



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2017

ECONOMICS P2

MARKS: 150

TIME: 2 hours



This question paper consists of 13 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows:

SECTION A: COMPULSORY

SECTION B: Answer any 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 and ensure that the format, content and the context of your responses 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 correct answer and write only the letter (A–D) next to the question number (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 C.
- 1.1.1 A change in quantity demanded due to changes in income is referred to as ... elasticity.
- A price
 - B income
 - C supply
 - D supply and income
- 1.1.2 When one country can produce a good using fewer resources than another country, it has ... advantage in the production of that good.
- A absolute
 - B dual
 - C relative
 - D comparative cost
- 1.1.3 Selling differentiated products is a characteristic of a/an ... market.
- A oligopolistic
 - B perfect
 - C monopolistic
 - D monopoly
- 1.1.4 Satisfaction derived from consuming a product is known as ... utility.
- A average
 - B marginal
 - C total
 - D average variable
- 1.1.5 A market that exists when buyers and sellers meet to negotiate the exchange of prohibited goods, is referred to as a/the ... market.
- A goods
 - B factor
 - C black
 - D capital

1.1.6 A country that is a member of the G8 is ...

- A South Africa.
- B France.
- C Nigeria.
- D India.

1.1.7 An economic system that is a contributor to the North and South divide is ...

- A capitalism.
- B socialism.
- C mixed market system.
- D communal.

1.1.8 Which of the following factors is/are responsible for the depletion of the ozone layer?

- A Carbon monoxide
- B Ultraviolet rays
- C Carbon dioxide
- D Pollution

(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 number (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 K.

COLUMN A		COLUMN B	
1.2.1	Cross elasticity of demand	A	Product used in conjunction with another
1.2.2	Complement	B	Period of time in which a producer is able to vary all its factors of production
1.2.3	Business objective	C	Difficulty experienced by people to survive
1.2.4	Long-run	D	A tax levied on imports
1.2.5	Absolute poverty	E	The permanent destruction of woodlands
1.2.6	Tariffs	F	Cost or benefit of a good or service that is not charged to third parties
1.2.7	Deforestation	G	Making as much profit as possible
1.2.8	Externality	H	Responsiveness of quantity demanded for one good to a change in price of another good
		I	A useful or attractive feature, such as science, beauty or convenience

(8 x 1) (8)

- 1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1–1.3.6) in the ANSWER BOOK.
- 1.3.1 Percentage change in quantity demanded is equal to percentage change in price
- 1.3.2 A process whereby countries decide to cooperate economically
- 1.3.3 A situation where sellers enter into an agreement
- 1.3.4 A way of using natural resources without destroying the ecological balance of an area
- 1.3.5 A form of investment where a foreign company invests in a business in the form of buildings, machines and equipment
- 1.3.6 The trading of goods and services between countries with less red tape (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: MICROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 List any TWO features of utility. (2 x 1) (2)

2.1.2 How do imperfect market structures occur? (2 x 1) (2)

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

MONOPOLIES IN SOUTH AFRICA

Most monopolies are actually near monopolies. Although there may only be one particular product in the market, the product may have substitutes. South African Breweries is often regarded as a good example of a private monopoly in South Africa. It is not the only supplier of beer, and beer also has a variety of potential substitutes.

[Source: Adapted from <http://www2.resbank/glossary>]

2.2.1 Identify a private monopoly from the extract. (1)

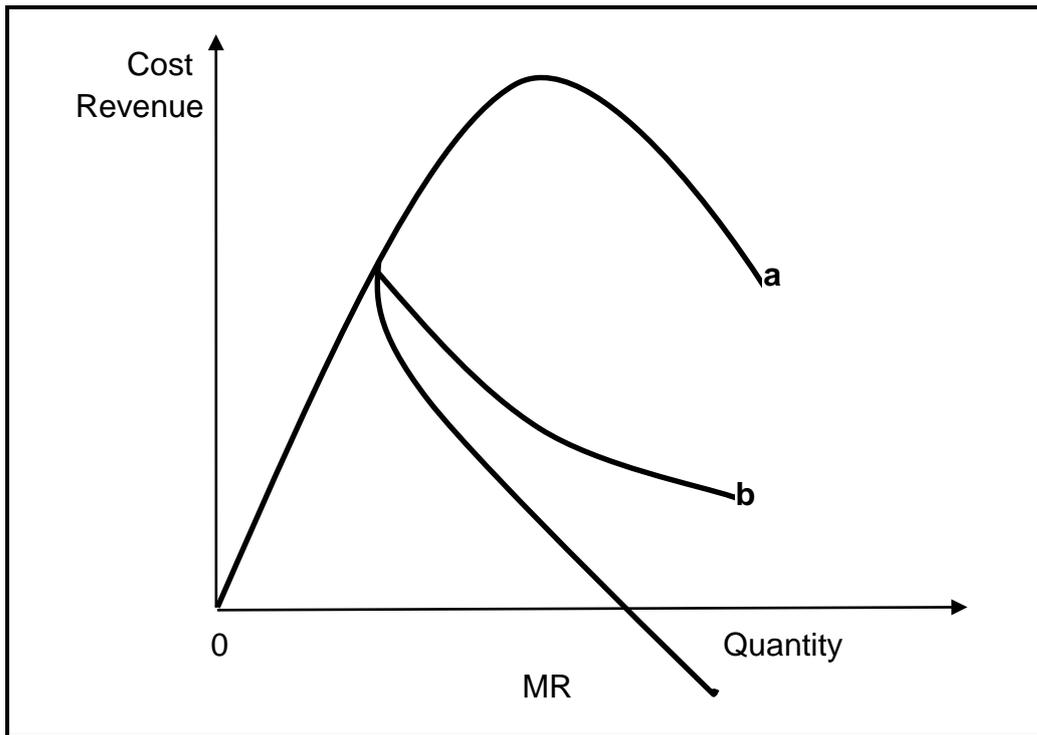
2.2.2 Identify ONE characteristic of a monopoly from the extract. (1)

2.2.3 Briefly explain a *natural monopoly*. (2)

2.2.4 When is a good called a substitute good? (2)

2.2.5 How are competitors prevented from entering this type of market? (4)

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



- 2.3.1 Provide labels for curves 'a' and 'b'. (2)
- 2.3.2 Briefly explain the term *marginal revenue*. (2)
- 2.3.3 How is the value of 'b' calculated? (2)
- 2.3.4 What is the relationship between curve 'a' and marginal revenue? (2 x 2) (4)
- 2.4 Explain *interdependence of firms* and *non-price competition* as characteristics of an oligopoly. (2 x 4) (8)
- 2.5 With the aid of a graph, explain the relationship between an increase in consumption, total utility and diminishing marginal utility. (8)

[40]

QUESTION 3

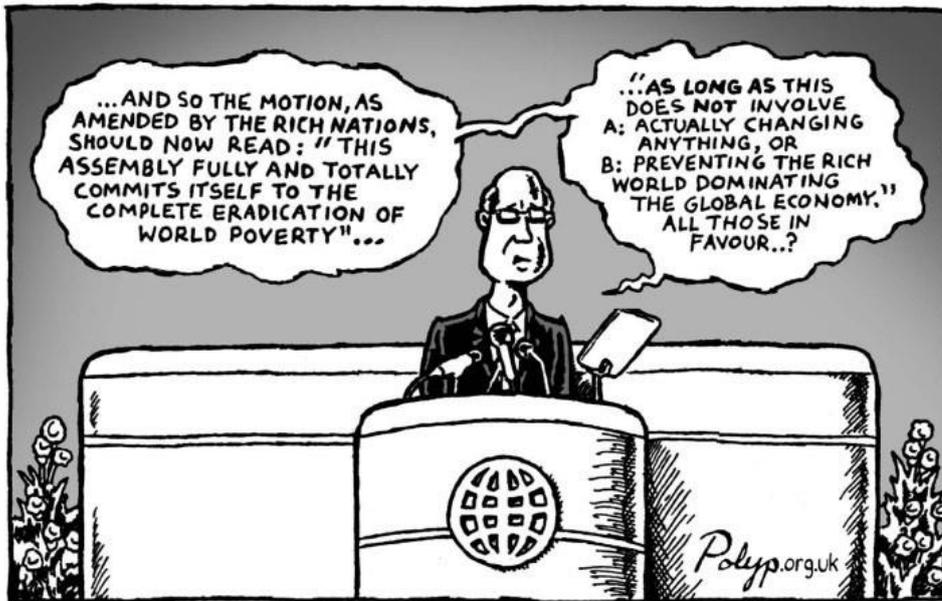
40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 List any TWO member states of the SADC. (2)

3.1.2 What impact does HIV/Aids have on poverty? (2)

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



'SUMMIT UP'

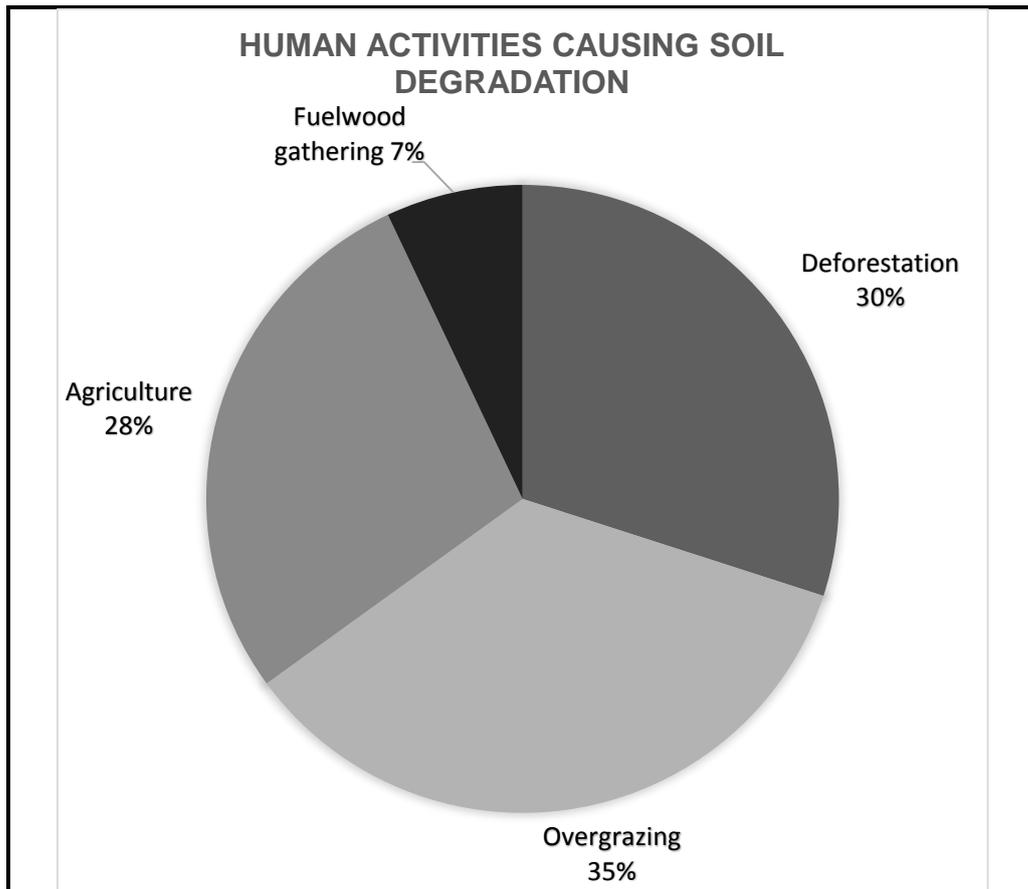
3.2.1 From the cartoon, identify TWO conditions for rich countries to be able to commit to eradicating world poverty. (2)

3.2.2 Briefly explain *relative poverty*. (2)

3.2.3 Explain unemployment as a cause of poverty. (2)

3.2.4 How do you think poverty can be alleviated? (2 x 2) (4)

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



- 3.3.1 Identify TWO factors contributing the most to soil erosion. (2)
 - 3.3.2 How can technological innovation be used to protect the environment? (4)
 - 3.3.3 How does agriculture contribute to soil degradation? (4)
 - 3.4 Explain improvement of communication and technology as a cause of globalisation. (2 x 4) (8)
 - 3.5 What challenges would society face if the government does not intervene to alleviate poverty? (8)
- [40]**

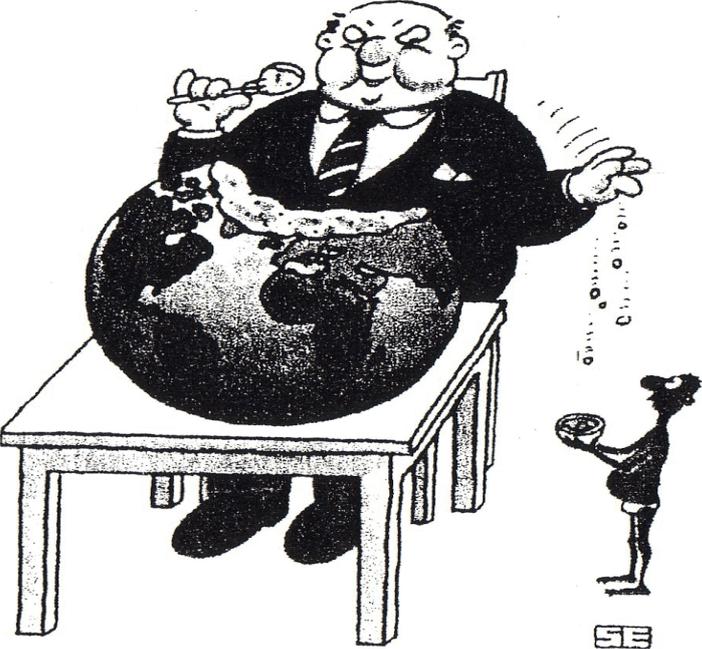
QUESTION 4**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 List any TWO examples of renewable resources. (2)

4.1.2 Why is the quantity demanded of habit forming articles, price inelastic? (2)

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



Despite very significant development gains globally which have raised many millions of people out of absolute poverty, there is substantial evidence that inequality between the worlds' richest and poorest countries is widening. In 1820 Western Europeans per capita income was three times bigger than Africa's, but by 2000 it was thirteen times as big.

[Adapted from www.rgs.org/schools/]

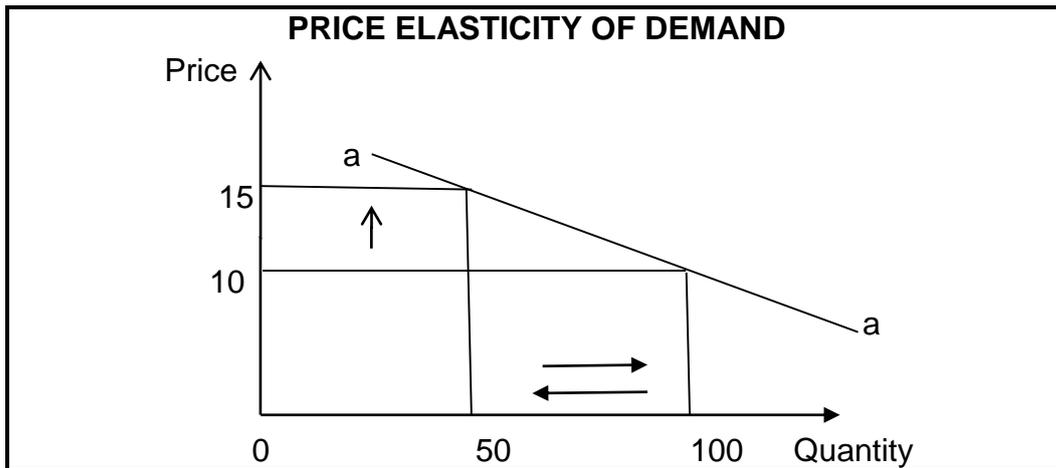
4.2.1 Name TWO continents mentioned in the extract. (2)

4.2.2 Briefly explain the concept *per capita income*. (2)

4.2.3 Differentiate between rich and poor countries in terms of the level of development. (2)

4.2.4 How, do you think, can inequality between rich and poor countries be reduced? (2 x 2) (4)

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



- 4.3.1 Provide the correct label for curve 'a'. (1)
- 4.3.2 If the price would increase from R10 to R15, what is the quantity of goods that would be demanded? (1)
- 4.3.3 Explain *price elasticity of demand for luxury goods*. (4)
- 4.3.4 Using information from the graph, calculate and indicate the type of price elasticity of demand. (4)
- 4.4 Discuss time and availability of labour as factors that determine price elasticity of supply. (2 x 4) (8)
- 4.5 What problems would be experienced in the economy if non-renewable resources were consumed excessively? (8)

[40]

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF THE ESSAY	MARK ALLOCATION
<p>Introduction</p> <ul style="list-style-type: none"> • A good starting point would be to define a concept or key word that appears in the question. • Do not include in your introduction any part of the question. • Do not repeat any part of the introduction in the body. 	Max. 2
<p>Body</p> <p>Main part: Discuss in detail/In-depth discussion/ Examine/Critically discuss/Analyse/Compare/ Evaluate/Distinguish/ Explain/Assess/Debate</p>	Max. 26
<p>Additional part: Give own opinion/Critically discuss/Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/Complete the given graph/Calculate/Deduce/Compare/Explain/Distinguish/Interpret/ Briefly debate</p>	Max. 10
<p>Conclusion</p> <p>Any relevant higher-order conclusion that should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body • An opinion or valued judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if so required • Recommendations 	Max. 2
TOTAL	40

QUESTION 5: MICROECONOMICS**40 MARKS – 40 MINUTES**

One of the important functions of a market is to ensure that the right product is produced at the right time.

- With reference to the above statement, explain the demand side relationships with the aid of graphs and examples. (26)
 - Why is it important for the product market to consider what is happening in the factor market? (10)
- [40]**

QUESTION 6: CONTEMPORARY ISSUES**40 MARKS – 40 MINUTES**

The environment is a priceless asset without which the economy and society cannot survive.

- Discuss the various approaches that can be used to sustain the environment. (26)
 - What role can society play in trying to save the environment from global warming? (10)
- [40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150

