

EXAMINATIONS AND ASSESSMENT CHIEF DIRECTORATE
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2025 NSC CHIEF MARKER'S REPORT

SUBJECT	ECONOMICS		
QUESTION PAPER		2	
DURATION OF QUESTION PAPER	2 HOURS		
PROVINCE	EASTERN CAPE		
NAME OF THE INTERNAL MODERATOR	BOOI L		
NAME OF THE CHIEF MARKER	MVUNYISWA N		
DATES OF MARKING	01 – 13 DECEMBER 2025		
HEAD OF EXAMINATION:	MR E.M MABONA		

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

- The 2025 results are expected to be close to those of 2024, with only a small improvement. The current increase in raw marks might drop as more scripts are marked because of the challenges learners faced during the year. The final average is likely to be between 62% and 63%, slightly higher than last year but still showing gaps in learning.
- There has been a noticeable decrease in the number of learners who have incomplete number of questions (no essay), resulting in many obtaining marks for section C. However, there are still learners with incomplete questions.
- Candidate responses to the poorly performed questions indicate a lack of preparation and understanding of basic concepts and terminology.

SECTION 2: Comment on candidates' performance in individual questions

QUESTION 1

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

The compulsory question was generally well answered, with an average performance of over 67% based on a sample of 100 scripts. This reflects a drop compared to 2024, where the average was 75%. Performance on this question has improved over the past few years, especially in Q1.1 and Q1.2. However, Q1.3 remains challenging for many learners, with some scoring zero.

QUESTION 1

Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

1.1.1 – Incorrect answers included options A and B, showing confusion among candidates about the concepts AC, AVC and AFC.

1.2.2 – Many candidates chose H (a firm that controls the market price) instead of the correct answer D (a firm with no influence over the market price).

1.3.1 – Wrong answers included 'open market', 'monopolistic competition' and 'oligopoly'.

1.3.2 – Common incorrect responses were 'share', 'profit', 'total revenue', 'market price'. Some candidates gave percentages like 3–6% and 50%.

1.3.3 – Candidates incorrectly answered with 'CBA', and other wrong responses included 'social cost benefit analysis' and 'cost benefit ratio'.

1.3.4 – Marks were lost when candidates wrote 'inflation' or 'cost push' instead of 'cost push inflation'.

1.3.5 – Incorrect answers included 'heritage sites', 'indigenous knowledge systems', and types of tourism such as cultural tourism and eco-tourism.

1.3.6 – Wrong responses included 'climate change' and 'globalisation' instead of 'global warming'.

QUESTION 1

Provide suggestions for improvement in relation to Teaching and Learning.

- Explain AC, AVC and AFC step by step using simple calculations, clear diagrams, and summary tables so learners can easily see how each cost changes as production increases.
- Emphasise characteristics between the different market structures through case studies.
- Stress the importance of complete terminology (e.g., "cost push inflation" not just "cost push").
- Explain the difference between global warming and climate change with diagrams. Use current events and news articles to illustrate these concepts.

QUESTION 1

Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.

- Use examples from South African businesses or everyday life to make economic concepts easier to understand.
- Give short quizzes and ask questions during lessons to check if learners understand and correct mistakes early.
- Let learners work in groups, do role-plays and teach each other to make lessons more interactive and improve understanding
- Learners should complete all items in Q1.1 and Q1.2.
- To achieve higher marks in Q1.3, learners should focus on thorough preparation of these concepts.
- Teachers should make learners aware that they will not receive marks for providing more than one answer to a short question.
- Learners are reminded that when one changes an answer for Q1.1 and Q1.2, they must cross out the incorrect letter and write the correct one next to it—**do not overwrite.**
- Teachers should ensure that learners understand the instructions for Q1.3. Acronyms and abbreviations will be marked incorrect if they do not follow the instructions.
- Use real-life case studies and local examples to make topics relevant and practical.
- Provide clear notes and diagrams to help learners remember key ideas and avoid confusion.
- Show videos or use interactive tools to explain difficult concepts in a simple way.
- Offer extra support for learners who struggle with basic concepts before moving to harder topics.

QUESTION 2

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

Most candidates scored below 10 marks out of 40 for this question, showing that many struggled with it. Despite the poor performance, it remains a popular choice in Section B

QUESTION 2

Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

2.1.1 Many candidates could not give examples of oligopoly markets. Instead, they gave examples of businesses like Capitec, MTN and Engen. Some also gave examples of businesses under monopolistic competition, such as KFC and Hungry Lion.

2.1.2 Responses were incomplete, so candidates only scored one mark. Some explained a perfect market, while others wrote a formula, showing they did not understand the question.

2.2.1 Candidates could not identify the profit-maximising quantity in the table. Most gave 10 as the answer instead of 8, where $MR = MC$.

2.2.2 Many confused marginal revenues with average revenue, thinking both refer to income earned per unit sold.

2.2.3 Candidates could not correctly describe implicit costs. Wrong answers included "cost for production process" and "actual expenses of the business."

2.2.4 Most candidates did not explain why marginal revenue is the same for a perfectly competitive firm. Answers included "same prices," "horizontal demand curve," and explanations of marginal revenue without linking to the reason.

2.2.5 Incorrect formulas caused candidates to lose marks. Wrong formulas included $TR - TC$, TC/Q and $P \times Q$.

2.3.1 Candidates confused the original equilibrium price (P) with the equilibrium point (e).

2.3.2 Examples of direct taxes were mixed up with indirect taxes like excise duties, sin tax and VAT. Some also gave "progressive tax" as an example of indirect tax.

2.3.3 Most candidates could not correctly describe Pareto efficiency. They gave descriptions of allocative efficiency or Pareto inefficiency instead.

2.3.4 Responses were too general, such as "to increase government revenue."

2.3.5 Many did not answer the question properly. They wrote things like "create job opportunities" and "improve standard of living."

2.4 Candidates lost marks because they repeated the question in their answers. Examples include "immobility of factors of production leads to misallocation of resources" and "lack of information is information that is not there." Some gave characteristics of market structures instead.

2.5 Candidates drew graphs instead of answering the question. Graphs included normal profit for a perfect market and monopoly. Some discussed entry and exit as a characteristic of perfect markets.

QUESTION 2

Provide suggestions for improvement in relation to Teaching and Learning.

- Use clear examples to show the difference between markets and businesses in oligopoly and monopolistic competition. Include South African industries like banking, telecommunication and fast-food chains for context.
- Provide correct formulas for economic calculations and practise substitution steps to build confidence and accuracy.
- Reinforce the concept of profit maximisation by using tables and graphs to show where $MR = MC$, and give learners exercises to practise identifying this point.
- Explain marginal revenue and average revenue clearly with formulas and examples and show how they differ in meaning and calculation.
- Teach implicit costs using simple definitions and examples, such as opportunity costs, to avoid confusion with actual expenses.

- Clarify the difference between direct and indirect taxes with examples like income tax (direct) and VAT (indirect) and use a comparison chart.
- Teach Pareto efficiency with simple scenarios and diagrams to show how resources can be allocated without making anyone worse off.

QUESTION 2

Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.

- Teach learners how to answer questions fully by practising structured responses and explaining what each question requires.
- Use diagrams and activities to explain equilibrium price versus equilibrium point, and reinforce the correct terminology
- Train learners to read questions carefully, follow instructions, and avoid repeating the question by practising past papers and marking exercises

QUESTION 3

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

Performance in this question ranges between 0 – 10. As one of the three choice question in Section B, this was a less popular choice by candidates

QUESTION 3

Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

3.1.1 Many candidates gave wrong answers like monetary approach, demand and supply side approach, exogenous approach, conservation and preservation instead of the two correct approaches used in command-and-control systems for environmental sustainability.

3.1.2 Candidates could not explain why the tourism industry is labour-intensive. Most said, "tourism creates employment" or repeated the question, for example, "because it is labour-intensive."

3.2.1 Candidates could not identify a government initiative from the extract. Wrong answers included "National Empowerment Fund."

3.2.2 Candidates confused the economic sector for tourism, giving answers like tourism sector, business sector, private sector, public sector or secondary sector. Some gave two answers instead of one.

3.2.3 Many gave a description of Indigenous Knowledge Systems or copied the description from 1.3.5 about places listed by the United Nations. Others described tourism or confused cultural tourism with paleo tourism.

3.2.4 Responses were one-sided, losing marks. Examples include "improvement on infrastructure." Popular answers were "job creation" and "standard of living."

3.2.5 Answers were incomplete or incorrect. Examples include "tourists will cancel flights," "tourists will be scared," "tourists will kill animals and braai," "weather will not be clear" and

"there will be air pollution."

3.3.1 Many candidates incorrectly identified Rio+20 Summit and Stockholm Protocol as international agreements linked to the World Summit on Sustainable Development.

3.3.2 Candidates listed biodiversity as an environmental problem. Some also mentioned types of pollution like air and water pollution as being related to tree removal.

3.3.3 Most candidates could not correctly describe a marketable permit. Wrong answers included "a permit to start a business," "a permit to sell a product," "a permit for foreigners to enter the country," "a right to advertise," and "a right to cut trees."

3.3.4 Candidates explained Indigenous Knowledge Systems and its importance to tourism instead of answering the question.

3.3.5 Candidates lost marks because they listed points instead of writing full sentences. Examples include: "lack of knowledge," "carelessness," and "externalities."

3.4 Many candidates described GDP instead of answering the question. They listed "direct and indirect contribution" without explanation. Incorrect statistics were common, such as "25% increase in GDP by tourism." Repetition of facts about poverty was also common. Incomplete statements like "poverty alleviation" and "standard of living increase" were given. Some even wrote "tourists giving food parcels."

3.5 Candidates gave general information not related to international measures to reduce climate change. They listed measures without analysing them. Common responses included "government should penalise or fine countries." Basel Convention and Stockholm Protocol were also incorrectly listed as measures to reduce climate change.

QUESTION 3

Provide suggestions for improvement in relation to Teaching and Learning.

- Teach the approaches used in command-and-control systems for environmental sustainability with clear examples and comparisons to avoid confusion with other approaches.
- Use practical examples to explain why tourism is labour-intensive, focusing on services that require human interaction like tour guiding and hospitality.
- Explain direct and indirect contributions of tourism to GDP with examples and correct statistics and discourage vague statements like "poverty alleviation."

QUESTION 3

Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.

- Train learners to give balanced answers by including more than one point and explaining each briefly.
- Remind learners to write answers in full sentences instead of lists by practising rewriting bullet points into proper sentences.
- Many learners struggle to interpret questions correctly, often repeating the question or giving incomplete answers. This shows a need for more focus on exam technique and comprehension skills_during teaching.

- Responses show that learners often provide general statements without analysis, especially in higher-order questions. Teachers should include activities that develop critical thinking and analysis, such as case studies and discussion-based tasks.
- Teachers should provide regular feedback on written responses and use past papers for practice to improve learners' ability to answer questions fully and correctly.

QUESTION 4

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

A popular question in Section B with performance below 15/40 marks on average.

QUESTION 4

Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

4.1.1 Many candidates could not give correct examples of private costs to build a school. Wrong answers included "nutrition, furniture, books." Others listed types of costs like implicit, explicit, fixed and variable costs instead of actual examples.

4.1.2 Responses showed a lack of understanding of the question. Examples included "plants and animals taken away by soil erosion," "it will be difficult to build houses," and "the profit of businesses will be affected." Some answered "negative/positive impact on agriculture."

4.2.1 Candidates identified wealth taxes as a reason for unequal distribution of income and wealth from the cartoon provided.

4.2.2 Many confused minimum wages with maximum prices or minimum prices. They did not understand that minimum wage refers to the lowest remuneration set by government. A common wrong answer was "R3500."

4.2.3 Candidates could not fully describe progressive income tax and lost marks for incomplete answers. Many explained proportional tax instead. Wrong answers included "tax charged on employed and unemployed," "tax system used in South Africa," and "tax used to fund the poor."

4.2.4 Responses referred to demerit goods, such as "they do not bring more money like demerit goods," "consumers demand more of demerit goods," and "public sector provides them for free." Some gave descriptions of externalities instead.

4.2.5 Candidates mentioned traditional methods like progressive income tax and cash grants. Responses also showed confusion between land restitution and land redistribution.

4.3.1 Candidates identified biodiversity instead of biodiversity loss as an environmental problem related to the reduction of plant and animal species. Some quoted entire sentences from the extract.

4.3.2 Wrong answers included methods of calculating GDP and international agreements like Kyoto Protocol and Paris Agreement.

4.3.3 Candidates described land pollution incorrectly, associating it with chemical waste and air pollution. A common response was "land pollution is pollution of the land."

4.3.4 Candidates did not explain the impact on the environment. Wrong answers included "creates climate change," "recycling," and "environmental products."

4.3.5 Many quoted directly from the extract, such as "proper identification, handling, storage and transportation."

4.4 Technical aspects of drawing graphs were not met. Errors included incorrect cost

curves, labelling revenue curves as cost curves, and drawing the wrong graph (monopoly). Explanations included aspects not shown in the graph. Some incorrectly referred to profit maximisation/loss minimisation as $MC = AR$. There were still candidates who only wrote the explanation without drawing the graph.

4.5 Candidates described tourism and included criteria for an activity to be classified as tourism. Common wrong answers included "government should lower interest rates" and "government should depreciate the currency."

QUESTION 4

Provide suggestions for improvement in relation to Teaching and Learning.

- Teach learners to give correct examples of private costs by using real-life scenarios, such as building materials and labour costs, instead of listing unrelated items or types of costs.
- Explain questions clearly and practise interpretation skills so learners understand what is being asked.
- Clarify the difference between minimum wage and minimum price using examples and definitions and practise calculations to avoid confusion.
- Reinforce the concept of progressive income tax with clear explanations and comparisons to proportional tax, using tables and examples from South Africa's tax system.
- Teach correct graph-drawing techniques, including proper labelling of curves and accurate representation of cost and revenue relationships, and explain $MC = MR$ for profit maximisation.

QUESTION 4

Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.

- Many learners rely on memorisation rather than understanding, as seen in copied definitions and repeated facts. Teachers should encourage application-based learning through scenarios and problem-solving exercises.
- Graph-related errors show that learners need step-by-step guidance on technical aspects of graph drawing, including correct labelling and interpretation.
- Learners often fail to follow instructions, such as answering in full sentences or avoiding unnecessary graphs. Teachers should reinforce exam technique and compliance with question requirements.
- There is a need for continuous formative assessment to identify misconceptions early and provide targeted support.

QUESTION 5

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

A fair performance in the question as candidates who chose it got good marks.

QUESTION 5

Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

Introduction: Candidates lost marks because they gave incomplete descriptions of markets and market structures. Some explained too many characteristics in the introduction, which led to repetition in the main part.

Main part: Candidates repeated characteristics from the introduction, losing marks. Some used incorrect subheadings like "price" instead of "control over price." Others gave wrong information, for example, saying firms have full control over prices instead of considerable control. On market entry, candidates gave vague explanations such as "how easy or difficult to enter the market." There was confusion about types of monopoly, and candidates mixed up the nature of the product in a monopoly, calling it unique and differentiated or homogeneous. Confusion with other market structures was clear in many responses. Some candidates used tables but wrote incomplete sentences. Many could not draw the correct graph showing long-run economic profit, and technical aspects were not followed.

Additional part: Candidates did not understand the question. Their answers included listing the three institutions, saying "government should create jobs," "government should charge taxes," "increase barriers to entry," and "subsidise businesses to reduce costs."

QUESTION 5

Provide suggestions for improvement in relation to Teaching and Learning.

- Teach learners to write short, clear introductions that define the market structure without listing too many characteristics to avoid repetition later
- Clarify the different types of monopoly and the nature of the product (unique product) to prevent confusion with other market structures.
- Practise writing characteristics in full sentences rather than incomplete tables to improve clarity and marks.
- Teach correct graph-drawing techniques for long-run economic profit, including proper labelling and technical accuracy,

QUESTION 5

Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.

- Use past paper questions to train learners on how to answer the additional part correctly, focusing on relevant responses instead of listing.
- Reinforce exam technique by teaching learners to avoid repetition, follow instructions, and structure answers logically.

QUESTION 6

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

A question also well chosen by the candidates with marks averaging above 15/40.

QUESTION 6

Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

Introduction: Candidates gave incomplete definitions of inflation, leaving out key words like "sustained." Some even included incorrect phrases such as "a general decrease in prices of goods."

Main part: Candidates discussed both the consequences and causes of inflation, but confusion between fiscal and monetary instruments was clear in their answers. Some lost marks for not using subheadings. Others incorrectly referred to the repo rate as the bank rate and confused SARS with SARB.

Additional part: Candidates did not answer the question properly. Instead, they focused on the examples given (USA and China) and wrote anything related to those countries. Many responses were about the G20 summit and why the USA could not attend.

Conclusion: Candidates described demand-pull and cost-push inflation but repeated measures from the main part, such as "the government can use monetary and fiscal policy to combat inflation."

QUESTION 6

Provide suggestions for improvement in relation to Teaching and Learning.

- Teach learners to include key words like "sustained" when defining inflation and avoid incorrect phrases such as "a general decrease in prices."
- Reinforce essay structure by explaining what belongs in the introduction, main part, additional part, and conclusion to prevent repetition and irrelevant content.
- Clarify the difference between causes and consequences of inflation and ensure learners understand fiscal and monetary instruments through examples and comparisons.
- Emphasise correct terminology, such as repo rate (not bank rate) and SARB (not SARS), using charts and acronyms for easy recall.

- Provide practice on using subheadings correctly to organise answers logically and improve presentation.
- Teach learners how to interpret additional-part questions and respond directly to the requirements

QUESTION 6

Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.

- Learners often leave out key words in definitions, which changes the meaning of concepts (e.g., “sustained” in inflation). Teachers should stress the importance of precise terminology.
- Many learners confuse related concepts such as fiscal vs monetary policy, repo rate vs bank rate, and SARS vs SARB. This shows the need for clear comparisons with examples.
- Responses indicate poor question interpretation skills, especially in additional parts of essays. Learners tend to write irrelevant information instead of addressing the actual requirement.
- There is a tendency to repeat points in different sections of the essay. Teachers should train learners on proper essay structure and avoid duplication.
- Learners struggle with higher-order thinking, often listing points without analysis or explanation. Activities that promote critical thinking, such as case studies and scenario-based questions, should be included in lessons.