



GAUTENG PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION**

2016

GRADE 11

**ECONOMICS
PAPER 1**

**MARKS: 150
TIME: 2 hours**

13 pages



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(PAPER 1)**

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INSTRUCTIONS AND INFORMATION

Read the following carefully before answering the questions.

1. Answer FOUR questions as follows in the ANSWER BOOK:
 - SECTION A: COMPULSORY
 - SECTION B: Answer any TWO of the three questions
 - SECTION C: Answer any 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. The format, content and context of your responses must 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 number of the question above each answer.
6. Read the questions carefully.
7. Start each question on a NEW page.
8. Leave 2 – 3 lines between sub-sections of questions.
9. Use only black or blue ink.
10. Non-programmable pocket calculators may be used.
11. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1 MULTIPLE-CHOICE QUESTIONS****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 – C) next to the question number (1.1.1 – 1.1.8) in the ANSWER BOOK, e.g. 1.1.9 C.
- 1.1.1 The ... method is the value of the final output produced by the three sectors of the economy.
- A income
 - B production
 - C expenditure
- 1.1.2 Goods that are consumed or destroyed in the process of being used are known as ...
- A intermediate goods.
 - B final goods.
 - C capital goods.
- 1.1.3 There is less poverty among the people in communist countries because ...
- A the profit motive leads to self-interest.
 - B there is full employment.
 - C the government plays a very small role in the economy.
- 1.1.4 ... measures economic growth in percentage from one year to another.
- A Real GDP growth rate
 - B Economic growth rate
 - C Inflation rate
- 1.1.5 Life expectancy is a measure of ... in the Human Development Index.
- A health and nutrition
 - B living standards
 - C child mortality
- 1.1.6 In South Africa the value of money is stabilised by ...
- A the monetary policy of the SARB.
 - B the fiscal policy of the treasury.
 - C the growth, employment and redistribution policy.

1.1.7 SANRAL is responsible for maintaining the ... in SA.

- A harbours and airports
- B railway network
- C national roads

1.1.8 South Africa's development strategies include ...

- A the Regional Development Policy.
- B the Accelerated Shared Growth Initiative of SA.
- C the Human Development Index (HDI).

(8x2)(16)

1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A – H) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK, e.g. 1.2.9 K.

COLUMN A	COLUMN B
1.2.1 Economically marginalised	A A pathway to a qualification that is made up of a structured learning component together with workplace experience
1.2.2 Per Capita GDP	B To be able to prosper in a country without interference by the government
1.2.3 Human Development Index	C People who are excluded from the economic activities of the country
1.2.4 Capitalism	D The relationship between input and output
1.2.5 Economic freedom	E A measure of the standard of living
1.2.6 Economic regress	F Measures the level of development of countries
1.2.7 Productivity	G Moving backwards to a less-developed country
1.2.8 Learnership	H Free-market economy

(8x1)(8)

1.3 Identify the concept described in each of the following statements. Write only the term next to the question number (1.3.1 – 1.3.6) in the ANSWER BOOK.

1.3.1 Businesses such as Eskom and Telkom under government control

1.3.2 Decisions that the government makes on tax levels and government spending

1.3.3 Consumer goods which can last for an extended period of time

1.3.4 The rate at which banks borrow funds from the Reserve Bank

1.3.5 The influx of people from rural areas to urban areas

1.3.6 The bank that promotes economic development in Southern Africa (6x1)(6)

TOTAL SECTION A: [30]

SECTION B

Answer 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 TWO examples of free subsidised basic household services provided by the local government. (2x1)(2)

2.1.2 Explain how consumption stimulates employment. (1x2)(2)

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

NO.	ITEM	Millions (R)
1	Final consumption expenditure by consumers	2 379
2	Final consumption expenditure by government	635
3	Gross capital formation	569
4	Residual item	-12
5	(A)	3 571
6	Exports of goods and services	854
7	Imports of goods and services	872
8	Expenditure on GDP at market prices	(B)

[Quarterly Bulletin 2012, SARB]

2.2.1 Which other organisation, besides Statistics SA, publishes statistics in SA? (1)

2.2.2 Which method to calculate GDP has been used in the above table? (1)

2.2.3 Complete the missing item represented by A in the table. (2)

2.2.4 Explain the concept *GDP*. (2)

2.2.5 Calculate expenditure on GDP at market prices (B).
(Show all calculations) (4)

2.3 Read the case study below and answer the questions that follow.

FED UP WITH FOOD PRICES?

“Drought and the weak rand are piling pressure on already cash-strapped consumers and the cost of living is set to rocket even more. The recent interest-rate hike means more debt for already overburdened consumers.”

Several farmers have had to slaughter their livestock, because they could no longer feed the animals, says Professor Ferdinand Meyer, director of the Bureau for Food and Agricultural Policy. Some things, such as grain and fruit, will rise by more than 20 % and others, such as bread, will rise by less.

[Source: YOU MAGAZINE 11 February 2016, you.co.za]

- 2.3.1 Name the sector that is affected by drought. (1)
- 2.3.2 What effect will the drought have on South Africa’s agricultural exports? (1)
- 2.3.3 Explain the impact of the recent interest-rate hike on cash-strapped consumers. (2)
- 2.3.4 How can the decrease in interest rates influence the consumer? (2)
- 2.3.5 Explain TWO kinds of primary sector operations with the aid of examples. (2x2)(4)
- 2.4 Differentiate between *economic growth* and *economic development*. (2x4)(8)
- 2.5 How effective is the South African government in delivering social services in South Africa? (4x2)(8)

[40]

QUESTION 3 ECONOMIC PURSUITS

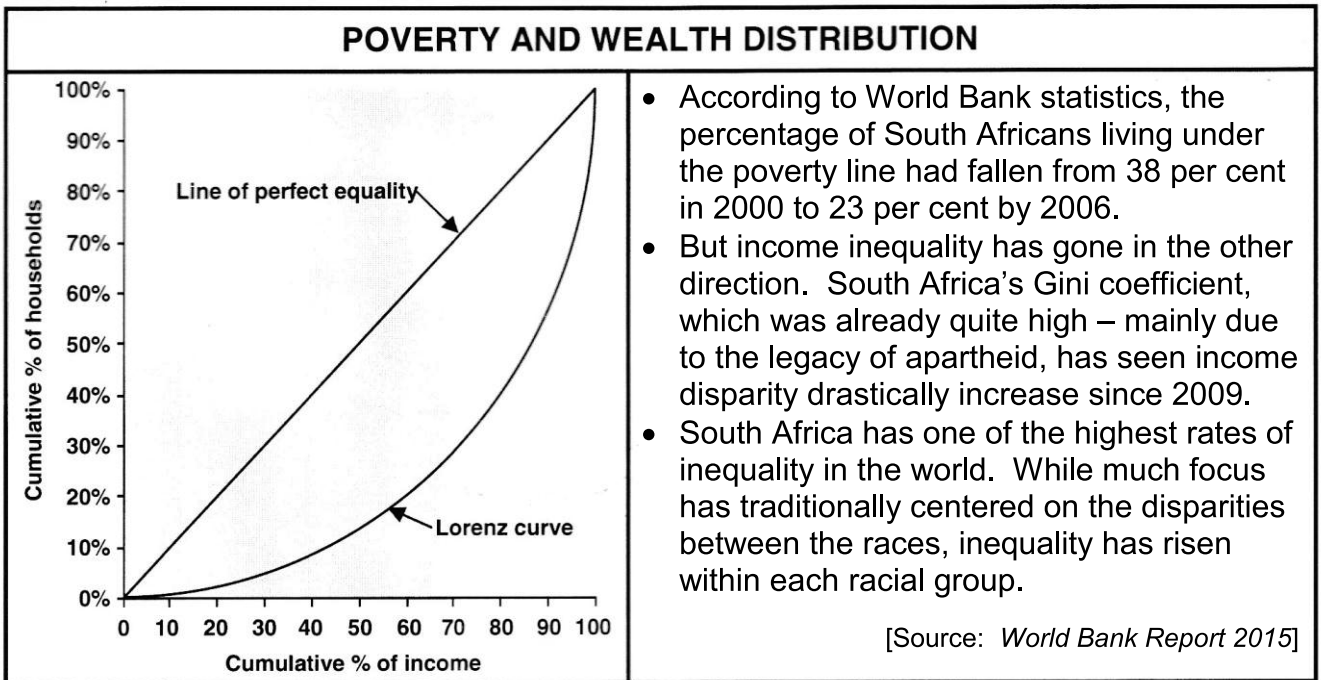
40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO member countries of the SADC. (2x1)(2)

3.1.2 Explain the role of the South African Reserve Bank with regards to bank failure. (1x2)(2)

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



3.2.1 Which international institution provided the data in the extract? (1)

3.2.2 When did the income disparities in South Africa increase drastically? (1)

3.2.3 Explain why South Africa has one of the highest rates of inequality in the world. (2x2)(4)

3.2.4 What is the relationship between the Gini coefficient and the Lorenz curve? (2x2)(4)

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

Most bankers would not consider Zakkie as a good candidate for a loan. Zakkie, aged 49, is a functionally illiterate, primary-school dropout who lives in a one-room house with a grass roof. She has eight children. She does not earn a wage. Zakkie provides for her family by selling vegetables, "loose" cigarettes and little plastic bags of cooked mealies, eaten as snacks.

Despite such humble credentials, Zakkie was the perfect candidate for a loan from the Small Enterprise Foundation, a non-profit organization that provides micro-credit to rural entrepreneurs. "People are hungry for loans," said John de Wit, the program's director. "There's nobody else doing this."

The only other credit available is from neighbourhood money lenders, who charge 30 % interest per month and use cruel methods of collecting debt.

[Adapted from *Small Enterprise Foundation* Nov. 2011]

- 3.3.1 Name TWO problems of borrowing money from micro-lenders. (2x1)(2)
- 3.3.2 What are the aims of the regulating authority of micro-lenders? (2x2)(4)
- 3.3.3 Explain TWO reasons for bank failures. (2x2)(4)
- 3.4 Explain how the South African Government encourages the private sector to invest in wealth creation. (4x2)(8)
- 3.5 What has caused the ongoing energy crisis in South Africa since 2008? (4x2)(8)
- [40]**

QUESTION 4 MACROECONOMICS & ECONOMIC PURSUITS

40 MARKS – 30 MINUTES

- 4.1 Answer the following questions.
- 4.1.1 Name TWO economic indicators used to compare economic activities across different countries. (2x1)(2)
- 4.1.2 Why does South Africa need to increase its economic growth rate? (1x2)(2)

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



[Adapted from *Business News* 20 Nov. 2014]

- 4.2.1 Describe the economic message in the cartoon. (2)
- 4.2.2 What is the age group of the economically active population in South Africa?(1)
- 4.2.3 What, do you think, is the greatest threat to labour in South Africa? (1)
- 4.2.4 Why do developing countries have a large supply of unskilled workers?
Substantiate your answer. (2)
- 4.2.5 Distinguish between *nominal wages* and *real wages*. (2x2)(4)

4.3 Read the article below and answer the questions that follow.

Botswana stands to lose billions in SACU revenues

The global economic crisis, along with other evolving structural factors within SACU, could cut a P5-billion permanent hole in revenues that Botswana receives from the customs union, the IMF estimates.

All members of SACU have already experienced a sharp loss in recent years due to the global crisis, and face additional significant risks of a permanent loss of income as revenues are expected to further decline over the medium term.

According to the estimates, Botswana's simulated loss stands at five percent of GDP, which would currently translate to about P5 billion while Swaziland's loss is estimated at 15 % of the GDP, Namibia's, 5 % and Lesotho's, 6,7%.

[Source: Achieve in Economics, PEARSON]

- 4.3.1 Which organisation promotes economic cooperation and integration among Southern African countries? (2)
- 4.3.2 Name TWO sources of income for the Customs Union. (2x2)(4)
- 4.3.3 How will the countries mentioned have to deal with the loss of state income? (2)
- 4.3.4 Why has the global crisis had an effect on the income of the Customs Union? (2)
- 4.4 Discuss labour as an important factor of production. (4x2)(8)
- 4.5 Why is South Africa regarded as a developing economy? (4x2)(8)
- [40]**

TOTAL SECTION B: [80]

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction	Max. 2
Body: Main part: Discuss in detail / in-depth discussion / Examine / Discuss / Analyse / Compare / Evaluate / Distinguish / Explain / Assess / Debate	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	Max. 10
Conclusion: Any relevant higher order conclusion that should include: * A brief summary of what has been discussed / analysed without repeating facts already mentioned in the body * An opinion or value 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 MACROECONOMICS**40 MARKS – 40 MINUTES**

“Many of the entrepreneurs in the informal sector are unemployed, poor people who venture into the world of business purely to survive, often without the means, skills and knowledge to make a success of their businesses.”

- Discuss the economic importance of entrepreneurship. (26 marks)
- How does the government assist the economically marginalised groups in South Africa? (10 marks)

ECONOMICS (PAPER 1)	GRADE 11	13
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QUESTION 6 ECONOMIC PURSUITS

40 MARKS – 40 MINUTES

“Strategies for development are embodied in the economic and other policies of developing countries.”

- Critically analyse the following developmental strategies used in support of the development of countries.
 - Human resources
 - Natural resources
 - Technology (26 marks)
- Why are Indigenous Knowledge Systems (IKS) important for the economic development of a country? (10 marks)

TOTAL SECTION C: 40

TOTAL: 150

END

