



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2013

**ECONOMICS P1
(MACRO-ECONOMICS)**

MARKS: 150

TIME: 1½ hours

This question paper consists of 10 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 answers 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.

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 the letter (A, B or C) next to the corresponding question number (1.1.1–1.1.8) in the ANSWER BOOK.
- 1.1.1 The ... combines all other factors of production to produce goods and services to satisfy the needs of the consumers.
- A labourer
B entrepreneur
C government (2)
- 1.1.2 Goods that are not directly consumed, but help to manufacture other goods are called ... goods.
- A consumer
B capital
C free (2)
- 1.1.3 In a centrally planned economy, all the economic decisions are taken by the ...
- A government.
B individuals.
C businesses. (2)
- 1.1.4 Eskom generates electricity in South Africa by mainly using ...
- A water.
B coal.
C wind. (2)
- 1.1.5 The distribution of income or wealth in a country is represented by the ... curve.
- A Phillips
B Laffer
C Lorenz (2)
- 1.1.6 This programme was implemented in 1994 to address the socio-economic problems brought about by the policies of the previous government.
- A HDI
B RDP
C Jipsa (2)

1.1.7 The minimum level of income needed to ensure a basic standard of living is called ...

- A the poverty line.
- B the relative poverty.
- C the chronic poverty.

(2)

1.1.8 The Central Bank of South Africa is the ...

- A Southern African Development Bank.
- B Standard Bank of South Africa.
- C South African Reserve Bank.

(2)

1.2 Choose a description from COLUMN B that matches a concept 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	SACU	A	Extraction of raw materials
1.2.2	GDP	B	Free-market economy
1.2.3	Capitalism	C	Percentage of total population living in poverty
1.2.4	Primary sector	D	People with urgent needs that are not addressed by the government
1.2.5	Indigenous Knowledge System	E	Total value of final goods produced within the borders of the country
1.2.6	Poverty rate	F	Traditional healing and medicine
1.2.7	Quasi Money	G	Replaced Customs Union Agreement of 1910
1.2.8	Marginalised people	H	Bank saving accounts and term deposits
		I	Total value of final goods produced by permanent inhabitants

(8 x 1)

(8)

1.3 Write whether the following statements are TRUE or FALSE. Only write TRUE or FALSE next to the corresponding question number (1.3.1–1.3.3) in the ANSWER BOOK.

1.3.1 Economic goods are scarce and people are willing to pay for them.

1.3.2 There are three participants in an open economy.

1.3.3 Secondary industries change natural resources into useful goods.

Fill in the missing word in the following sentences. Only write the word next to the corresponding question number (1.3.4–1.3.6) in the ANSWER BOOK.

1.3.4 A written order to the bank to pay a certain amount from the drawer's current account is called a ...

1.3.5 Low standard of living is a characteristic feature of ... countries.

1.3.6 In a business enterprise, the decisions of what to produce and where to set up the business, are taken by the ...

(6 x 1)

(6)

TOTAL SECTION A:

30

SECTION B (ANSWER ANY TWO QUESTIONS FROM THIS SECTION.)**QUESTION 2****(40 MARKS)**

2.1 Name any TWO categories of labour. (2 x 2) (4)

2.2 **DATA RESPONSE**

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

Different measures are used to judge the performance of the economy of a country. The first step is to measure the total production output of a country. In the circular flow of a country, it is clear that one person's spending is another person's income and people spend their incomes on goods and services. All three measures of the total output of an economy are the same.

National production = National expenditure = National income

[Adapted from *Focus on Economics*]

2.2.1 Mention any TWO methods of calculating GDP. (4)

2.2.2 Differentiate between 'intermediate goods' and 'final goods'. (4)

2.2.3 Define the term '*final consumption expenditure by households*'. (2)2.3 **DATA RESPONSE**

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

Employment growth in the mining sector partly reflected the sustained increase in commodity prices and strong demand from Asian and other emerging-market economies. Gold production on the other hand has been decreasing largely due to geological challenges and increase in cost of production.

[Amended and adapted from *SARB Quarterly Bulletin*, June 2011]

2.3.1 According to the extract, mention ONE reason for the growth of employment in the mining sector. (2)

2.3.2 According to the extract, what are the reasons for the decrease in gold production? (4)

2.3.3 Mention TWO economic importances of the primary sector. (4)

2.4 Briefly explain the advantages of a market economy. (8)

2.5 Briefly explain the economic importance of 'energy' as part of South Africa's infrastructure. (8)

[40]

QUESTION 3**(40 MARKS)**

- 3.1 List any TWO 'development strategies'. (2 x 2) (4)

3.2 **DATA RESPONSE**

Study the table given below and answer the questions that follow.

Province	Headcount rate	Poverty gap ratio
Western Cape	20,73%	7,04%
Eastern Cape	47,09%	19,65%
Free State	29,79%	10,93%
North West	38,18%	15,15%
Gauteng	18,33%	5,61%

[Adapted from StatsSA 2011]

- 3.2.1 Define the term '*poverty headcount rate*'. (2)
- 3.2.2 According to the table, what is the percentage of people living in poverty in the Eastern Cape? (2)
- 3.2.3 Differentiate between 'absolute poverty' and 'relative poverty'. (4)
- 3.2.4 According to the table, which province has the lowest number of poor people? (2)

3.3 **DATA RESPONSE**

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

South African Reserve Bank cuts repo rate to 5%

On the back of improved inflation figures and no end in sight for the eurozone crisis, the Reserve Bank surprised economic analysts when it slashed the repo rate by 50 basis points on Thursday for the first time in months.

[Adapted from M&G, July 2012]

- 3.3.1 Define the term '*repo rate*'. (2)
- 3.3.2 According to the extract, what are the reasons for the cut in the repo rate? (4)
- 3.3.3 Briefly explain the concept of '*Mzansi accounts*'. (4)

- 3.4 Briefly explain the role of SADC in Southern Africa. (8)
- 3.5 Discuss 'low levels of productivity' as one of the characteristics of developing countries. (8)
- [40]**

QUESTION 4**(40 MARKS)**

- 4.1 Name any TWO examples of 'social grants'. (2 x 2) (4)

4.2 **DATA RESPONSE**

Study the table given below and answer the following questions.

COUNTRY	EXPORT	IMPORT
Botswana	4 693	5 657
Nigeria	79 000	37 000
Egypt	26 438	52 923
Namibia	4 090	5 360
Swaziland	1 550	1 700
South Africa	81 821	9 050

[Adapted from African Development Bank statistics department]

- 4.2.1 According to the above table, which country is the largest exporter of goods and services? (2)
- 4.2.2 Differentiate between 'trade surplus' and 'trade deficit'. (6)
- 4.2.3 Define the term '*export*'. (2)

4.3 DATA RESPONSE

Study the image given below and answer the questions that follow.



[Adapted from *Mail & Guardian*]

- 4.3.1 According to the above image, what is the demand of the workers? (2)
- 4.3.2 Differentiate between 'nominal wage' and 'real wage'. (4)
- 4.3.3 Mention any TWO characteristics of labour. (4)
- 4.4 Briefly explain final consumption expenditure by government. (8)
- 4.5 Briefly explain any TWO functions of money. (8)

[40]

TOTAL SECTION B: 80

SECTION C: (ANSWER ANY ONE QUESTION FROM THIS SECTION.)**MARK ALLOCATION FOR ESSAY RESPONSES**

STRUCTURE OF THE ESSAY	MARK ALLOCATION
Introduction	Max. 3
Body	
<ul style="list-style-type: none"> • Main part: For example discuss/explain/detailed essay/analyse/evaluate 	Max. 20
<ul style="list-style-type: none"> • Additional part: For example draw a graph or diagram/refer/indicate 	Max. 10
Conclusion	Max. 2
Interpretation	Max. 5
TOTAL	40

QUESTION 5**ESSAY RESPONSE**

Fully explain the characteristics of capital.

In addition briefly explain the economic importance of capital.

[40]**QUESTION 6****ESSAY RESPONSE**

Write an essay on the reasons for/causes of poverty.

Briefly explain the effects/consequences of poverty.

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150

