



Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isebe leMfundo
Provinsie van die Oos Kaap: Departement van Onderwys
Porafensie Ya Kapa Botjhabela: Lefapha la Thuto

NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2024

ECONOMICS P1

MARKS: 150

TIME: 2 hours



* I E C O N E 1 *

This question paper consists of 13 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. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
3. Answer the questions in full sentences. The format, content and the context of your responses must comply with the cognitive requirements of the questions.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Write the question number above each answer.
6. Read ALL the questions carefully.
7. Start EACH question on a NEW page.
8. Leave 2–3 lines between subsections of questions.
9. Use only black or blue ink.
10. You may use a non-programmable pocket calculator.
11. Write neatly and legibly.

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

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 B.

1.1.1 Natural resources that can be replaced over time are known as ...

- A non-renewable.
- B sustainable.
- C labour.
- D renewable.

1.1.2 Goods that are designed to last for a long period of time are ...

- A services.
- B durable.
- C non-durable.
- D semi-durable.

1.1.3 An economic system where resources are allocated based on market forces is a ... economy.

- A market
- B mixed
- C centrally
- D socialist

1.1.4 The industries that operate in the tertiary sector include ...

- A mining and construction.
- B electricity and gas.
- C transport and communication.
- D transport and manufacturing.

1.1.5 A tax system in which the tax rate increases as the taxpayer's income increases is known as a ... tax system.

- A progressive
- B regressive
- C proportional
- D capital gains

1.1.6 The number of children born alive each year per thousand of the population is known as the ... rate.

- A illiteracy
- B crude death
- C crude birth
- D poverty

1.1.7 The rate at which the central bank lends money to the commercial banks is the ...

- A prime lending rate.
- B repo rate.
- C interest rate.
- D inflation rate.

1.1.8 The ... represents the cost of a typical shopping basket of goods and services of an average South African household.

- A Gini index
- B CPIX
- C producer price index
- D consumer price index

(8 x 2) (16)

- 1.2 Choose a description in COLUMN B that matches an item 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 Labour	A the value of an output obtained with one unit of input
1.2.2 Open economy	B occur when scarce resources are wasted due to incorrect production decisions
1.2.3 Nationalisation	C general increase in prices and fall in the purchasing power
1.2.4 Market failure	D where goods and services are traded with other countries
1.2.5 Productivity	E summary composite measure of a country's average achievements of health, knowledge and standard of living
1.2.6 Human Development Index	F a country that does not trade with other countries
1.2.7 Inflation	G occurs when the state takes over ownership of businesses from the private sector
1.2.8 Infrastructure	H the basic facilities, services and installations needed for the functioning of an economy
	I use of mental and physical effort to produce goods and services

(8 x 1) (8)

- 1.3 Give ONE term/word for each of the following descriptions. Write only the term/word 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 When capital stock grows at the same rate as the labour force
- 1.3.2 The goods that are scarce and that people are willing to pay for
- 1.3.3 A measure of the income earned by citizens or permanent residents of a country, irrespective of where it is earned
- 1.3.4 A salary or wage that households receive for labour services
- 1.3.5 Generally accepted as a means of payment as it serves as a medium of exchange
- 1.3.6 Development that will meet a nation's current needs without compromising the ability of future generations to meet their own needs

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

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

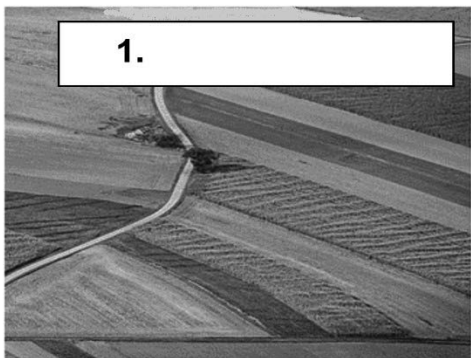
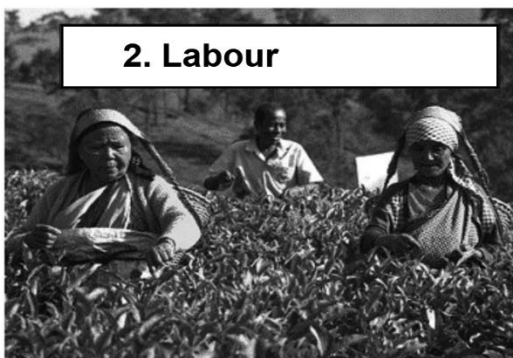


2.1 Answer the following questions.

2.1.1 Name any TWO factors influencing the price of natural resources. (2)

2.1.2 How can the South African government use its procurement system to uplift economically marginalised groups? (2)

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

FACTORS OF PRODUCTION

<p>1.</p> 	<p>2. Labour</p> 
<p>3.</p> 	<p>4. Entrepreneur</p> 

www.economicshelp.org

2.2.1 Identify the factor of production labelled **3** from the picture above. (1)

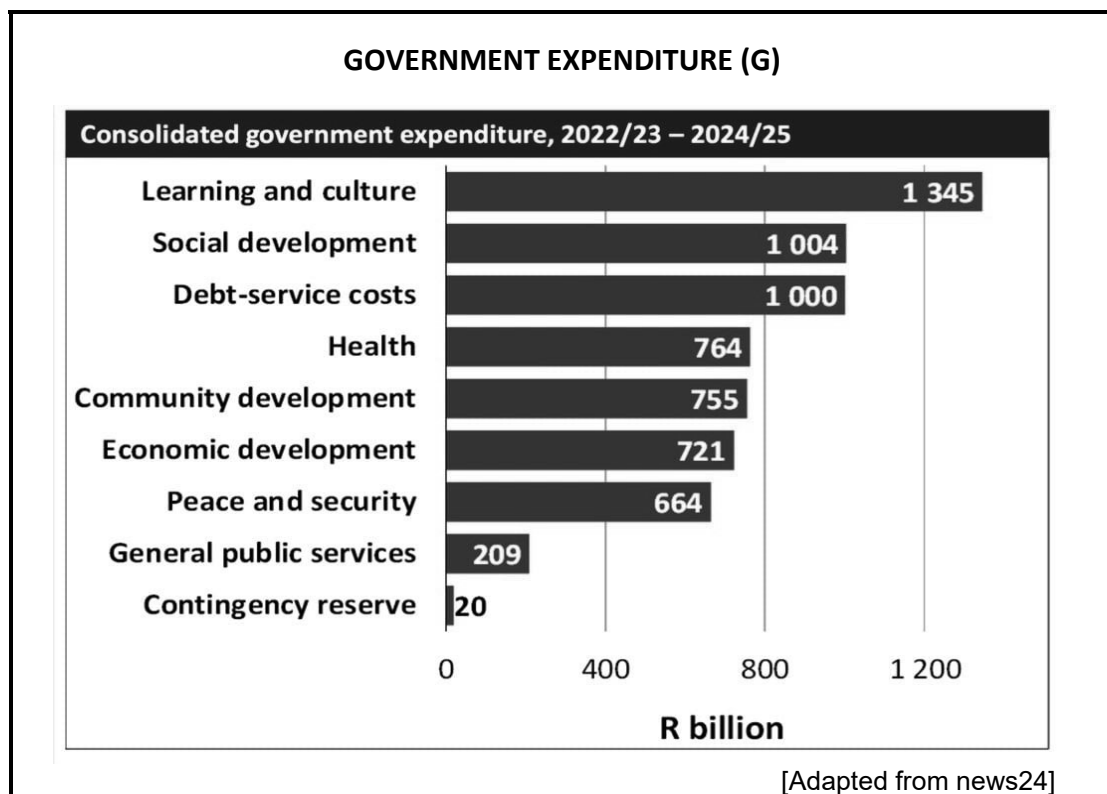
2.2.2 Name ONE factor that influences the quality of the workforce (labour). (1)

2.2.3 Briefly describe the term *economic rent*. (2)

2.2.4 Explain the role played by entrepreneurs in the economy. (2)

2.2.5 How can capital formation contribute more positively to the economy? (2 x 2) (4)

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



- 2.3.1 Identify the classification of the final consumption expenditure by government in the graph above. (1)
- 2.3.2 Name any ONE example of social services. (1)
- 2.3.3 Briefly explain the term *injection*. (2)
- 2.3.4 Why are imports not included in domestic expenditure? (2)
- 2.3.5 Analyse the importance of government expenditure in the economy. (4)
- 2.4 Explain the role (importance) of the national account aggregates. (8)
- 2.5 Evaluate the possible causes for the ongoing energy crisis in South Africa. (8)
- [40]**

QUESTION 3: ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name TWO functions of the South African Reserve Bank. (2)

3.1.2 Why is wealth more important than income? (2)

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

**COUNTRIES WITH THE BIGGEST INEQUALITY IN INCOME
DISTRIBUTION WORLDWIDE IN 2023, BASED ON THE
GINI COEFFICIENT**

COUNTRIES	GINI COEFFICIENT
South Africa	0,63
Namibia	0,591
Colombia	0,548
Eswatini	0,546
Botswana	0,533
Brazil	0,52
Zambia	0,515
Angola	0,513
Mozambique	0,505
Zimbabwe	0,503

According to the World Bank, South Africa is the most economically unequal country in the world with a Gini coefficient of 0,63. Higher unemployment is a major factor behind the inequality levels.

[Adapted from www.statista.com]

3.2.1 Identify a reason for the higher Gini coefficient in South Africa from the information above. (1)

3.2.2 Indicate what a Gini coefficient of one means. (1)

3.2.3 Briefly describe the term *income distribution*. (2)

3.2.4 Explain the use of the Gini Coefficient to measure income inequalities. (2)

3.2.5 Examine the impact of income inequality on the South African economy. (4)

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

BANK FAILURE AND THEIR CONSEQUENCES



Regulators have closed Republic First Bank, a regional lender in New York. Fulton Bank will take over the failed bank's deposits and assets. Rising interest rates and falling commercial real estate values have increased financial risks for many regional and community banks.

[Adapted from <https://apnews.com/article/republic-first-bank-closure>. Accessed on 31 April 2024.]

- 3.3.1 Identify a reason for bank failures from the information above. (1)
- 3.3.2 Name a consequence of bank failures. (1)
- 3.3.3 Briefly describe the term *bank failure*. (2)
- 3.3.4 Explain the basic principles of credit creation by banks. (2)
- 3.3.5 Examine the relationship between bank failure and economic activities. (4)
- 3.4 Differentiate between *economic growth* and *economic development*. (8)
- 3.5 Analyse the monetary policy by focusing on the instruments used by the South African Reserve Bank (SARB). (8)

[40]

QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

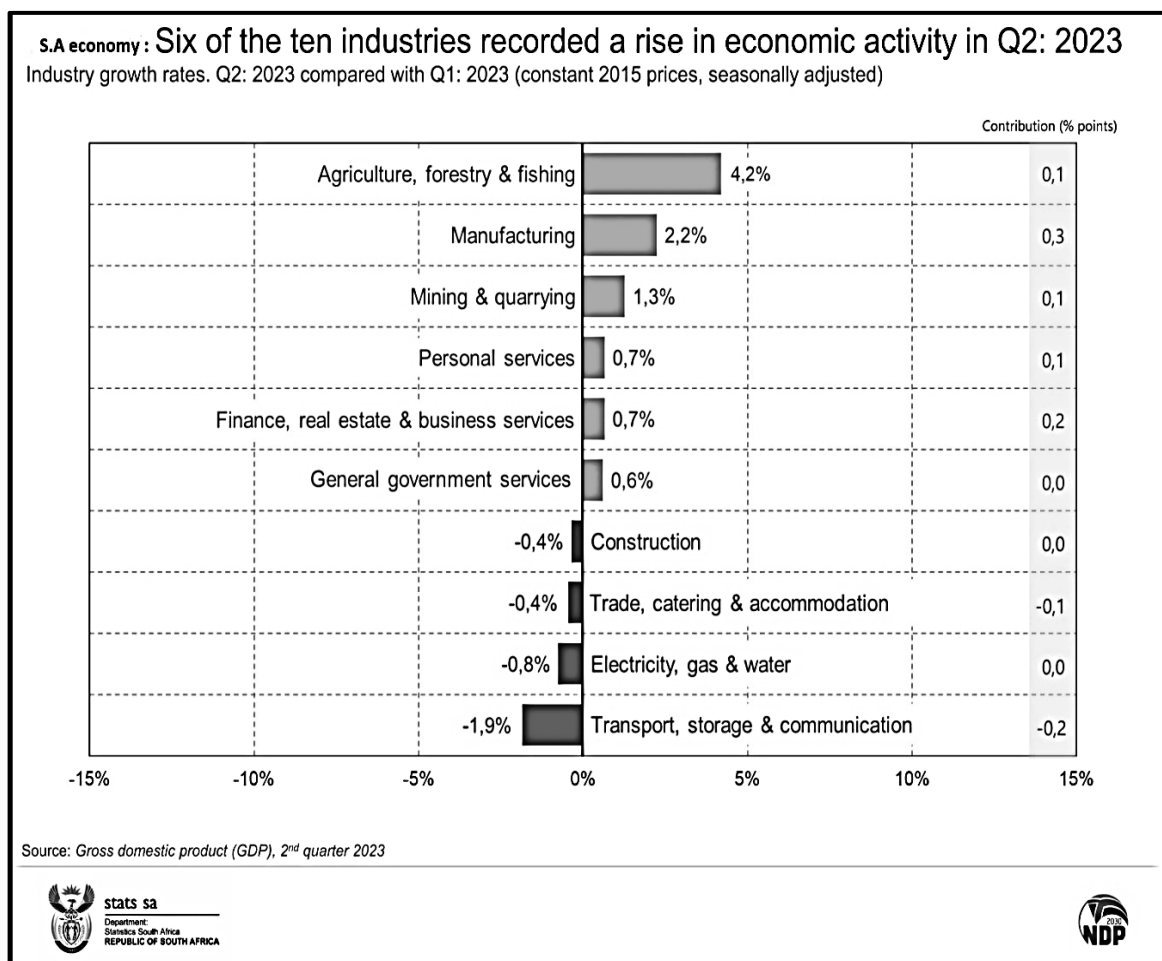
4.1 Answer the following questions.

4.1.1 Name any TWO forms of energy infrastructure. (2)

4.1.2 How do local people benefit from indigenous knowledge? (2)

4.2 DATA RESPONSE

Study the information below and answer the questions that follow.



[Source: www.stats.sa.gov.za]

4.2.1 Identify an industry with the lowest contribution in the graph above. (1)

4.2.2 Name ONE operation in the primary sector. (1)

4.2.3 Briefly describe the term *industry*. (2)

4.2.4 Explain the importance of the secondary sector in the economy. (2)

4.2.5 How will an improved infrastructure contribute to an increase in the quality of life? (4)

4.3 DATA RESPONSE

Study the article below and answer the questions that follow.

S.A REDISTRIBUTION METHODS

South Africa has implemented various redistribution methods to address the country's historical socio-economic disparities and inequality. Efforts to reduce inequality have focused on higher social spending, targeted government transfers, and affirmative action to diversify wealth ownership and to promote entrepreneurship among the previously marginalised. Rising debt is reducing the scope to further use fiscal policy for redistribution.

[Adapted from <https://imf.org> & Meta AI]

- 4.3.1 Identify South Africa's redistribution method mentioned in the article above. (1)
- 4.3.2 Name the type of tax levied on the profit gained when selling off capital goods. (1)
- 4.3.3 Briefly describe the term *fiscal policy*. (2)
- 4.3.4 Explain the difference between *land redistribution* and *land restitution*. (2)
- 4.3.5 How can minimum wages benefit the economy? (4)
- 4.4 Discuss final goods and intermediate goods. (8)
- 4.5 Why is it necessary to regulate micro-lenders? (8)
- [40]**

TOTAL SECTION B: 80

