



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

ECONOMICS P1

EXEMPLAR 2013

MARKS: 150

TIME: 2 hours

This question paper consists of 12 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. Write the question number above each answer.
5. Read the questions carefully and 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. You may use a non-programmable pocket calculator.
10. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1****30 MARKS – 15 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.
- 1.1.1 Factory buildings are examples of ... capital.
- A floating
 - B working
 - C fixed
- 1.1.2 The amount that a resource could earn from its next best use is known to as ...
- A economic rent.
 - B transfer earnings.
 - C economic profit.
- 1.1.3 Spending on education and housing by the government is classified under the ... division of government expenditure.
- A functional
 - B administrative
 - C financial
- 1.1.4 An alternative concept for gross domestic product is gross ...
- A national product.
 - B domestic income.
 - C value added.
- 1.1.5 South Africa's PAYE taxation system is ...
- A proportional.
 - B progressive.
 - C regressive.
- 1.1.6 The most important asset of a country is its ... resources.
- A capital
 - B human
 - C natural

1.1.7 The relationship between the value of money and prices is a/an ... relationship.

- A parallel
- B positive
- C inverse

1.1.8 The main South African architect of NEPAD was ...

- A Thabo Mbeki.
- B Tokyo Sexwale.
- C Jacob Zuma.

(8 x 2)

(16)

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

COLUMN A		COLUMN B	
1.2.1	Gifts of nature	A	records international transactions, for example data on imports and exports
1.2.2	Break-even point	B	quantity of goods and services that a person can buy with his earnings
1.2.3	Balance of payments	C	minerals, timber, air and fish
1.2.4	Real wages	D	total amount of income earned
1.2.5	Wealth	E	total revenue is equal to total costs
1.2.6	Human Development Index	F	rewards successful entrepreneurs
1.2.7	Plastic money	G	enhances the standard and quality of the lives of the people of Southern Africa
1.2.8	SADC	H	MasterCard, Visa, Diner's Club
		I	measures the level of development of countries

(8 x 1)

(8)

1.3 Give ONE concept for each of the following descriptions. Write only the concept next to the question number (1.3.1–1.3.6) in the ANSWER BOOK.

1.3.1 Goods which command a price

1.3.2 The addition of new capital to existing stocks of capital

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

1.3.4 This Act addresses equity in the workplace in terms of race and gender

1.3.5 Transfer payments by the state to support the elderly

1.3.6 The bank that promotes economic development in Southern Africa
(6 x 1) (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 – 20 MINUTES**

2.1 Answer the following questions:

2.1.1 Name any TWO characteristics of a command (centrally-planned) economic system. (2 x 1) (2)

2.1.2 What is the link between *entrepreneurial activity* and *economic growth*? (1 x 2) (2)

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

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

2.2.1 Define the concept *GDP*. (2)

2.2.2 Complete the item represented by **A** in the table. (1)

2.2.3 What is the purpose of the residual item? (2)

2.2.4 Calculate expenditure on GDP at market prices **(B)**. (4)

2.2.5 Which publication would carry this information? (1)

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

THE STRUCTURE OF THE SOUTH AFRICAN ECONOMY IN TERMS OF CONTRIBUTION TO GDP					
ECONOMIC SECTOR	1911	1960	2003	2006	2010
Primary ...	49%	25%	11%	9%	8%
Secondary ...	6%	24%	23%	24%	23%
Tertiary ...	45%	51%	66%	67%	69%

[Adapted from *SARB Quarterly Bulletin*, 2012]

- 2.3.1 Which sector has contributed the most to the GDP in recent years? (1)
- 2.3.2 Define the concept *primary sector*. Give any example of an industry from this sector. (3)
- 2.3.3 With regard to the three sectors, how did the economic structure of the South African economy change from 1911 to 2010? (6)
- 2.4 Explain the government's effort to assist the economically marginalised groups in South Africa. (8)
- 2.5 Critically discuss the economic importance of the secondary sector to the South African economy. (8)
- [40]**

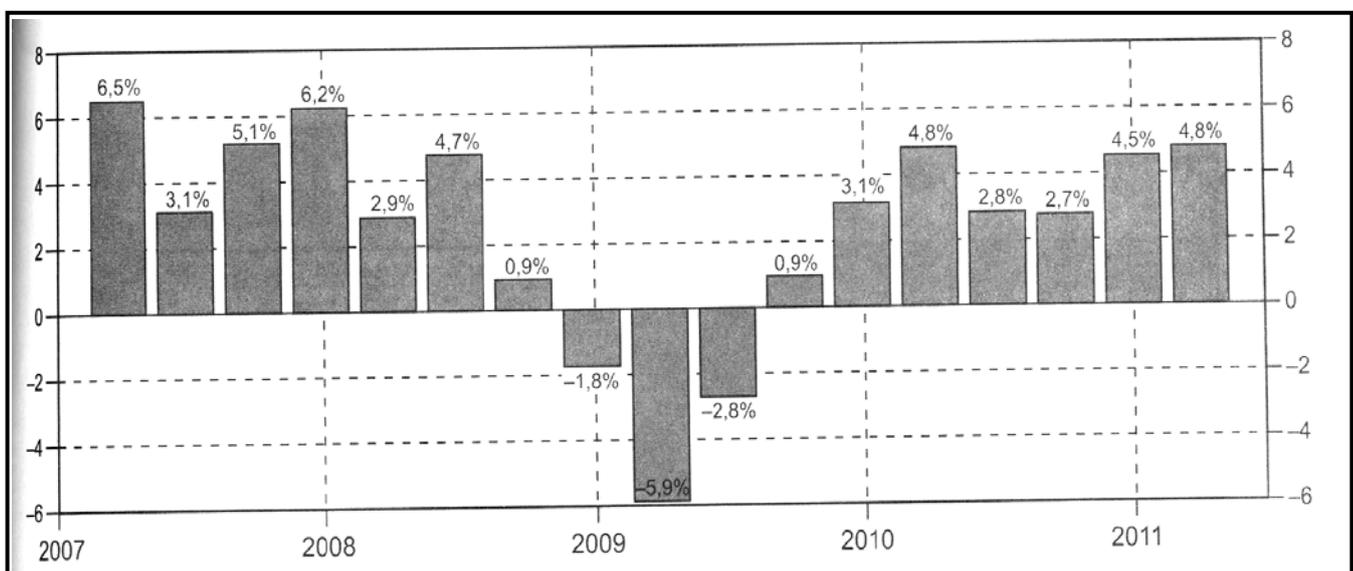
QUESTION 3: ECONOMIC PURSUITS**40 MARKS – 20 MINUTES**

3.1 Answer the following questions:

3.1.1 Name TWO redress redistribution methods used by government. (2 x 1) (2)

3.1.2 What effect will HIV/Aids have on future economic growth? (1 x 2) (2)

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

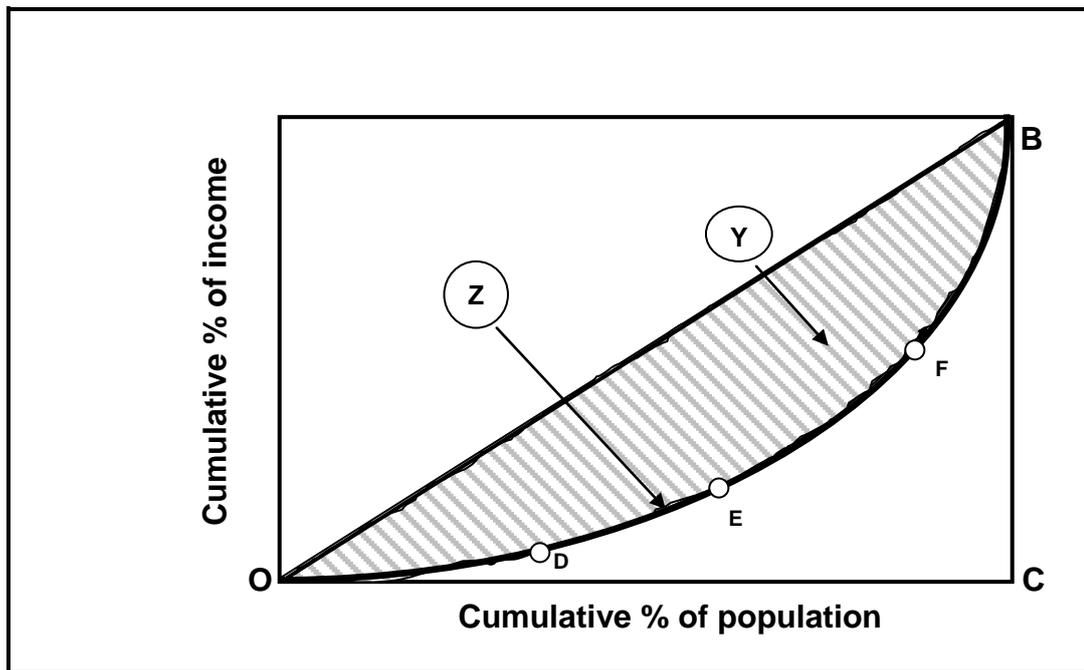
**SOUTH AFRICA'S GDP GROWTH RATE
(Quarterly)**[Source: www.tradeconomics/southafrica/gdpgrowth, 2012]3.2.1 Define the term *growth rate*. (2)

3.2.2 When did South Africa experience the highest growth rate? (2)

3.2.3 Differentiate between *economic growth* and *economic development*. (2)

3.2.4 Why might an increase in alcohol consumption lead to an increase in GDP, but a decrease in the standard of living? (4)

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



- 3.3.1 Identify the curve **Z** in the graph above. (2)
- 3.3.2 What does the straight line **OB** represent? (2)
- 3.3.3 Identify the shaded area **Y**. (2)
- 3.3.4 What will be the implication if the line marked **DEF** lies further away from **OB**? (2)
- 3.3.5 What will be the implication if **DEF** coincides with **OB**? (2)
- 3.4 Discuss bank of issue and government's banker as functions of the South African Reserve Bank (SARB). (2 x 4) (8)
- 3.5 Briefly analyse South Africa's role and economic importance in Africa. (4 x 2) (8)
- [40]**

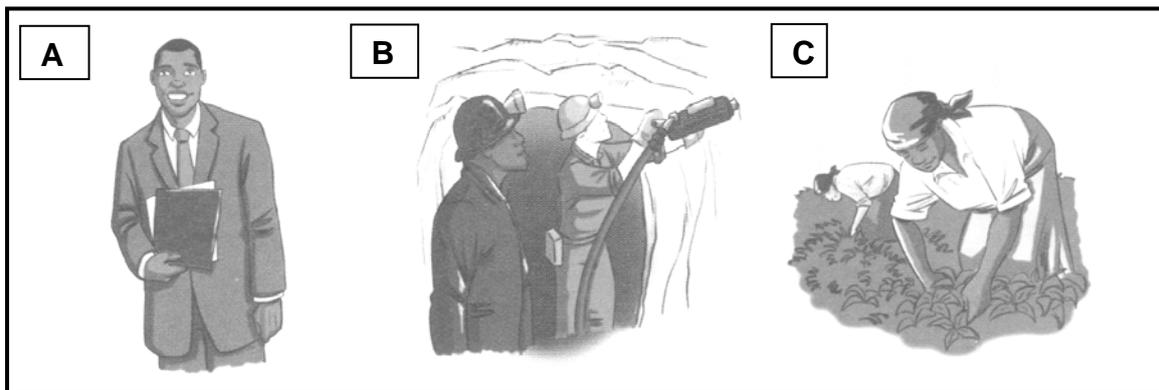
QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS
40 MARKS – 20 MINUTES

4.1 Answer the following questions:

4.1.1 Name TWO methods used to measure income inequality. (2 x 1) (2)

4.1.2 What effect will an increase in the income tax rate have on the inequality gap between the rich and the poor? (1 x 2) (2)

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



4.2.1 Classify the type of labour that is performed by person **A**. (1)

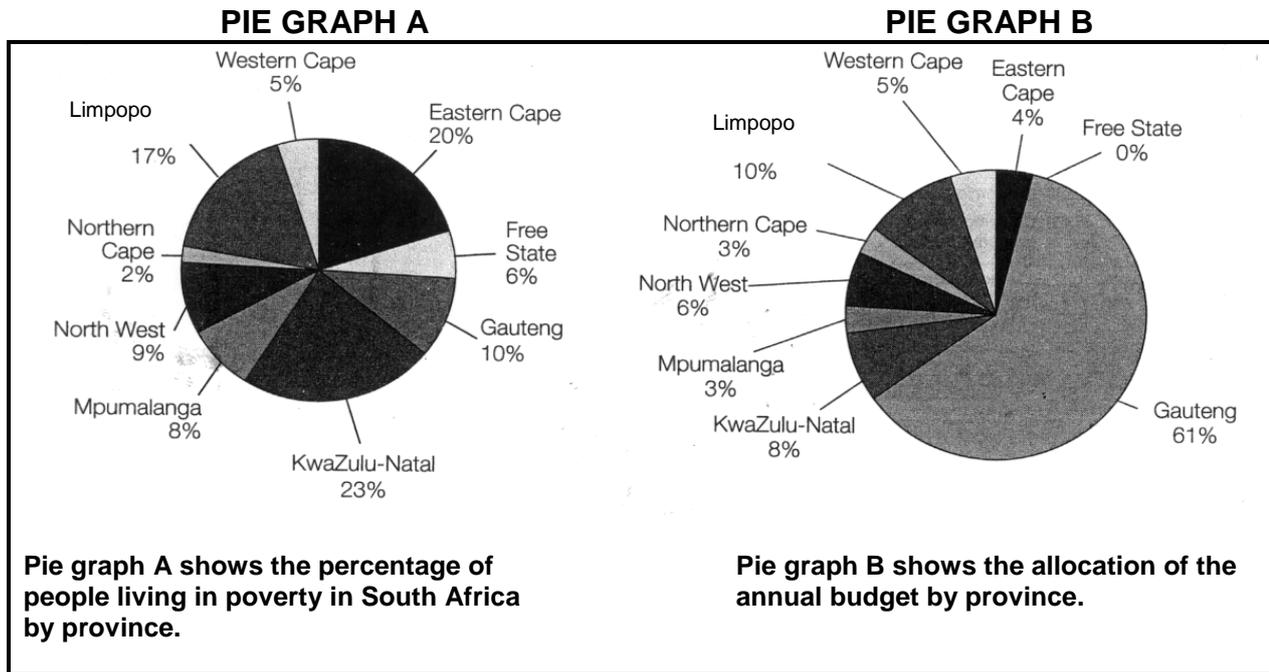
4.2.2 Explain any ONE characteristic of labour. (2)

4.2.3 Under which of the categories above (**A**, **B** or **C**) would you classify the bulk of South Africa's labour force? (1)

4.2.4 What, do you think, is the greatest threat to labour in South Africa? (2)

4.2.5 Why would you regard labour as an important factor of production? (4)

4.3 Study the pie graphs below and answer the questions that follow.



[Source: DEAT Socio-Economic Impact of Poverty Relief Funded Projects]

- 4.3.1 What is represented by graph **B**? (1)
- 4.3.2 Which province has the largest percentage of people living in poverty? (2)
- 4.3.3 Which province received the biggest budget allocation and why? (3)
- 4.3.4 Which TWO services can the government provide to increase the standard of living of the poor in your community? (4)
- 4.4 Explain the importance of the entrepreneur in the production process. (4 x 2) (8)
- 4.5 Why are indigenous knowledge systems (IKS) important for the economic development of a country? (4 x 2) (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:
Introduction	Max. 3
Body:	
• Main part: Discuss/Distinguish/Differentiate/Explain/Analyse/Evaluate/Assess	Max. 24
• Additional part: Use/Draw/Sketch a graph/diagram .../ Deduce .../Outline/Briefly explain/Expand on .../Your own opinion	Max. 6
Conclusion	Max. 2
Interpretation/Rubric	Max. 5
TOTAL	40

QUESTION 5: MACROECONOMICS**40 MARKS –20 MINUTES**

In the real world, most economies have a mixed economic system.

- Discuss South Africa's mixed economic system in terms of characteristics, advantages and disadvantages. (24 marks)
- Evaluate the government's efficiency in delivery social services to local communities. (6 marks)

[40]**QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 20 MINUTES**

Developing countries can be classified as low-income, middle-income or newly industrialised countries.

- Discuss the characteristics of developing countries. (24 marks)
- In your opinion, will the government's National Development Plan (NDP) be successful? (6 marks)

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150