



education

DEPARTMENT: EDUCATION
MPUMALANGA PROVINCE

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

 **PRE-TRIAL EXAMINATION**

ECONOMICS P2


SEPTEMBER 2020

MARKS: 150

TIME: 2 HOURS

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:** Choose **TWO** questions.
 - **SECTION C: Choose ONE question.**
2. Write the question number above each answer.
3. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
4. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.
5. Number the answers correctly according to the numbering system used in this question paper. 
6. Read 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 legibly and present your work neatly.

SECTION A (COMPULSORY)

QUESTION 1

20 MARKS – 20 MINUTES

1.1 FOUR possible 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 (1.1.1 - C).

1.1.1 The price used by all participants in the market is called...

- A Additional price.
- B Market price.
- C Selling price.
- D Cost price.

1.1.2 In an imperfect market the...curve lies below the AR curve.

- A MR
- B MC
- C TC
- D TR

1.1.3 ...is used to make the product popular to the members of the society.

- A Media
- B Newspaper
- C Advertising
- D Information



1.1.4 The South Africa's inflation target is...

- A 3%
- B 5%
- C 4%-6%
- D 3%-6%

1.1.5 ...is the usage of the environment in a way that is prevented from being damaged.

- A Preservation
- B Conservation
- C Protection
- D Consumption

1.1.6 Higher wages contribute to ...inflation.

- A Producer
- B Consumer
- C Cost-push
- D Demand-pull

1.1.7 ...committed to the Kyoto Protocol and reducing pollution by greenhouse gases.

- A Rio+20
- B Rio de Janeiro
- C World Summit on Sustainable Development
- D COP 17

1.1.8 Endangered species can be protected through...

- A Legislation.
- B Taxes.
- C Permit.
- D Licences.

(8 X 2) (16)



1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–F) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Discounting	A An explicit collusion agreement by which oligopolists fix prices together.
1.2.2 Deflation.	B A market where some of the producers or consumers are able to affect the price and quantity of goods by their actions alone.
1.2.3 Cartel	C It is when a product is sold to different customers at different prices.
1.2.4 Imperfect competition.	D A continuous fall in the general price level over a prolonged period.
1.2.5 Global warming.	E Reducing all future costs and benefits to express them as present values.
1.2.6 Price discrimination.	F It is the worldwide measure aimed at stabilising greenhouse gases.
1.2.7 Kinked demand curve.	G It refers to the gradual overall increase in the temperature of the earth's atmosphere.
1.2.8 UNFCCC	H It contains two segments.
	I Occurs when any of the conditions of perfect competition do not exist.

(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– 1.3.5) in the ANSWER BOOK.

1.3.1 The point where the firm is able to cover its cost and earn only a normal profit.

1.3.2 It refers to air pollution that is produced when acid chemicals become part of rain.

1.3.3 An economy that is based on sustainable development and environmentally friendly measures.

1.3.4 An extreme rapid and substantial changes in the overall level of prices.

1.3.5 It occurs when existing resources are used in the most efficient manner which is when the maximum possible is obtained for a given set of resources.

1.3.6 The situation where resources cannot be reallocated to make one person or group better off without making another person or group worse off.

(6 X 1) **(6)**



TOTAL SECTION A: 30

SECTION B

Answer TWO question from this section in the ANSWER BOOK.

QUESTION 2: MICROECONOMICS

40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 List TWO components of the total cost. (2 x 1) (2)

2.1.2 What is the relationship between the supply curve and the MC curve of the perfect market? (1 x 2) (2)

2.2 Study the pictures below and answer the questions that follow:



www.google.com

2.2.1 In which market structure do the above businesses belong? (1)

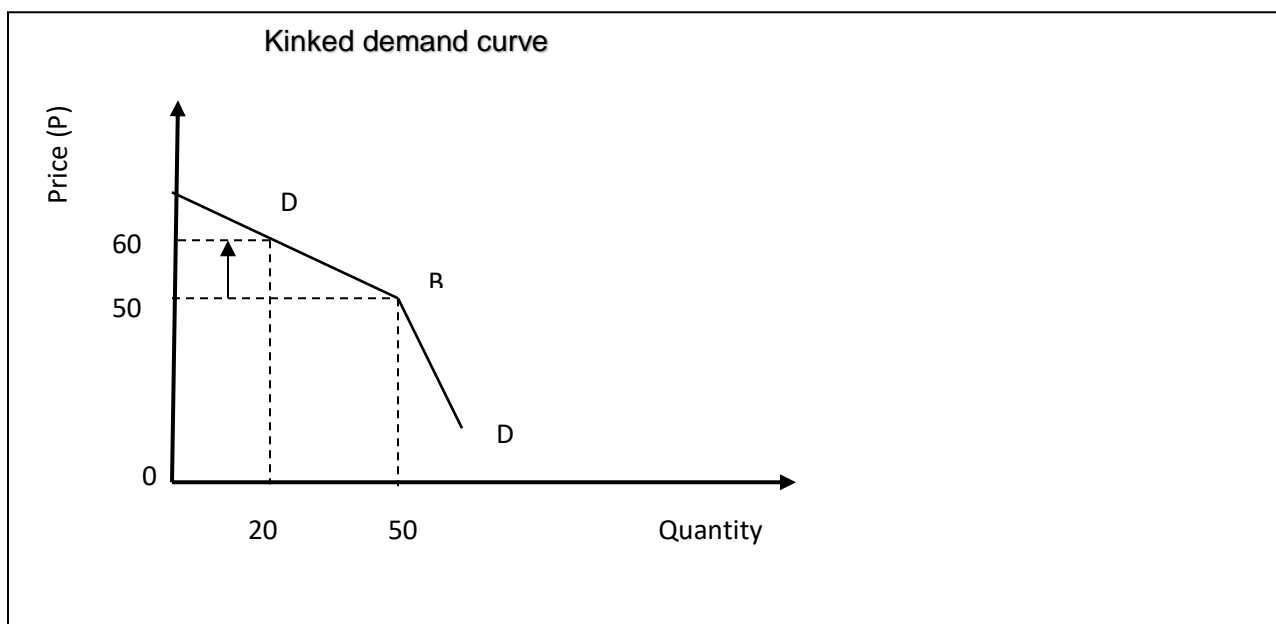
2.2.2 What type of products are found in this structure. (1)

2.2.3 Describe what is meant by hybrid market structure. (2)

2.2.4 What is the long-run equilibrium position of this market structure? (2)

2.2.5 How can these businesses increase their market share? (4)

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



- 2.3.1 In which market structure do we find the kinked demand curve? (1)
- 2.3.2 What is the output level in the graph above? (1)
- 2.3.3 Describe the term interdependence. (2)
- 2.3.4 What impact would an increase of price from R50 to R60 be on total revenue? (2)
- 2.3.5 Advise the oligopolistic on how to increase his market share in this industry. (4)
- 2.4 Discuss collusion by oligopolies. (4x2) (8)
- 2.5 How can cost benefit analysis be used effectively for all the projects of the government? (8)
- [40]**

QUESTION 3: CONTEMPORARY ISSUES

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Give two examples of administered prices goods & services. (2 x 1) (2)

3.1.2 What is the relationship between employment and inflation? (1 x 2) (2)

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

INFLATION IN SOUTH AFRICA

“Inflation is certainly not our worry for the next 12 to 18 month. That means that if data tells us there is scope for us to provide further accommodation. We have got room to provide further accommodation”.

www.google.com

3.2.1 What is South Africa’s inflation target? (1)

3.2.2 For how long will inflation not be a challenge for this country? (1)

3.2.3 Describe the term core inflation. (2)

3.3.4 Why would workers claim higher wages when the inflation rate increase? (2)

3.3.5 How can the government deal with a high inflation in the country? (4)

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

ENDANGERED SPECIES

“The work to save endangered species requires collaborative and dedicated partners aligned goals,” Paul A. Naribault, president of San Diego Zoo Global, said in a statement. “We share in this remarkable achievement because we applied our multidisciplinary approach, working with the best scientific minds and utilizing precious genetic material collected and stored in our wildlife DNA bio bank”

www.google.com

- 3.3.1 What is the general purpose of extracting plants? (1)
- 3.3.2 Which group of people believe mostly on indigenous knowledge? (1)
- 3.3.3 Describe indigenous knowledge system. (2)
- 3.3.4 What is the main aim of the environmental right in the Constitution? (2)
- 3.3.5 How can plants and animals be preserved (protected) (4)
- 3.4 Discuss biodiversity & hazardous waste as problems of environmental sustainability. (8)
- 3.5 What is the effect of the recent interest rate cut in the economy? (8)

[40]

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ISSUES

40 MARKS – 30 MINUTES

- 4.1 Answer the following questions.

4.1.1 List TWO examples of endangered animal species. (2)

4.1.2 How do consumers benefit from maximum prices. (2)

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



www.google.com

4.2.1 What is done by the people on the picture? (1)

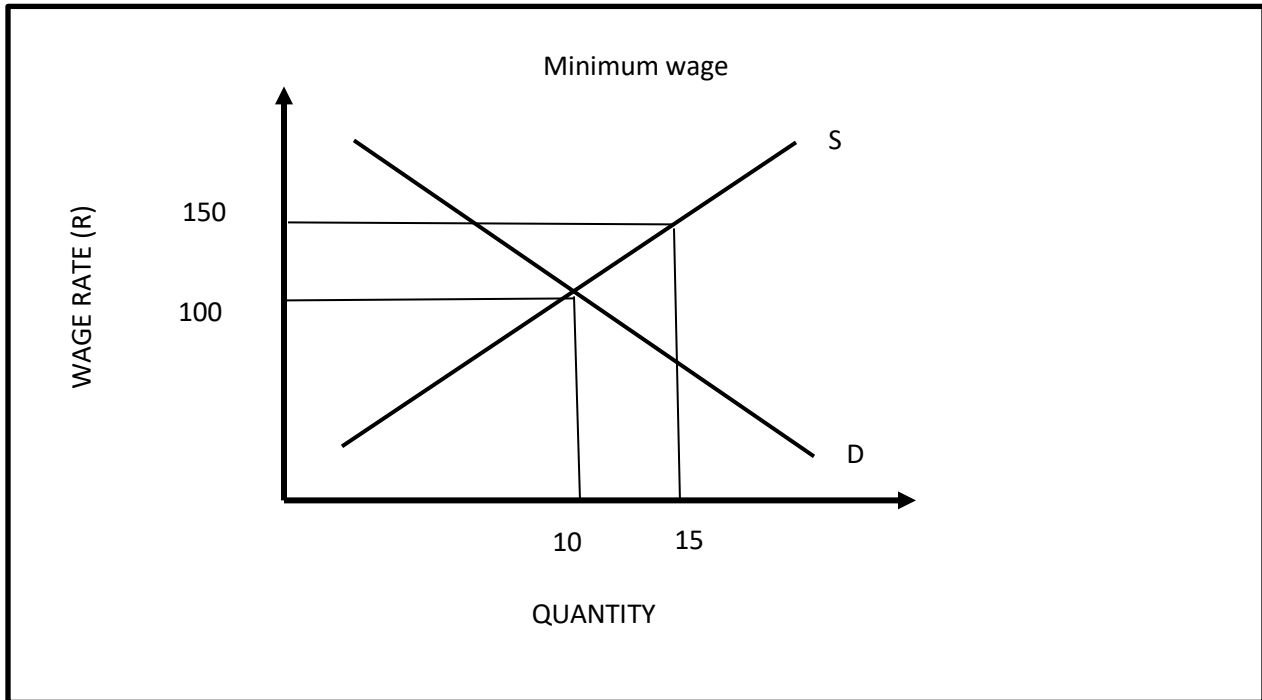
4.2.2 Which type of pollution is in the picture? (1)

4.2.3 Describe pollution. (2)

4.2.4 What can this waste be useful for? (2)

4.2.5 How can government contribute in addressing the challenge in the above picture? (4)

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



- 4.3.1 How much is the minimum wage in South Africa? (1)
- 4.3.2 Which group of workers benefit from minimum wage policy? (1)
- 4.3.3 Describe the term minimum wage. (2)
- 4.3.4 What is the negative impact of minimum wage on the working class? (2)
- 4.3.5 Use figures in the graph to explain the impact of the implementation of minimum wage on producers / suppliers. (4)
- 4.4 What are the aims of competition policy? (8)
- 4.5 Suggest effective ways of decreasing air pollution. (8)

[40]

TOTAL SECTION B:

[80]

SECTION C

Answer ONE question in this section in the ANSWER BOOK.

Your answer will be assessed as follows:

STRUCTUTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower order-response <ul style="list-style-type: none"> • A good starting point would be to define the main concept related to the question topic. • Do not include any part of the question in your introduction. • Do not include any part of the introduction in your body. Avoid saying in the introduction what you are going to discuss in the body.	Max. 2
Body Main part: Discuss in detail/ In depth discussion/ Examine/ Critically discuss/ Analyse/ Compare/ Evaluate/ Distinguish/Differentiate/ Explain	Max. 26
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/ How/ Suggest.	Max. 10
Conclusion Any high-order conclusion should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned. • Any opinion or value judgment on the facts discussed. • Additional support information to strengthen the discussion/ analysis. • A contradictory viewpoint with motivation, if required. • Recommendations. 	Max. 2
TOTAL	40

QUESTION 5 : MICROECONOMICS



40 MARKS – 40 MINUTES

- Compare perfect market & monopoly market structures under the following headings: (26)
 - Nature of the product. (6)
 - Control over price. (6)
 - Demand curve. (6)
 - Number of businesses. (4)
 - Economic profit. (4)
 - How can the problem faced with Eskom be solved? (10)
- [40]**

QUESTION 6: CONTEMPORARY ISSUES

40 MARKS – 40 MINUTES

Economics/P2

13

MDE September 2020

- Discuss different ways that the government use to ensure sustainable development. (26)
 - Are the world summits giving the anticipated results? (10)
- [40]**

TOTAL SECTION C: [40]

GRAND TOTAL FOR PAPER: [150]

