

FOCUS

Economics

Grade 12

Control Test Book



Grade 12

ECONOMICS – TEST ONE

Marks: 80

QUESTION 1

Various possible answers are provided for each of the following questions. Write the **letter only** of the correct answer next to the relevant question number.

- 1.1 A country's gross domestic product for a given year refers to ...
- A the total value of private-sector consumption and government spending during the year (excluding investment).
 - B the total value of sales of goods and services during the year at each stage of production.
 - C the total market value of all final goods and services produced during the year.
 - D the total market value of all final goods and services available for sale on the final accounting day of the financial year. (2)
- 1.2 If the marginal propensity to consume is 0.6, the multiplier is equal to ...
- A 0.4
 - B 0.6
 - C 1.67
 - D 2.5 (2)
- 1.3 Economic development can be described as ...
- A an increase in the productive capacity of the country.
 - B a measured percentage increase in real GDP.
 - C a change in the structure of the economy which results in an improvement in the standard of living, a reduction in poverty and a more equal distribution of income.
 - D a consequence of economic growth. (2)
- 1.4 The informal sector ...
- A consists only of street side traders.
 - B is an integral part of the economy mostly in less developed countries.
 - C forms part of the economy in most developed countries.
 - D consists largely of illegal and black-market trade in South Africa. (2)



- 1.5 Import substitution is a policy whereby....
- A local producers are encouraged to import foreign goods into South Africa.
 - B local producers are encouraged to produce goods that are currently imported into South Africa.
 - C is an outward-looking development strategy.
 - D leads to Balance of Payments disequilibria. (2)
- 1.6 Demand side policies to achieve economic growth and development typically involve:
- A focusing on improving human resources
 - B reducing the power of trade unions
 - C improving the efficiency of the micro environment for businesses
 - D lowering interest rates and direct tax (2)
- 1.7 Which of the following statements is true?
- A Economic development is a consequence of economic growth.
 - B Economic growth is a necessary and sufficient condition for economic development.
 - C Economic growth is a necessary but not sufficient condition for economic development.
 - D Economic growth is a sufficient but not necessary condition for economic development. (2)

[14]

QUESTION 2

Use the information in the table below to answer the questions that follow:

Consumption spending	R110 million
Marginal propensity to consume	0.6
Investment spending	R180 million
Government spending	R110 million
Imports	R40 million
Exports	R25 million

- 2.1 Give the equation that is used to calculate the level of aggregate income (Y) in an open economy with a government. Explain the meaning of each of the various elements of this equation. (10)
- 2.2 Use the figures in the table to calculate the value of aggregate income in the economy. (4)
- 2.3 Use the figures in the table to calculate the value of the simple multiplier. (6)

[20]

QUESTION 3

Explain the meaning of each of the following terms:

- 3.1 Business cycle (4)
- 3.2 Length of a business cycle (4)
- 3.3 Leading indicator (6)

[14]

QUESTION 4

Explain how fiscal policy can be used to alleviate poverty in South Africa.

[16]

QUESTION 5

List and discuss the **FOUR** supply-side factors that determine economic growth.

[16]

[TOTAL: 80 marks]



Grade 12

ECONOMICS – TEST TWO

Marks: 80

QUESTION 1

Give the term which best describes each of the following concepts/descriptions. Write only the **term** next to the relevant question number.

- 1.1 The price of one national currency expressed in terms of another. (2)
- 1.2 A record of all transactions relating to the flow of goods, services and funds across international borders. (2)
- 1.3 The account in the balance of payments which is used to record international transactions in financial assets, including the borrowing and lending of funds. (2)
- 1.4 In this market structure the demand curve will be horizontal and the firm will be a price taker. (2)
- 1.5 In this type of competition, the demand curve will be downward-sloping but the curve will be elastic. (2)
- 1.6 This market structure will have a downward-sloping demand curve with elasticity depending on rival firms' reactions to price changes. (2)

[12]

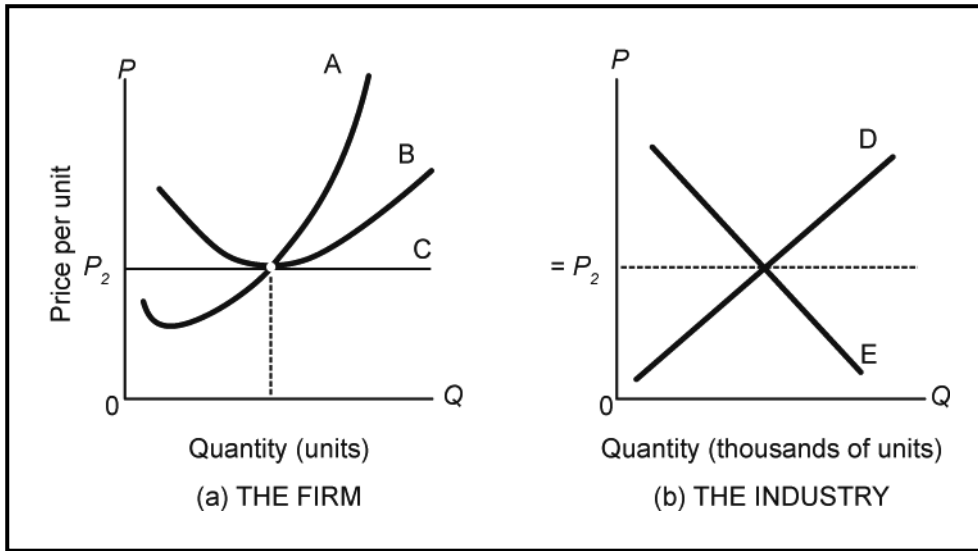
QUESTION 2


Explain how monetary and fiscal policy can be used to correct a balance of payment disequilibrium.

[16]

QUESTION 3

Study the following graphs of the business and industry in long run equilibrium and answer the questions that follow:



- 3.1 Label the graphs marked A to E.  (10)
- 3.2 Use the graphs to explain equilibrium. (6)
- 3.3 Explain the nature of the product under this market structure. (2)
- 3.4 Identify the elasticity of the demand curve for the business's product. (2)

[20]

QUESTION 4

Discuss the *reasons* for market failures.

[16]

QUESTION 5

Explain the *characteristics* of the market form that is the opposite extreme from that of a perfect market.

[16]

[TOTAL: 80 marks]



Grade 12

ECONOMICS – TEST THREE

Marks: 80

QUESTION 1

Give the term which best describes each of the following concepts/descriptions. Write only the **term** next to the relevant question number.

- 1.1 An industry in which the ratio of investment to jobs created is low. (2)
- 1.2 An increase in the real value of production and income in a country. (2)
- 1.3 A holistic, comprehensive and integrated socio-economic developmental framework for Africa, which aims to promote sustainable development on the African continent. (2)
- 1.4 Financial incentives in the form of a cash grant of up to 50% of the costs of training new staff, resulting from an expansion or a new project. (2)
- 1.5 This is the encouragement of local industries to increase their sales abroad. (2)
- 1.6 Pressure that is put on a country whereby other countries reduce or restrict trade with it in order to achieve a political or economical objective. (2)
- 1.7 The wage price spiral is typical of this type of inflation. (2)
- 1.8 This index is an indication of the moving average price adjustments of a representative basket of consumer goods and services. (2)
- 1.9 The term used to refer to tourism in which visitors are given the opportunity to experience rural life and life in South African townships. (2)

[18]

QUESTION 2

Discuss the role of the spatial development initiative in promoting industrial development in South Africa.

[10]

QUESTION 3

Explain what is meant by NEPAD.

[8]

QUESTION 4

Explain the following concepts:

- 4.1 International trade policy (4)
- 4.2 Direct and indirect export subsidies (4)
- 4.3 Free trade (4)
- 4.4 Dumping (2)

[14]



QUESTION 5

Discuss the problems related to measuring tourism in South Africa.

[16]

QUESTION 6

Explain the following concepts:

6.1 Environmental sustainability (4)

6.2 Environmental pollution (4)

6.3 NGO's (4)

6.4 Biodegradable (2)

[14]

[TOTAL: 80 marks]



Grade 12

ECONOMICS – TEST FOUR

Marks: 80

QUESTION 1

Explain, with the aid of an example, the meaning of each of the following terms:

- 1.1 Factor market (4)
- 1.2 Tax concessions (4)
- 1.3 Public goods and services (6)

[14]

QUESTION 2



Explain the following concepts:

- 2.1 Horizontal monopolies (2)
- 2.2 Natural monopolies (4)
- 2.3 Demand-pull inflation (4)
- 2.4 Cost-push inflation (4)

[14]

QUESTION 3

Describe the principles, aims and objectives of GEAR.

[16]

QUESTION 4

Consider the table below and then answer the questions that follow:

	2003	2004
Direct foreign spending by tourists in SA	R53,9 billion	R47,8 billion
Tourism contribution to GDP	R100,9 billion	R93,6 billion (7,4%)

4.1 Explain the term direct foreign spending by tourists.

(10)

4.2 Describe the relationship between direct foreign spending by tourists and economic growth in South Africa.

(10)

[20]

QUESTION 5

Give a critical evaluation of the concept “environmental sustainability”.

[16]



[TOTAL: 80 marks]

Grade 12

ECONOMICS
TEST ONE MEMO

QUESTION 1

- 1.1 C ✓✓ (2)
- 1.2 D ✓✓ (2)
- 1.3 C ✓✓ (2)
- 1.4 C ✓✓ (2)
- 1.5 B ✓✓ (2)
- 1.6 D ✓✓ (2)
- 1.7 C ✓✓ (2)
- [14]**

QUESTION 2

- 2.1 $Y = C + I + G + X - M$ ✓✓
- Consumption spending by households (C) ✓✓
 - Investment spending by firms (I) ✓✓
 - Government spending (G) ✓✓
 - Spending by foreigners on South African goods (X) and spending by South Africans on foreign goods (M) ✓✓ (10)
- 2.2 $110 + 180 + 110 + 25 - 40$ ✓✓ = R 385 million ✓✓ (4)
- 2.3 Simple multiplier = $1 / (1 - c)$ ✓✓ = $1 / (1 - 0,6)$ ✓✓ = 2,5 ✓✓ (6)
- [20]**

QUESTION 3

- 3.1 A business cycle is defined as the recurrent but not periodic ✓✓ pattern of expansion and contraction in the level of economic activity that occurs within a country. ✓✓ (4)
- 3.2 The length of a business cycle is the amount of time ✓✓ it takes for the business cycle to move through one complete cycle. ✓✓ (4)
- 3.3 Leading economic indicators are indicators which change before the economy changes. ✓✓ Leading indicators tend to move up or down a few months before ✓✓ business cycle expansions and contractions. ✓✓ (6)
- [14]**

QUESTION 4

- 4
- Fiscal policy refers to the government's use of taxation (T) and government spending (G) to achieve the economic objectives of the state. ✓✓
 - The two main variables in fiscal policy are government spending and taxation. ✓✓ By changing these two variables, the state is able to influence the economy and thus affect macroeconomic changes as well as social and political changes. ✓✓
 - One of the most important effects of fiscal policy is the impact it has on the level of national income and production. More directly the level of government spending (G) has a direct impact on the level of national income. Government spending (G) is one of the components of national income (Y). This is reflected mathematically in the equation $Y = C + I + G + X - Z$. ✓✓ Thus if the size of G increases there will be a corresponding increase in the level of Y. ✓✓ You will also remember that the increase in Y will be greater than the increase in G because of the effect of the multiplier. ✓✓
 - Changes in the level and scope of taxes also have an effect on the distribution of income. ✓✓ For example the state can increase taxes on wealthy individuals and use this revenue to provide basic goods and services for poor individuals. ✓✓

[16]**QUESTION 5**

- 5
- The four supply factors that determine economic growth are:
- **Natural resources:** ✓✓ A country is endowed with a fixed supply, a limited range and a given quality of natural resources. The availability and the quality of these natural resources has a direct impact on the country's current level of economic output as well as the country's potential to increase its productive capacity. ✓✓
 - **Labour:** ✓✓ The size of a country's labour force and the level of skill, standard of education and labour productivity rate all influence the productive capacity of a country. If a country has a large supply of skilled and productive labour it will be in a better position to achieve economic growth. Likewise, insufficient labour or an unskilled or unproductive labour force may retard a country's capacity for economic growth. ✓✓
 - **Capital:** ✓✓ A country's stock of capital consists of its manufacturing means of production and includes resources such as buildings, equipment, machinery, and infrastructure such as roads. In order to increase the level of economic output, a country requires more and better capital resources. ✓✓
 - **Entrepreneurship:** ✓✓ Entrepreneurs are individuals who recognise business opportunities. They are also the ones who arrange the finance, organise the resources and assume the risks needed to exploit these economic opportunities. Entrepreneurs are the driving force behind economic activity and economic growth. ✓✓

[16]**[TOTAL: 80 marks]**

Grade 12

ECONOMICS
TEST TWO MEMO

QUESTION 1

- | | | |
|-----|--------------------------------|-------------|
| 1.1 | Exchange rate ✓✓ | (2) |
| 1.2 | Balance of Payments Account ✓✓ | (2) |
| 1.3 | Financial account ✓✓ | (2) |
| 1.4 | Perfect competition ✓✓ | (2) |
| 1.5 | Monopolistic ✓✓ | (2) |
| 1.6 | Oligopoly ✓✓ | (2) |
| | | [12] |

QUESTION 2

- 2 A balance of payments disequilibrium can be corrected by decreasing the domestic spending on imported goods. ✓✓ This is achieved indirectly by decreasing aggregate demand. ✓✓ Changes in aggregate demand can be achieved through the use of monetary and fiscal policy.

Monetary policy: The state might choose to use monetary policy to reduce aggregate demand and hence reduce domestic spending on imported goods by increasing interest rates. ✓✓ Higher interest rates reduce aggregate demand in the following ways:

- Discouraging borrowing by both households and companies. ✓✓
- Increasing the rate of saving and hence reducing consumption spending. ✓✓
- Higher interest rates make bond repayments higher thus reducing homeowners disposable income and their ability to spend money on consumer goods. ✓✓

Fiscal policy can also be used to reduce aggregate demand and hence consumer spending on imported goods in the following ways:

- If the state increases taxes on income and wealth, there is a drop in the level of disposable income and hence a reduction in consumer spending. ✓✓
- If the state lowers the level of government spending (G), there will be a decrease in aggregate demand. ✓✓

[16]

QUESTION 3

- 3.1 A = MC ✓✓
 B = AC ✓✓
 C = AR OR MR ✓✓
 D = SUPPLY ✓✓
 E = DEMAND ✓✓ (10)
- 3.2 Equilibrium occurs when the price determined in the market P_2 in graph (b) is just sufficient for the individual business to earn a normal profit. ✓✓ This is shown in (a) where $MR = MC$ ✓✓ and $AR = AC$ at the same quantity Q_2 . ✓✓ (6)
- 3.3 homogeneous/standardised ✓✓ (2)
- 3.4 perfectly elastic ✓✓ (2)
- [20]**



QUESTION 4

4 Any eight of the following:

- **Externalities:** (✓✓) Externalities are economic side effects that affect an uninvolved third party – a party not directly involved in the action. (✓✓)

We distinguish between two kinds of externalities: Positive and Negative. (✓✓) For example, a decision to build a new freeway may have a positive influence on third parties living next to the road. All these people now have immediate access to the road and may reduce the time it takes to get to work every morning. A negative effect of the road may be that it can reduce the value of the property of those people living next to the freeway because of the noise and the fact that the once secluded homes are now exposed. (✓✓)

- **Public goods:** (✓✓) Public goods are goods and services provided by the state. (✓✓) A market failure has occurred and the normal market forces of demand and supply could not provide them. (✓✓) This may be because the private sector does not have sufficient initial capital or may grant the field of production as unprofitable e.g. museums, libraries and parks. Because these goods and services may be of strategic importance for the country or part of the economic prosperity or social welfare functions of government, the state may enter the market place as entrepreneur, supplier, organiser and coordinator. (✓✓)

It is sometimes better for markets not to provide certain goods and services, e.g. police services or national defence. Because of the three main characteristics of these goods and services, it is better for government to intervene. (✓✓)

Public goods are thus economic products that are consumed collectively, like roads, schools, defence and the police services. Government provides these goods and services for collective consumption and finances them through general taxation. (✓✓)

- **Merit and demerit goods:** (✓✓) Merit goods are those goods and services that the government feels that people, left to themselves, will under-consume. These are goods and services thought to be subsidized by the state or provided by them for free at the point of use. Both the private sector and the government could provide merit goods and services. Consumption of merit goods are thought to generate positive external effects where the social benefits of using these products or services may exceed the private benefits, e.g. education and health services. (✓✓)
- **Imperfect competition:** (✓✓) When adequate competition does not exist in an economy, larger and fewer businesses are the trend in modern markets. This may result in monopolies or oligopolies e.g. cartels to be introduced into the market place. This is a great threat to consumers because it not only denies them the benefit of choice of product or service, but they will also be unable to enjoy the advantages of competition – i.e. lower prices and better quality goods. (✓✓)
- **Lack of information:** (✓✓) The availability of information is crucial for market forces of demand and supply to operate correctly. It is as important for consumers to know where to find the necessary means to satisfy their needs and wants as it is for the supplier to find his consumer. (✓✓)
- **Immobility of production factors:** (✓✓) The immobility of production factors means that the four factors used in the production process are not free to move from one business or sector to another. The efficient allocation of these four factors of production requires natural resources, labour, entrepreneurship and capital to be

free to move to markets where returns are the highest. If companies close down thousands of people may be unemployed. (✓✓)

- **Imperfect distribution of income and wealth:** (✓✓) If prices do not reasonably reflect the cost of production, this may cause a problem. When prices for example are too high, wealth may be distributed unfairly. One of the characteristics of the South African economy is the wide difference between income and wealth. This may lead to a wide gap in the living standards between groups in a country. The state may decide to intervene by making use of a progressive tax system. According to this system the tax burden will increase as taxable income increases. Government may also introduce specific policies such as a national minimum wage for domestic workers or mine workers to curb these imperfections. (✓✓)

[16]

QUESTION 5

5 Any eight of the following:

The main features of a **monopoly** are: ✓✓

- **No competition:** (✓✓) In a pure monopolistic market there is no competition. One business in the market will control the supply of goods and services. (✓✓)
- **No substitutes:** (✓✓) The consumers will have no choice in price, quality or supplier when choosing the necessary products to satisfy needs and wants. There will be no substitutes on the market for the consumer to choose from. The product or service will be unique in ways that go beyond brand identity and cannot easily be replaced by another product or service. (✓✓)
- **They are the price makers:** (✓✓) In a pure monopolistic market a single business controls the total supply of the whole industry and therefore controls the price by decreasing or increasing the supply on the market. (✓✓)
- **Blocked entry:** (✓✓) The reason why a pure monopoly has no competitors is because of the barriers keeping would-be companies out of the market. Technology or patents may be some of the barriers preventing new, up-and-coming industries entering the market place. (✓✓)
- **Imperfect information:** (✓✓) One of the key requirements for a perfect market is perfect information. The buyer and the seller must have all the market information needed to clinch the deal. For example, do you know the cost price of every product that you buy? Do you know the profit margin of all the products that you buy? (✓✓)
- **Non-homogenous products:** (✓✓) Monopolies will manufacture different varieties of their products in order to make it difficult for other companies to copy that specific product. (✓✓)
- **Large amounts of starting capital:** (✓✓) Some industries need millions as starting capital. Eskom, the Post Office, SASOS, YSCOR, are great examples. Because the private sector does not have these amounts of starting capital, they cannot enter the market. (✓✓)
- **Legal consideration:** (✓✓) New inventions are protected by patent right. Industries like the Post Office are protected by law and prevent other businesses from entering the market. (✓✓)

[16]

[TOTAL: 80 marks]

Grade 12

ECONOMICS
TEST THREE MEMO

QUESTION 1

- 1.1 A labour intensive industry ✓✓ (2)
- 1.2 Economic growth ✓✓ (2)
- 1.3 NEPAD ✓✓ (2)
- 1.4 Skills Support Programme ✓✓ (2)
- 1.5 Export promotion ✓✓ (2)
- 1.6 Sanctions ✓✓ (2)
- 1.7 Cost-push inflation ✓✓ (2)
- 1.8 Consumer price index ✓✓ (2)
- 1.9 Community tourism ✓✓ (2)
- [18]**

QUESTION 2

- 2 One of South Africa's key industrial policies is to create sustainable industrial development in areas where poverty and unemployment are at their highest. ✓✓ This objective is carried out through the Spatial Development Initiatives (SDI), which assists areas with economic potential ✓✓ where socio-economic conditions require government assistance. ✓✓ A key component of this initiative is the move towards international competitiveness, regional cooperation, and more varied forms of ownership. ✓✓ These projects are expected to create more than 68 000 new jobs. ✓✓ **[10]**

QUESTION 3

- 3 The New Partnership for Africa's Development ✓✓ (NEPAD) is a holistic, comprehensive and integrated socio-economic developmental framework ✓✓ for Africa, which aims to promote sustainable development on the African continent. ✓✓ NEPAD is a vision and strategic framework which aims to encourage partnerships between African countries ✓✓ and hence precipitate an economic revival in Africa. **[8]**

QUESTION 4

- 4.1 **International trade policy:** Deliberate measures introduced by authorities to encourage the benefits of international trade ✓✓ and discourage its disadvantages. ✓✓ (4)
- 4.2 **Direct export subsidies:** Involves state expenses which must be budgeted for. ✓✓
Indirect export subsidies: Sacrificing possible state income by, for example, granting exporters tax concessions. ✓✓ (4)
- 4.3 **Free trade:** Is a policy of non-intervention by the state in the trade between nations, ✓✓ but in practice free trade does not exist as every country has some form of legislature involving trade. ✓✓ (4)

- 4.4 **Dumping:** Occurs when countries sell surplus stocks of goods and services in other countries at prices that are lower than their production costs. ✓✓ (2)
[14]

QUESTION 5

- 5 It is no easy task to measure tourism's contribution to the economy. It is not simply a matter of recording the number of tourists visiting a country in a given period. ✓✓ We usually rely on quantitative statistics such as the number of arrivals and overnight stays to indicate the scope of and growth in the tourist industry. ✓✓ But these measures do not indicate the value of tourism in terms of how it affects macroeconomic aggregates such as national production and national income. ✓✓ One of the difficulties in measuring the contribution of tourism to the level of national output is that industries in South Africa are classified according to the goods and services they produce, ✓✓ while tourism is a consumption-based concept that depends on whether the consumer is a domestic citizen or a foreign visitor. ✓✓ Tourism is defined by the characteristics of the consumers - the tourists - at the moment of consumption. ✓✓ When tourists visit the country their consumption includes "tourist goods" such as accommodation and travel services, but also includes other non-tourist goods such as retail trade. ✓✓ All of these problems make it very difficult to calculate accurately the amount of money tourists spend in a country. Nonetheless, estimates are made of direct foreign spending by tourists. These figures help economists to quantify the contribution of tourism to national aggregates such as income and production. ✓✓ [16]

QUESTION 6

- 6.1 Sustainable development is about ensuring the future of our people and our planet. ✓✓ It is the balancing act between growth and development today and the health and wellbeing of our children in future. ✓✓ (4)
- 6.2 Environmental pollution occurs when all sorts of waste material is dumped anywhere, e.g. scrap yards with old motor vehicles, paper bags, plastic containers, etc. ✓✓ These materials are normally not biodegradable and therefore pollute the soil, the plants, the air and simply the entire environment. ✓✓ (4)
- 6.3 NGO: Non-Governmental Organization. ✓✓ NGOs are democratic non-profit organisations established to achieve a focused set of goals, and have no affiliation with governments or the public sector. ✓✓ NGOs usually focus on achieving socio-economic development goals. ✓✓ (4)
- 6.4 Biodegradable: products that are eco-friendly and can be absorbed by the environment, without causing any harm. ✓✓ (2)
[14]

[TOTAL: 80 marks]

Grade 12

ECONOMICS
TEST FOUR MEMO

QUESTION 1

- 1.1 The factor market is the market in which the factors of production are traded. ✓✓ The factor market includes the labour market and the capital market. ✓✓ (4)
- 1.2 Tax concessions are reductions in tax rates ✓✓ granted by the government to certain businesses. ✓✓ (4)
- 1.3 Public goods and services are those goods and services provided by the state ✓✓ for use by all the members of a society. ✓✓ Examples of public goods and services include public parks, public libraries, the defence force, the legal system, and law and order. ✓✓ (6)
- [14]**

QUESTION 2

- 2.1 **Horizontal monopolies** occur when a parent company takes control over several smaller companies. This is also known as horizontal integration.
E.g. NASPERS in the printing business. ✓✓ (2)
- 2.2 **Natural monopolies** arise in industries where economics of scale (or cost savings to be gained) are so large that a single business can supply the entire market without being exhausted. ✓✓ One of the most important advantages of mass production will be lower costs per unit.
E.g. large capital outlays in network companies such as water and electricity. ✓✓ (4)
- 2.3 **Demand-pull inflation** is when the total demand for goods and services ✓✓ exceeds their total supply in a market. ✓✓ (4)
- 2.4 **Cost-push inflation** is caused by increases in business input costs. ✓✓
E.g. wages ✓✓ (4)
- [14]**

QUESTION 3

3 GEAR is based on free market principles ✓✓ and strict financial and fiscal discipline. ✓✓

The aims of GEAR are:

- economic growth, ✓✓
- job creation, ✓✓ and
- provision of basic services to all South Africans. ✓✓

GEAR intends to achieve these objectives by:

- Improving fiscal discipline and reducing the budget deficit by reducing the growth of public debt and decreasing the state's interest burden. ✓✓
- Improving international competitiveness by restructuring tariffs, encouraging investment, and introducing measures to enhance and support trade and industrial development. ✓✓
- By reducing government interventions in the economy and privatising some state-owned enterprises. ✓✓

[16]

QUESTION 4

4.1 Direct foreign spending by tourists has three components:

- Direct spending on "tourist goods" ✓✓ such as travel services, accommodation and recreation activities. ✓✓
- Indirect spending on consumer goods ✓✓ such as food, clothes and other consumer goods. ✓✓
- Spending on capital goods. ✓✓

(10)

4.2 The total direct foreign spending in South Africa by foreign tourists represents an injection into the circular flow of income and expenditure in the South African economy. ✓✓ An injection of funds into the economy stimulates aggregate demand, ✓✓ which in turn stimulates aggregate domestic production. ✓✓ This creates jobs, ✓✓ which increases domestic income, which translates into economic growth. ✓✓

(10)

[20]

QUESTION 55 Any **eight** of the following:**Concept**

Sustainable development is about ensuring the future of our people and our planet.

(✓✓) It is the balancing act between growth and development today and the health and well-being of our children in the future. (✓✓)

Pro's

- Sustainable development is an economic opportunity to build markets and create jobs. (✓✓)
- Sustainable development is a social opportunity to bring people in from the margins. (✓✓)
- Sustainable development is a political opportunity to reduce tensions over resources that could lead to violence. (✓✓)
- Our goal is to eradicate poverty, achieve sustained economic growth and promote sustainable development. (✓✓)
- Mobilising domestic financial resources will be enhanced by e.g. good governance, fighting corruption, sound macroeconomic policies and social security. (✓✓)
- The survival of the planet depends on our ability to promote conservation, secure ecological sustainable development and use our natural resources sparingly. (✓✓)
- Sustainable development is about ensuring the future of our people and our planet. (✓✓)
- It is the balancing act between growth and development today and the health and wellbeing of our children in the future. (✓✓)

Con's

- Not much success in Africa (✓✓)
- Low level of economic growth, even a decline in the growth rate. (✓✓)
- The big divisions between the rich and the poor in these countries. (✓✓)

[16]**[TOTAL: 80 marks]**

Focus Economics Grade 12
Control Test Book

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