



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2015

ECONOMICS P1

MARKS: 150

TIME: 2 hours



This question paper consists of 12 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows:

SECTION A: COMPULSORY.

SECTION B: Answer any TWO questions in the ANSWER BOOK.

SECTION C: Answer any ONE question in the ANSWER BOOK.

2. Write the question number above each question.
3. Number the questions correctly according to the numbering system used in this question paper.
4. Read the questions carefully and start each question on a NEW page.
5. Leave 2–3 lines between subsections of questions.
6. Answer questions in full sentences and ensure that the format and content of your responses comply with the cognitive levels of the questions.
7. Write neatly and legibly.
8. Only the required number of questions will be marked in the order in which they appear in the ANSWER BOOK.
9. You may use a non-programmable pocket calculator.
10. Use only a black or blue pen.

SECTION A (COMPULSORY)**QUESTION 1**

1.1 Various possible options are provided as answers to the following questions. Choose the most correct answer and only write (A, B or C) next to the corresponding question number (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 C.

1.1.1 A person who bring the other factors of production together in an efficient way.

- A Consumer
- B Civil servants
- C Entrepreneur

1.1.2 To convert basic prices to market prices, taxes on products must be ...

- A deducted.
- B added.
- C multiplied.

1.1.3 In a centrally planned economy all problems are resolved by ...

- A private individuals.
- B the government.
- C producers.

1.1.4 Eskom generates electricity in South Africa by mainly using ...

- A water.
- B wind.
- C coal.

1.1.5 Is levied on gains earned on the sale of capital goods, for example properties and shares:

- A Transfer duties
- B Capital gains tax
- C Wealth taxes

1.1.6 An increase in the production of goods and services in a country over a year in physical terms:

- A Economic development
- B Economic growth
- C Investment

1.1.7 People who are working less than they are capable of are ... employed.

- A under
- B more
- C half-employed

1.1.8 Fiat money ...

- A has intrinsic value.
- B is Kruger Rands.
- C has value only because it is generally accepted as a medium of exchange.

(8 x 2) (16)

1.2 Choose the description from COLUMN B that matches an item in COLUMN A
Only write the correct letter (A–I) next to the corresponding question number
(1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 I.

COLUMN A		COLUMN B	
1.2.1	Economic rent	A	occurs when the values of all outputs of all the enterprises in the economy are merely added together
1.2.2	Double counting	B	given the best possible outcome within a given set of circumstances
1.2.3	Optimum mix	C	financial assistance that need not be repaid
1.2.4	Community services	D	the amount of money that a natural resource earns over and above its transfer earnings
1.2.5	Productivity	E	include protection, sanitation and water
1.2.6	Gini coefficient	F	a statistical measure used to express the inequality of income distribution
1.2.7	Cash reserves	G	the amount of a bank assets that bank is kept in the form of cash to meet day-to-day withdrawals by its customers and financial commitments
1.2.8	Grants	H	relationship between real output and inputs
		I	the distribution of wealth among countries of the world

(8 x 1) (8)

- 1.3 Give ONE concept for each of the following descriptions. Write only the concepts next to the corresponding question number (1.3.1–1.3.6) in the ANSWER BOOK.
- 1.3.1 The amount that the worker receives each day, each week or at the end of a month
- 1.3.2 Goods that are used or destroyed in the process of being used
- 1.3.3 A government's selling of more than 50% of the shares in its enterprises, or other kinds of services entities, to the private sector
- 1.3.4 Implies an increase in the standard of living of the entire population
- 1.3.5 Are issued by consumers' organisations and retail businesses, and which give consumers access to credit
- 1.3.6 When a country's total imports are more than its exports (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO questions from this section.

QUESTION 2: MACRO ECONOMICS**40 MARKS – 20 MINUTES**

- 2.1 2.1.1 Mention any TWO forms of community participation in local economic planning and activities. (2 x 1) (2)
- 2.1.2 Explain the term *Gross Domestic Product (GDP)*. (1 x 2) (2)
- 2.2 Study the table below and answer the questions that follow.
Key labour market variables 2001 to 2013 (March of each year)

	2001	2003	2005	2007	2009	2011	2013
Working age population (15–64)	27 265	28 327	29 319	30 208	30 987	32 314	33 240
Not economically active	10 690	11 819	12 823	12 763	13 166	14 832	15 017
Labour force	16 575	16 509	16 497	17 444	17 820	17 482	18 222
Employed	12 494	11 666	12 503	13 326	13 636	13 118	13 621
Unemployed	4 081	4 843	3 993	4 119	4 184	4 364	4 601
Unemployment rate	26,6	29,3	24,2	23,6	23,5	?	25,2
Absorption rate	45,8	41,2	42,6	44,1	44,0	40,6	41,0
Labour force participation	60,8	58,3	56,3	57,7	57,5	54,1	54,8

[Source: Statistics South Africa]

- 2.2.1 Explain the term *Not Economically Active*. (2)
- 2.2.2 Calculate the unemployment rate for 2011. (2)
- 2.2.3 What trend do you observe in the working age population from the table? (2)
- 2.2.4 Mention any TWO factors which determine the quality of a labour force. (4)

2.3 DATA RESPONSE

Study the picture below and answer the questions that follow.



- 2.3.1 Explain the term *free market economy*. (2)
 - 2.3.2 What is the message depicted in the above picture? (2)
 - 2.3.3 What motivates consumers and producers in a pure market economy? (2)
 - 2.3.4 Mention any TWO advantages of a free market economy. (4)
 - 2.4 Explain *capital (intermediate) goods and services*. (4 x 2) (8)
 - 2.5 Briefly discuss efficiency in delivering social services in South Africa. (2 x 4) (8)
- [40]

QUESTION 3: ECONOMIC PURSUITS**40 MARKS – 20 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO factors that influence the income levels. (2 x 1) (2)

3.1.2 Why does the government intervene in the economy? (1 x 2) (2)

3.2 **DATA RESPONSE**

Study the extract below and answer the questions that follow.

SADC

SADC's vision is that of a common future, a future within a regional community that will ensure economic well-being, improvement of the standards of living and quality of life, freedom and the social justice and peace and security for the people of Southern Africa. This shared vision is anchored on the common values and principles and the historical and cultural similarities that exist between the people of Southern Africa.

[Source: [www. Sadc.int](http://www.Sadc.int)]

3.2.1 Name any TWO countries that form part of the SADC. (2)

3.2.2 What does the abbreviation SADC stands for? (2)

3.2.3 Name any ONE objective of the vision of the SADC according to the extract. (2)

3.2.4 List any TWO forms of economic integration and co-operation. (4)

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



- 3.3.1 What is a *bank failure*? (2)
- 3.3.2 How does the South Africa Reserve Bank deal with bank failure? (2)
- 3.3.3 Why do you think the old man in the picture is a victim of bank failure? (2)
- 3.3.4 List any TWO reasons for bank failures. (2 x 2) (4)
- 3.4 Briefly discuss the aims of the monetary policy. (4 x 2) (8)
- 3.5 Analyse low standards of living and low levels of productivity as characteristics of developing countries. (2 x 4) (8)

[40]

QUESTION 4: MACRO ECONOMICS AND ECONOMIC PURSUITS**40 MARKS – 20 MINUTES**

4.1 Answer the following questions.

4.1.1 List any TWO kinds of mobile telephone that are in use. (2 x 1) (2)

4.1.2 Explain the term *economically marginalised group*. (1 x 2) (2)**4.2 DATA RESPONSE**

Study the table below and answer the questions that follow.

Real final consumption expenditure by household

Category	2012		2013			
	Year	1 st Qrt	2 nd Qrt	3 rd Qrt	4 th Qrt	Year
Durable	11,1	5,9	12,5	9,4	6,9	7,9
Semi-durable goods	6,2	7,6	8,5	7,1	3,1	6,7
Non-durable goods	2,7	2,4	2,7	0,5	0,2	2,2
Services	1,7	0,1	-2.1	0,1	1,7	0,3
Total	3,5	2,4	2,5	2,1	2,0	2,6

[Source: Quarterly Bulletin March 2014]

4.2.1 Define *final consumption expenditure by household*. (2)

4.2.2 Identify the categories on which the household spent most of their income in 2012 and 2013. (2 x 1) (2)

4.2.3 Express your own opinion about the percentage of consumer expenditure in the 4th quarter compared to previous quarters. (2)4.2.4 Explain *non-durable goods* and give examples. (2 x 2) (4)**4.3 DATA RESPONSE**

Study the extract below and answer the questions that follow.

SOUTH AFRICA – ‘TWO –THIRDS URBANISED’

Two thirds of South Africa’s population now live in urban areas, according to the most recent survey of the country released by the South African Institute of Race Relations in Johannesburg. “The proportion of people living in urban areas increased from 52% in 1990 to 62% in 2011,” the Institute said in a statement. The share of those living in rural areas dropped from 48% to 38% over the same period. It is expected that Africa’s rate of urbanisation will have overtaken Asia’s by 2030. South Africa’s population grew by 15,5%, or almost 7 million people, in the space of 10 years to reach a total of 51,7 million in 2011, according to the country’s latest national census.

[Source: www.southafrica.info]

- 4.3.1 Define the term *urbanisation*. (2)
- 4.3.2 What are the reasons for people to move to urban areas?
Mention any TWO reasons. (4)
- 4.3.3 What does the level of urbanisation in a country indicate? (2)
- 4.3.4 Mention any ONE problem created by urbanisation in cities. (2)
- 4.4 Briefly explain any TWO factors that influence the profit of an entrepreneur.
(2 x 4) (8)
- 4.5 Discuss the objectives of NEPAD. (4 x 2) (8)
- [40]**

TOTAL SECTION B: 80

SECTION C

Answer only ONE of the two questions in this section in the ANSWER BOOK.

STRUCTURE OF THE ESSAY	MARK ALLOCATION
Introduction	Max. 2
Body Main part: Discuss in detail/In depth discussion/ Examine/Critically discuss/Analyse/Compare/Evaluate/ Distinguish/Explain/Assess/Debate	Max. 26
Additional part: Give own opinion/Critically discuss/Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/Compare/ Explain/Distinguish/Interpret/Briefly debate	Max. 10
Conclusion	Max. 2
TOTAL	40

QUESTION 5: MACRO ECONOMICS**40 MARKS – 35 MINUTES**

5.1 Economists divide the economy into three sectors: primary, secondary and tertiary sector. The role played by each sector changes, as the economy becomes more developed.

- Discuss the economic importance of primary sector in the economy.
- Critically evaluate the programmes that try to redress the issue of land in South Africa.

[40]**QUESTION 6: ECONOMICS PURSUITS****40 MARKS – 35 MINUTES**

6.1 One of the macroeconomic objectives of government is to ensure economic equity in the country. This means that the government must introduce measures to reduce the size of the income gap between rich and poor.

- Discuss and evaluate the methods used by the government to redistribute income and wealth.
- Briefly explain the reasons for the unequal distribution of income.

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150