of a business that makes use of the SMART PRINCIPLE. (8)

2.5 How do monopolies come into existence? (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES**40 MARKS – 30 MINUTES**

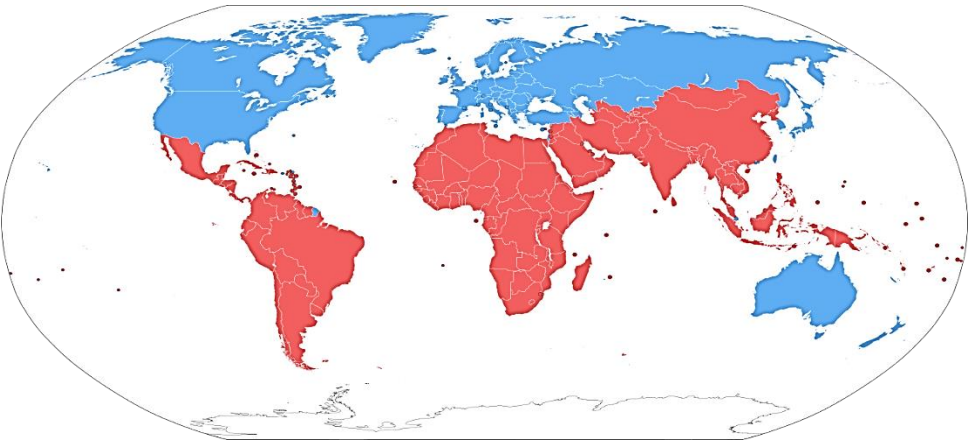
3.1 Answer the following questions.

3.1.1 Name any TWO methods of protecting the environment. (2)

3.1.2 How can the government intervene to ensure sustainable development? (2)

3.2 Study the information below and answer the questions that follow.

NORTH-SOUTH DIVIDE



Countries using this model of South-South cooperation see it as a 'mutually beneficial relationship that spreads knowledge, skills, expertise and resources to address their development challenges such as high population pressure, poverty, hunger, disease, environmental deterioration, conflict and natural disasters!'. These countries also work together to deal with "cross border issues" such as environmental protection, HIV/Aids, and the movement of capital and labour.

[Adapted from [Wikipedia.org/wiki/global North](https://www.wikipedia.org/wiki/global_North)]

3.2.1 Give any ONE challenge encountered by countries of the South. (1)

3.2.2 Give ONE example of a cross border issue that countries of the South are experiencing. (1)

3.2.3 Briefly describe the term *North-South divide*. (2)

3.2.4 Explain the term *free trade areas*. (2)

3.2.5 Examine the negative impact of Covid-19 on developing countries in Africa. (4)

- 3.3 Study the extract below and answer the questions that follow.

NATIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

The world is facing severe pressures that put sustainable development at risk for most people. Population growth, growing inequalities, climate change, and emerging zoonotic diseases are setting back many recent human well-being achievements while rapidly worsening planetary health.

The NFSD aims to enhance the quality of life in the country and includes 5 pillars: nature, environmental health, climate change, living organisms and biosecurity.

[Source: [nature.com/articles/s41467-022-32415-9](https://www.nature.com/articles/s41467-022-32415-9)]

- 3.3.1 Identify from the extract above ONE pillar of the National Framework for Sustainable Development (NFSD). (1)
- 3.3.2 Give any ONE example of a green tax. (1)
- 3.3.3 Describe the term *National Framework for Sustainable Development*. (2)
- 3.3.4 Briefly explain the environmental impact assessment as an approach to sustainability. (2)
- 3.3.5 How can economic growth and environmental protection be balanced? (4)
- 3.4 Briefly discuss change in employment conditions and environmental deterioration as consequences of globalisation. (8)
- 3.5 Analyse the importance of conserving biodiversity. (8)
- [40]**

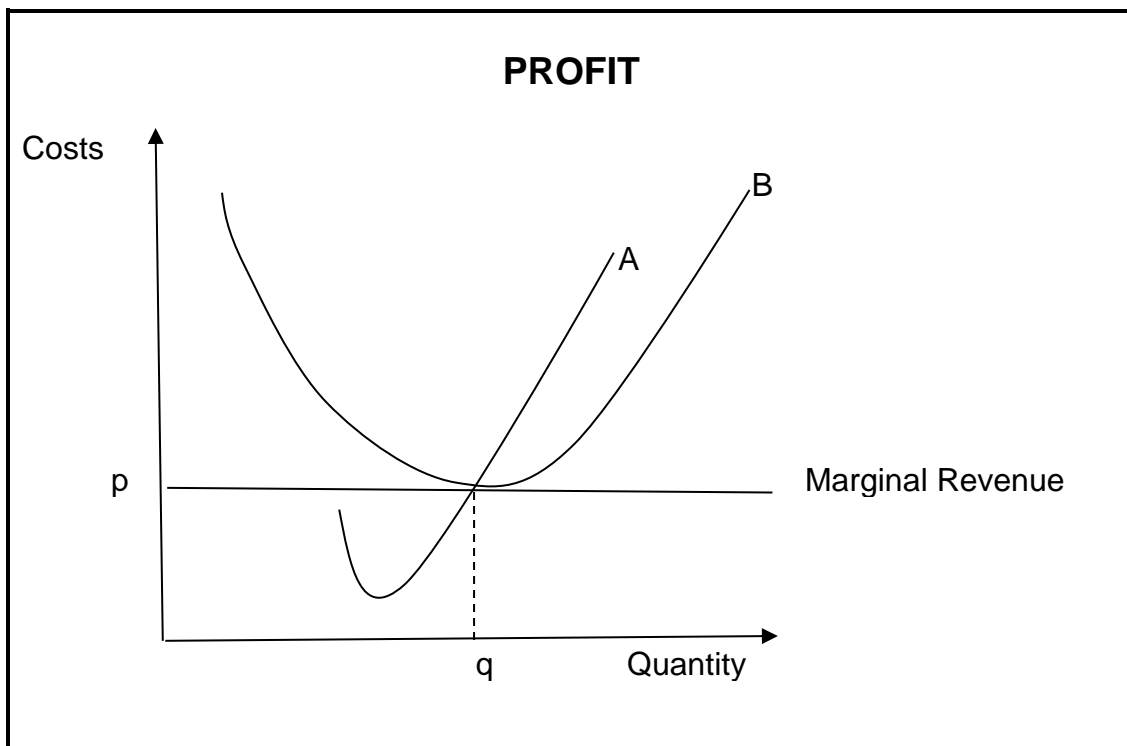
QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO objectives of the Millennium Development Goal. (2)

4.1.2 How can businesses minimise costs? (2)

4.2 Study the graph below and answer the questions that follow.



4.2.1 Identify curve **B**. (1)

4.2.2 Name the type of profit illustrated above. (1)

4.2.3 Explain *Marginal Revenue*. (2)

4.2.4 Briefly describe *diseconomies of scale*. (2)

4.2.5 Examine the importance of marginal costs. (4)

- 4.3 Study the extract below and answer the questions that follow.

**HOW DIGITAL MULTINATIONALS ARE TRANSFORMING GLOBAL
TRADE AND INVESTMENT**

The international production footprint of digital Multinational Enterprises (MNEs), which was already expanding, has grown even faster during the Covid-19 pandemic.

UNCTAD Global Investment Trend Monitor published on 27 April, unveils new rankings of the top 100 digital MNEs, whose total sales were almost 160% higher in 2021 than in 2016, with an average increase of 215 per year. The top 100 digital MNEs include leading players such as Uber, Twitter and Meta.

[Adapted from unctad.org/news. Accessed on 16 May 2022.]

- 4.3.1 From the extract, identify a leading Multinational Enterprise. (1)
- 4.3.2 Name ONE advantage of Multinational Enterprises. (1)
- 4.3.3 Describe the term *Multinational Enterprise*. (2)
- 4.3.4 Briefly explain *free trade zones*. (2)
- 4.3.5 Analyse the social impact of globalisation on developing countries. (4)
- 4.4 Briefly discuss the level of space capacity in the industry and level of employment as degrees of elasticity of supply. (8)
- 4.5 Examine the positive impact of globalisation on the South African economy. (8)

[40]

TOTAL SECTION B: 80

