**EXAMINATIONS AND ASSESSMENT CHIEF DIRECTORATE**
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**REPUBLIC OF SOUTH AFRICA, Website: www.ecdoe.gov.za**

# 2023 NSC CHIEF MARKER'S REPORT

| SUBJECT | ECONOMICS | | |
|---|---|---|---|
| QUESTION PAPER | 1 | 2 X | 3 |
| DURATION OF QUESTION PAPER | 2 HOURS | | |
| PROVINCE | EASTERN CAPE | | |
| DATES OF MARKING | 4 – 19 DECEMBER 2023 | | |

**SECTION 1: (General overview of Learners Performance in the question paper as a whole)**

- The performance of learners in the 2023 Examination session can generally be undertaken.

- as a fair performance and is comparable with performance in 2022

- Performance from the different centres has shown a significant improvement.

- Average performance as sampled from the 100 scripts is at 50% and shows a slight decline of 1% from 51% for 2022.

- Majority of learners answered all the questions although some are incomplete.

- Candidate responses in the poorly performed question show lack of preparation and understanding of basic concepts and terminology.

**SECTION 2: Comment on candidates' performance in individual questions**

| QUESTION 1 |
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| **(a)** | **General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?** |
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- Candidates have performed well in Q1.
- The improvement is more evident in the multiple choice and matching questions.
- It is still evident that candidates struggle with concepts in Q1.3 and often confuse related concepts.
- There is also a growing number of candidates who have managed to obtain full marks while also there are still those few who do not answer some of the questions or leave blank spaces.

| **(b) Why were the questions poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.** |
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Common errors and misconceptions

- Candidates providing more than one answer for the multiple choice and match column questions (Q1.1 and 1.2)
- Blank spaces left by some candidates resulting in incorrect numbering and answers provided
- In Q1.2 most candidates confused options for 1.2.5 and 1.2.6. They chose option H *(shows the relative importance of an item in a basket of goods and services that are used to calculate inflation)* for Producer Price index in 1.2.5 instead of F (measures *the prices of goods as they leave the factory floor).*
- In Q1.3.1 candidates are giving oligopoly as the answer instead of monopoly
- Economic loss has been confused with economic profit in Q1.3.2
- Confusion between maximum price and minimum price/minimum wage is evident in Q1.3.3. Some candidates wrote price maximum instead of maximum price
- Inflation has been given as the answer in Q1.3.4 instead of hyperinflation
- Cultural tourism, endogenous knowledge systems are provided as answers in Q1.3.5 instead of Indigenous Knowledge Systems
- Licensing, permit, market permit are common incorrect answers provided in Q1.3.6 instead of marketable permit

| **b)** | **Provide suggestions for improvement in relation to Teaching and Learning** |
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- Learners should be made aware that no marks are awarded for giving two options in Section A
- Encouraging learners to answer all questions in Q1.1 and 1.2 as answers are provided
- Highlighting differences, similarities when teaching related concepts to ensure deeper understanding of terminology in the subject. Teachers should ensure that when teaching a concept, they include detailed information like explaining key words in the description to linking the formula (if applicable), examples (if available) and any related information. Simplifying/summarizing this information using a flow chart/ power

- point animations would help learners to easily remember.
- Engaging learners in interactive games to stimulate interest and understanding of concepts in Economics (charades, crossword puzzles, board games like 30 seconds using Economic concepts)
- Assessment activities (daily, weekly, monthly) on subject terminology to build learner confidence in responding to Section A questions. Variations in these assessment activities to bring out how the same concept can be assessed in Q1.1, 1.2 and 1.3 and in other parts of the question paper should be used.

| QUESTION 2 |
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| **(a)** | **General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?** |
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- The question has been poorly answered. The average performance according to the 100 sampled scripts is at 32%
- Very few learners obtained above 30 marks.
- Performance in Microeconomics has been a challenge over the years

| **(b) Why were the questions poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.** |
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Common errors and misconceptions

- In Q2.1.1 candidates have responded with examples of imperfect markets (Oligopoly and monopolistic competition). They also give incomplete strategies which render their responses incorrect. These include sales instead of sales promotion; product instead of product differentiation/proliferation.
- Incorrect responses to Q 2.1.2 included description of demerit goods and examples of taxes levied on demerit goods (sin tax)
- Candidates were unable to identify the MC as the curve that represents the supply curve in Q2.2.1. Responses by candidates included AVC and AC which are the other cost curves in the graph provided as data. Some candidates answered using the points in the graph, a – c
- In Q2.2.2, 30 and 50 which are the incorrect quantities were written by candidates. They failed to identify the quantity that the firm should produce to make normal profit
- Candidates were unable to describe marginal revenue in Q2.2.3. Most confused the concept with marginal cost and marginal product. Incomplete description was also common in candidate responses.
- Common responses written by candidates in Q2.2.4 included shutdown and economic loss. The responses showed that candidates were able to identify the point but could not explain why businesses shut down.
- In Q2.2.5, candidates wrote an incorrect formula for total revenue. The formula to calculate profit (TR – TC) was common. Candidates used incorrect quantities when substituting in the formula.

- Candidate calculated the difference between 8% and 7% instead of identifying the percentage increase in their responses in Q2.3.1
- In Q2.3.2, salaries and wages/remuneration were mentioned as a factor that influences quality of the workforce
- Most candidates described public sector failure instead of market failure in Q2.3.3
- Q 2.3.4 was left blank by most candidates. Some explained imperfect competition and gave examples of imperfect competition
- In Q2.3.5, most responses of candidates referred to employees instead of employers. Responses included 'employees. Confusing minimum wages and minimum prices was also evident in explanations given by candidates
- Objectives/aims of the competition policy were common responses in Q2.4. Candidates failed to explain the role of Competition Commission and Competition Tribunal. Some even discussed role of Competition Appeal court which was not part of the question.
- In Q2.5, candidates lost marks as they repeated facts and wrote incomplete sentences

| (c)Provide suggestions for improvement in relation to Teaching and Learning |
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- Understanding requirements of a questions is still a challenge for learners. Using past question papers to unpack the requirements of each question would address the misinterpretation of questions. Learners would be able to respond to 2 – mark and 4-mark questions in section B
- Explanation by teachers on command verbs as they are used in the question papers and in the examination, guideline would greatly improve learner performance.
- teachers need to assess higher-order questions appropriately so that learners clearly understand the mark allocation in these questions. Listing of facts will earn up to a maximum of 2.
- Simulation and use of real-life examples in the classroom to improve responses on higher order questions.
- Teacher development of in-service trainings to equip teachers on methods to teach related concepts to eliminate confusion and misunderstanding in learners.
- Assessment workshops on developing quality assessment activities.

| QUESTION 3 |
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| (a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered? |
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A popular question with the candidates with poor performance. Evidence from the randomly selected 100 scripts shows the question as the least performed in the question paper with 16% average performance

| (b)Why were the questions poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions. |
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Common errors and misconceptions

- Candidate's responses show lack of understanding as many gave generic answers
- In Q3.1.1 candidates failed to give examples of goods that are excluded when calculating core inflation. Their responses included food, bread, milk. Some gave merit goods, demerit goods, collective and community goods as examples. Producer Price Index and Consumer Price Index where also common incorrect answers candidates wrote. Candidates also wrote 'highly volatile price'
- Incomplete sentences in Q3.1.2 and lack of understanding of understanding of the term environment had led candidates focusing their explanation on humans and animals only.
- Candidates identified SARS, IMF and World Bank in Q3.2.1 as institutions that determine interest rate
- In Q3.2.2, candidates could not name the monetary instrument as many left the question blank and some wrote monetary policy
- An explanation of administered prices was described in Q 3.2.3 instead of administered price inflation
- Candidates confused debtors with creditors in Q3.2.4. Some explained that debtors will have more market power to increase borrowing
- Q3.2.5 responses showed misinterpretation of the question by the candidates. Their responses focused on an increase in supply of money rather than an oversupply. These included an increase in government expenditure and more job opportunities.
- In Q3.3.1, candidates failed to link the correct international agreement that limits chemical waste
- Most answers in Q3.3.2 included Kyoto Protocol which is included in the data provided
- In Q3.3.3 climate change has been described instead of global warming. A considerable number of candidates gave a description of globalization
- Q3.3.5 responses focused on businesses being members of the international agreements /protocols instead of countries. Candidates referred to international measures as a responsibility of a business and not an agreement between countries. Candidates could therefore not explain why international measures to reduce climate change failed. Other responses included 'Businesses do not have enough resources to reduce climate change'
- Generic responses were written by candidates in Q3.4. This included explanation of progressive taxation system and closing of income inequality gap between the rich and the poor, taxpayers end up losing interest of work. Responses to industrial stability were mostly on industries/businesses being stable as they receive more profit from government. Examples include 'inflation will cause industry stability to slow down'; Industry will not be able to produce due to expensive goods caused by inflation'.
- In Q3.5 most responses focused on impact of climate change on the environment instead of the economy. Most learners failed to write full sentences. They repeated

| facts |
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**(c) Provide suggestions for improvement in relation to Teaching and Learning**

- Adequate teaching time for topics under contemporary economic issues is important to also allow time for revision in the topics.
- Basic concepts should be emphasized for each topic
- Environmental sustainability should be thoroughly taught in Grade 11 as it progresses and links with Grade 12 syllabus
- Assessment must be structured such that it covers all aspects examined in question papers to address challenges of learner's inability to understand the requirements of the question. Educators are advised to develop own assessment activities covering what they need to address in a particular topic.
- Teachers must ensure that learners are able to interpret questions correctly to avoid irrelevant information being included in their responses.
- infusing current economic issues in lessons cannot be overemphasised, especially where content can be linked to real-life issues. New information on environmental problems, international agreements and measures

**QUESTION 4**

**(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?**

A very popular question in section B as candidates answered it as their preferred second choice question. Performance in the question varied from poor to good

**(b)Why were the questions poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.**

Common errors and misconceptions
- Candidates failed to name redress methods to redistribute wealth in Q4.1.1. Responses included methods to calculate GDP. Some candidates referred to traditional methods like progressive taxation and social grants
- In Q4.1.2 responses were focusing on market failure instead of why markets fail to sustain the environment. Responses were on missing markets, externalities and some gave description of environmental sustainability.
- In Q4.2.1 project A instead of project C was a response candidates gave. They failed to identify the project with the most benefits and rather compared the by calculating the most beneficial project.
- Candidate's responses in Q4.2.3 explained negative externalities and included repeating the question, e.g., costs that cost the society, cost that benefit the society, costs that are social

- Some candidates repeated the question in Q42.4 and failed to respond to the question. They wrote 'Government analyse the cost and benefit before starting a new project'
- Most common responses written by candidates in Q4.2.5 included:
  - Incorrect formula used – economic cost/economic benefit
  - Incomplete response to the question – not determining the beneficial project
  - No calculations done and only responding to most beneficial project
  - 0.8 as an answer – no rounding off done
- Subsidies and education are provided as answers in Q4.3.1
- Candidates gave VAT, sin tax and excise duties in Q4.3.2
- In Q4.3.3, candidates confuse conservation with preservation. Some explained conservation as conversation as a chat between two people in a meeting
- The role of education has been explained in the context of school education in Q4.3.4. Responses included 'getting skills to increase standard of living, poverty alleviation and job creation'
- Candidates failed to explain how environmental subsidies can be used to ensure environmental sustainability and discussed government measures to ensure environmental sustainability in Q4.3.5. Some discussed subsidies on goods and services which reduce cost of production
- Common incorrect responses in Q4.4 included:
  - Drawing diagram in data response in 2.2
  - Drawing of economic profit/economic loss of a perfect market
  - Drawing of profit maximization using MR = MC
  - Incorrect drawing of the curves, TR drawn not starting at zero
  - Labelling TR as TC and TC as TR
  - TC drawn as a wavelike pattern of a business cycle and TR as the trendline
  - Incorrect indication of profit maximization as the breakeven points
  - Referring to a shaded area (economic profit) as profit maximization
  - Shading the whole area where TR > Tc and labelling it as profit maximization
  - Inappropriate explanations which are not responding to the question given, e.g., explanation of why TR starts at zero and its shape.
- Candidates could not evaluate the success of inflation targeting. They discussed measures to combat inflation, consequences of inflation. Most stated the inflation target range and could not evaluate.

| (c)Provide suggestions for improvement in relation to Teaching and Learning |
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- Proper planning coupled with time management to allow all topics/content as detailed in the Examination Guidelines including contemporary economic issues to be thoroughly thought with enough emphasis on challenging areas and intensive revision.
- Exposing learners to latest developments on current affairs/news by developing non test tasks/assignments/projects and case studies. This would equip learners with skills to respond to questions of higher cognitive level requiring analytical thinking and application skills
- Subject Advisors should help with developing and researching material to supplement content which textbooks fall short in covering, for instance evaluation of inflation targeting.
- . Subject advisors/Cluster leaders should provide adequate support and material that would help learners to deal with challenging topics, e.g., graphs.
- Teachers are encouraged to get learners to practise the drawing of graphs and they should assess the accurate labelling of curves, indication of profit maximising point and relevant explanation

| QUESTION 5 |
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| (a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered? |
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Performance in this question ranges from poor to moderate.

This is the least popular essay chosen by candidates

| (b)Why were the questions poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions. |
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Common errors and misconceptions

- Candidates failed to write a good introduction by including facts for the main part e.g., characteristics of the market structures to be compared.
- In the main part, candidates were disadvantaged by responding to the question in a tabular form.
- Listing/writing one-word answers resulted in the majority of learners who chose the question to lose marks
- Candidates could not compare and contrast the two market structures. Some compared oligopoly with perfect market. There were those who discussed only one market structure.
- Lack of knowledge in what to discuss under each criterion led to candidates losing marks. This was evident more in control over prices and productive and allocative inefficiencies
- There were still candidates who are unable to follow the structure of the essay. They will have an introduction, main part, conclusion then additional part.
- In the additional part, candidates discussed types of collusion. some discussed how

collusion leads to price wars confusing price wars to price fixing

- The conclusion by candidates had characteristics not discussed in the main part written as conclusion. Some discussed characteristics of perfect competition and monopoly.

| (c) Provide suggestions for improvement in relation to Teaching and Learning |
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- Regular assessment on essay questions giving more focus on the structure, responding to additional part and the conclusion – areas that have been problematic over the years for learners.
- In their conclusions, learners should be taught how to structure a response in support of, or against the facts mentioned in the main part.
- teachers should constantly remind learners of the guideline in the question paper regarding the conclusion to the essay.

| QUESTION 6 |
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| **(a)  General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?** |
| A popular essay with candidates. |
| Performance is satisfactory with learners obtaining above 50% |
| **(b)  Why were the questions poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.** |
| Misconceptions and errors |

- Candidates listed and discussed benefits of tourism instead of effects on tourism
- Candidates failed to give correct discussions on some subheading, for example, Gross Domestic Product as a subheading and the discussion would be on employment
- Investment and infrastructure have been repeated by candidates. Candidates listed the types/examples of infrastructure
- In the additional part, candidates discussed Indigenous Knowledge Systems. Some discussed reasons for growth, type of tourism and how tourism is measured.
- Many candidates could not give a proper conclusion. They discussed how tourism creates employment, described tourism and explained reasons and types of tourism

| (c) Provide suggestions for improvement in relation to Teaching and Learning |
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- Essays must be given as practice to learners on a regular basis
- Teachers must unpack content in such a way that guides learners to focus on key areas demanded in a question

| **(d)** | **Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.** |
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- Candidate responses show some evidence of rote learning/memorizing. This becomes evident when learners write incomplete words in Q1.3 like market permit instead of marketable permit, price maximum instead of maximum price.
- Candidates leaving blank spaces in Q1.1 and 1.2 where all answers are provided is either lack of understanding the concepts or learners not having enough time to double- check their answers. Time management in assessments need to be monitored
- The understanding and application of command verbs that demand a higher cognitive level continue to be a challenge for learners.
- Learners have to answer these questions in full sentences to show a clear knowledge and understanding of subject content assessed.
- Included in the 2021 Examination Guidelines is a comprehensive list of typical command verbs used in Economics and the response required to meet the requirement of the verb.
- Teachers are encouraged to make this list available to their learners and to use the command I verbs in class daily to illustrate how questions can be asked.
- Selective reading seems to be a non- ending problem and many learners do not fully understand the requirements of the question. Highlighting the command verbs and important aspects of the question will definitely assist learners in breaking down and interpreting the question correctly.
- Teachers should consult more than one textbook. Information provided in the various textbooks might not always be enough sound and, when in doubt, additional research should be done on the topic.
- Teachers must refer and use previous examination papers as a guide to ensure appropriate standard of questions and the variety of questioning styles is used in assessment at school level.
- Previous question papers should not, however, be used as a tool for predicting future papers.
- Teachers must ensure that the distribution of marks in the internal assessment tasks is also compliant with the requirements stipulated in the CAPS document.
- If too many lower-order questions are asked in the internal assessment conducted at school-level, learners will not be exposed to questions addressing a higher cognitive demand, as asked in the final NSC examination.
- Teachers must always consult Chief Markers' reports and Diagnostic Reports and apply all the necessary recommendations in their teaching.
- Some candidate responses show some evidence of rote learning/memorizing. This becomes evident when learners write incomplete words in Q1.3 like market permit instead of marketable permit, price maximum instead of maximum price.
- Candidates leaving blank spaces in Q1.1 and 1.2 where all answers are provided is

either lack of understanding the concepts or learners not having enough time to double- check their answers. Time management in assessments need to be monitored.