



education

Lefapha la Thuto la Bokone Bophirima
Noordwes Departement van Onderwys
North West Department of Education
NORTH WEST PROVINCE

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**ECONOMICS P1
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: Answer 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. Number the answers correctly according to the numbering system used in this question paper.
4. Read the questions carefully.
5. Start EACH question on a NEW page.
6. Leave 2–3 lines between subsections of questions.
7. 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
8. Use only black or blue ink. 
9. Non-programmable pocket calculators may be used.
10. 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 to 1.1.8) in the ANSWER BOOK.
- 1.1.1 The continuous flow of production, income and expenditure between participants in the economy.
- A Business cycle
 - B Economic equilibrium
 - C Money market
 - D Circular flow
- 1.1.2 The point where economic expansion is at its highest.
- A Boom
 - B Peak
 - C Recovery phase
 - D Trough
- 1.1.3 The ... government encompasses metropolitan, districts and municipalities.
- A local
 - B provincial
 - C national
 - D central
- 1.1.4 An international organisation which lend money to countries with continuous balance of payments problems.
- A World bank
 - B United Nations
 - C International Monetary Fund
 - D Foreign exchange market
- 1.1.5 An organisation which promotes free trade between Argentine, Brazil, Paraguay and Uruguay.
- A NEPAD
 - B SAOG
 - C BRICS
 - D MERCOSUR

- 1.1.6 The expected number of years a person will live after birth or a given age is called...
- A standard of living.
 - B life expectancy.
 - C economic development.
 - D head count index.
- 1.1.7 A policy which aims to promote the investment in industries and its effectiveness.
- A Spatial development initiatives
 - B Regional development
 - C Industrial development
 - D Skills support program
- 1.1.8 The percentage of the national budget which is directed towards education.
- A Public expenditure
 - B Secondary enrolment
 - C Primary completion
 - D Youth literacy
- (8 x 2) (16)



- 1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A–I) next to the question number (1.2.1 to 1.2.8) in the ANSWER BOOK.

| COLUMN A | | COLUMN B | |
|----------|-----------------------|----------|--|
| 1.2.1 | National accounts | A | <i>ad valorem</i> or specific taxes on imported goods |
| 1.2.2 | Trend line | B | amount of goods and services people consume, which is a function of their income |
| 1.2.3 | Collective goods | C | government's aim with business cycle policies |
| 1.2.4 | Absolute advantage | D | systematic and comprehensive record of economic activity |
| 1.2.5 | Tariffs | E | legal ownership of a design or trademark |
| 1.2.6 | Cost of living | F | branch offices and factories are established by a business in foreign countries |
| 1.2.7 | Intellectual property | G | general direction in which the economy is moving |
| 1.2.8 | Internationalisation | H | the public sector provides parks, etc. where fees are charged to exclude free-riders |
| | | I | when one country produces goods and services cheaper than another (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 to 1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will be NOT be accepted.
- 1.3.1 Primary economic participants.
- 1.3.2 They maintain that markets are inherently stable and exogenous factors disturb the equilibrium.
- 1.3.3 An amount importers must pay before importing goods.
- 1.3.4 The South African Reserve Bank consults with banks to act in a manner that is desirable in terms of certain economic conditions.
- 1.3.5 An increase in the capacity of an economy to produce more goods and services.
- 1.3.6 All persons, male and female, between the age of 15 and 65 which offer their labour for productivity activities. (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 MACROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions:

2.1.1 Name any TWO participants in a closed economy. (2 x 1) (2)

2.1.2 Why is it important that the government aims to promote a stable economy? (1 x 2) (2)

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

HUNTING: AN ECONOMIC INJECTION FOR SA

South Africa, with its wide variety of wildlife, is seen as one of the world's leading hunting destinations.

A study which was conducted by the research unit of Tourism Research in Economic Environment and Community (Trees) in association with the Professional Hunter's Association of South Africa (Phasa) shows that trophy hunting is an economic injection of R1, 98 billion in South Africa.

[Adapted from: www.media24.com, 18 April 2018]

2.2.1 Which economic participant is referred to in the extract? (1)

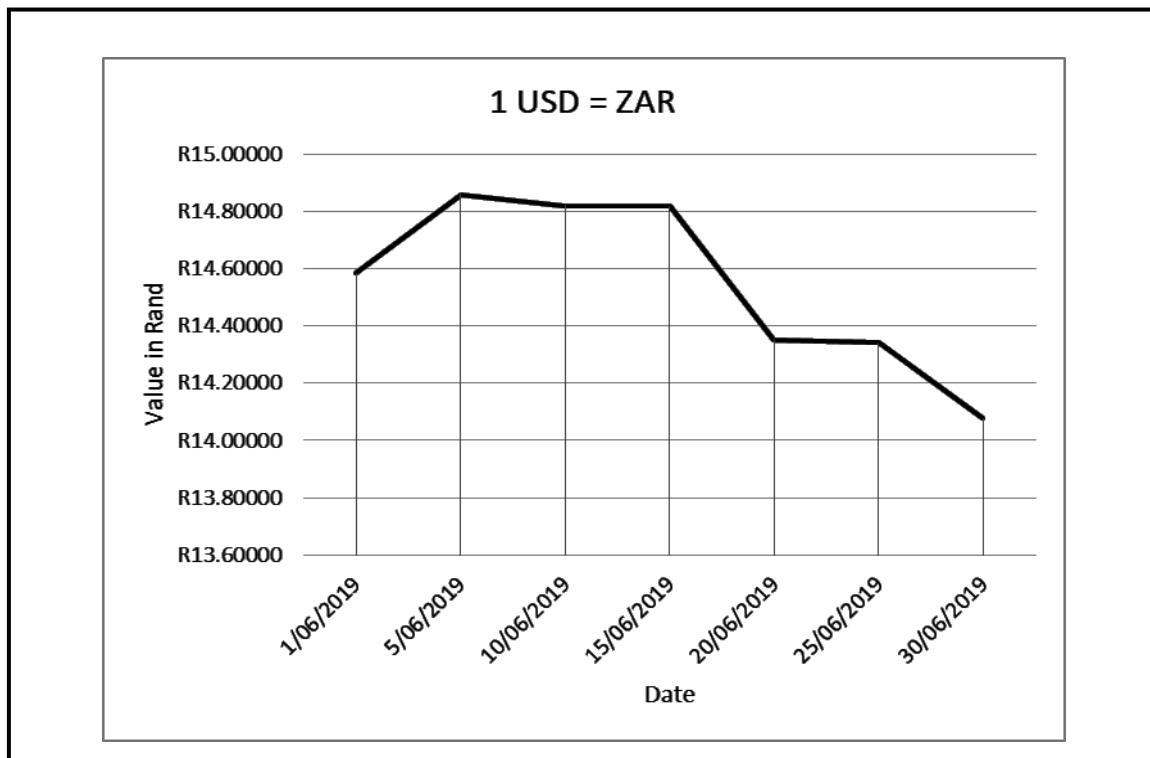
2.2.2 Name ONE other injection in the economy. (1)

2.2.3 Briefly describe the concept *injection*. (2)

2.2.4 Explain the impact of leakages in the economy. (2)

2.2.5 How do injections influence employment in the economy? (2 x 2) (4)

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



- 2.3.1 On which date was the Rand the strongest against the Dollar? (1)
- 2.3.2 Which type of exchange rate is depicted in the graph? (1)
- 2.3.3 Briefly describe the concept *exchange rate*. (2)
- 2.3.4 Why is it important for a country to have a stable exchange rate? (2)
- 2.3.5 How will an appreciation of the rand against other currencies affect consumers? (2 x 2) (4)
- 2.4 Discuss *pricing policy* and *lack of accountability* as problems of public sector provisioning. (2 x 4) (8)
- 2.5 Evaluate the effectiveness of the methods used to correct the balance of payments disequilibria. (8)

[40]

QUESTION 3 ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions:

3.1.1 Name TWO indicators relating to the inflation rate. (2 x 1) (2)

3.1.2 Why is it important that regional development limits economic centralisation? (1 x 2) (2)

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

SSA IGNITES PLAN TO COUNT THE ENTIRE POPULATION

Census 2021 will be the first population count to use new methods of data collection that involve the use of digital devices. Fieldworkers will administer the census questionnaire face-to-face with respondents using the Computer Assisted Personal Interview (CAPI), i.e. capturing the information on a digital device rather than a paper questionnaire and, where applicable, the option of Computer Assisted Web Interview (CAWI), whereby a respondent completes the questionnaire via the web, may be used.

[Adapted from: SSA, 8 October 2019]

3.2.1 Give ONE example of a digital device. (1)

3.2.2 Which institution publishes statistics of RSA? (1)

3.2.3 Briefly describe the concept *census*. (2)

3.2.4 Why will census 2021 use new methods? (2)

3.2.5 How does census data assist the government? (2 x 2) (4)

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

STRATEGIC INTEGRATED ROJECTS

A SIP is a portfolio of projects which complement one another in a particular geographical and/or for a given socio-economic purpose.

They comprise of:

- 5 Geographic SIP's - 1,2,3,4, & 5
- 3 Spatial SIP's - 6, 7 & 11
- 3 Social Infrastructure SIP's - 12, 13 & 14
- 3 Energy SIP's - 8, 9 & 10
- 2 Knowledge SIP's - 15 & 16
- 1 Regional SIP - 17
- 1 Water & Sanitation SIP - 18

[Adapted from: www.pseta.org.za]

- 3.3.1 Give ONE example of the geographical SIP. (1)
- 3.3.2 What is the focus of SIP 16? (1)
- 3.3.3 Briefly describe the concept *corridor*. (2)
- 3.3.4 Why is it important for SA to use more green energy in industrial development? (2)
- 3.3.5 How successful are SIP's in improving SA's regional development? (2 x 2) (4)
- 3.4 Differentiate between *economic growth* and *economic development*. (2 x 4) (8)
- 3.5 How successful is South Africa's regional development in terms of their benchmark criteria. (8)

[40]

**QUESTION 4 MACROECONOMICS & ECONOMIC PURSUITS -
40 MARKS – 30 MINUTES**

4.1 Answer the following questions:

- 4.1.1 Name any TWO international organisations which require their members to standardize their indicators. (2 x 1) (2)
- 4.1.2 What is the effect of wealth taxes on income redistribution? (1 x 2) (2)

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

We won't privatise state enterprises needed for development

As government works on reforming state-owned enterprises (SOEs), the president has assured that state assets will be kept if they are strategic for the development of the economy of South Africa.

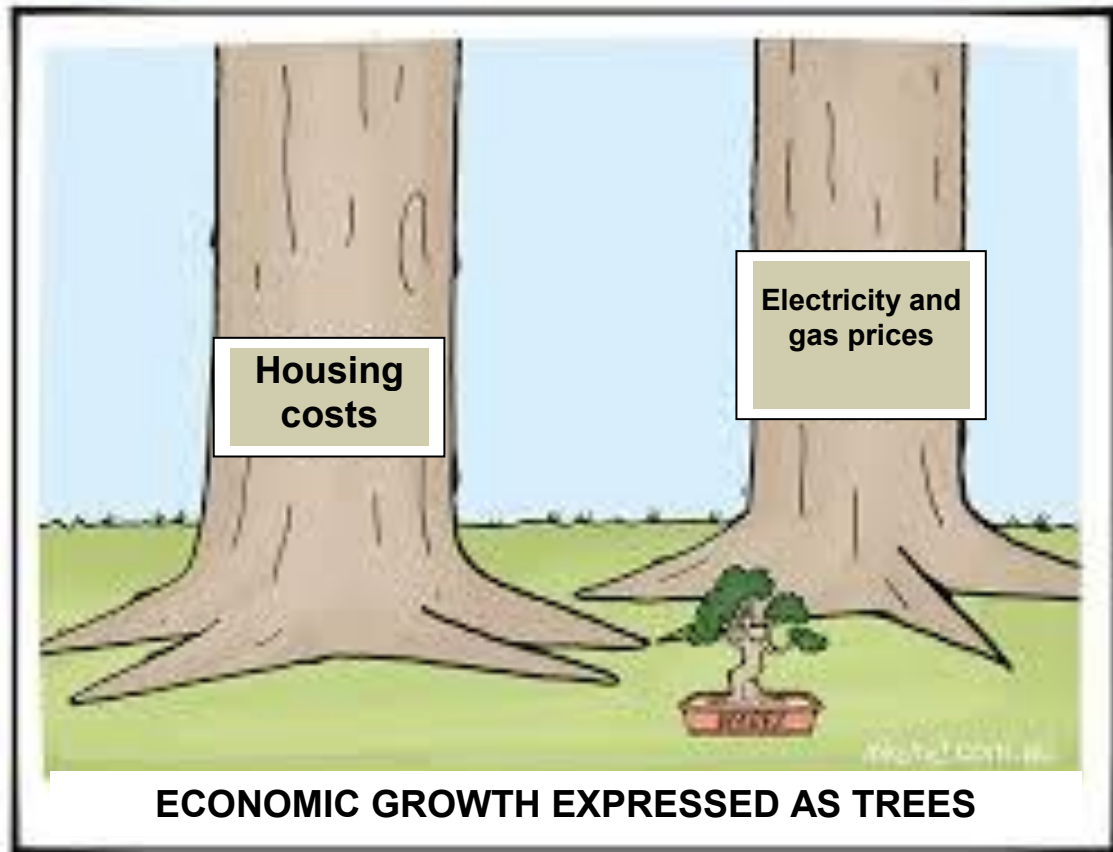
During the State of the Nation Address, the president shared on the progress made in turning around state-owned enterprises which have been plagued with corruption and mismanagement.

It was highlighted that over the past year, new boards had been appointed at Eskom, Denel, Transnet, Safcol, Prasa and SA Express. The new boards had been mandated with addressing corruption of the past.

[Adapted from: *Fin 24 Newsletter*, 7 February 2019]

- 4.2.1 Which policy is used by the government to influence economic activities? (1)
- 4.2.2 What is the role of the Minister of Finance? (1)
- 4.2.3 Briefly describe the concept *privatisation*. (2)
- 4.2.4 Briefly explain why the government aims to achieve economic growth. (2)
- 4.2.5 How will the eradication of corruption and mismanagement of SOEs benefit the economy? (2 x 2) (4)

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



[Adapted from: *Google Economic Cartoons*]

- 4.3.1 Name ONE factor which hampers economic growth in South Africa. (1)
- 4.3.2 How is economic growth measured? (1)
- 4.3.3 Briefly describe the concept *economic growth policy*. (2)
- 4.3.4 What positive impact has BEE had on previously disadvantaged individuals? (2)
- 4.3.5 How can productivity in the economy be improved? (2 x 2) (4)
- 4.4 Differentiate between *real flow* and *monetary flow* in the economic circular flow model. (2 x 4) (8)
- 4.5 How can the government use services as social indicators to improve the standard of living in South Africa? (8)

[40]

TOTAL SECTION B: 80

SECTION C

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

| STRUCTURE OF 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. • Include other sentences to support the topic. • Do not include in your introduction any part of the question. • Do not repeat any part of the introduction in the body. • Avoid saying in the introduction what you are going to discuss in the body. | Max. 2 |
| <p>Body:</p> <p>Main part: Discuss in detail / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Differentiate / Explain / Assess / Debate</p> <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> | <p>Max. 26</p> <p>Max. 10</p> |
| <p>Conclusion</p> <ul style="list-style-type: none"> • The conclusion is a wrap up of the discussion of the topic in the body and should be treated as a higher order response. • The conclusion can take the form of an own opinion, examples to support your discussion or contradictory viewpoint from what has been discussed. • No aspect from either the introduction or body should be included in the body | Max. 2 |
| TOTAL | 40 |

QUESTION 5 MACROECONOMICS

40 MARKS – 40 MINUTES

- Discuss in detail the main objectives of the public sector in the economy. (26 marks)
- How successful is the main budget in reaching economic goals? (10 marks) **[40]**

QUESTION 6 ECONOMIC PURSUITS

40 MARKS – 40 MINUTES

- Discuss in detail the following social indicators:
 - Demographic indicators
 - Income Distribution Indicators
 - Housing and Urbanisation (26 marks)
- Critically discuss the use of economic and social indicators in the global economy. (10 marks) **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150