KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GRADE 12

NATIONAL SENIOR CERTIFICATE

ECONOMICS P1

PREPARATORY EXAMINATION

SEPTEMBER 2024

MARKS: 150

DURATION: 2 Hours

This question paper consists of 14 pages.

Copyright Reserved

INSTRUCTIONS AND INFORMATION

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. Number the answers correctly according to the numbering system used in this question paper.

4. Write the number of each question above each answer.

5. Read the questions carefully and start EACH question on a new page.

6. Leave at least ONE line between subsections of each question.

7. Start each question on a new page.

8. Answer questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.

9. Answer ONLY the required number of questions. Answers in excess of the required number will NOT be marked.

10. Use ONLY blue or black ink.

11. Non-programmable pocket calculators may be used.

12. Write legibly and present your work neatly.

Copyright Reserved

SECTION A (COMPULSORY)

QUESTION 1 **30 MARKS – 20 MINUTES**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.8) in the ANSWER BOOK, e.g. 1.1.9 D.

1.1.1 An open economy is best described as a … sector economy.

A one
B two
C four
D three

1.1.2 A policy that attempts to stimulate economic activity is called ... fiscal policy

A restrictive
B monetary
C expansionary
D leading

1.1.3 The exchange of goods and services across the borders is called … trade.

A international
B barter
C money
D retail

1.1.4 Goods which are not possible to exclude free riders once they have been provided are called … goods.

A communal
B merit
C demerit
D collective

1.1.5 The amount of money paid to businesses to reduce the cost of production is called …

A tariff.
B subsidies.
C quotas.
D taxes.

Copyright Reserved

1.1.6 The growth and development policy that aims to eliminate poverty and reduce inequality by 2030 is called….

A National Development Plan.
B New Growth Path.
C JIPSA.
D RDP.

1.1.7 It concerns the process of transforming natural resources into final goods

A National research development strategy
B Industrial policy action plan
C Special economic zone
D Integrated manufacturing strategy

1.1.8 Production, as an economic indicator, relates to …

A foreign trade
B real GDP
C money supply
D inflation

(2 x 8) (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 (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Cash reserve requirement	A. All persons between the ages of 15 to 65 who supply labour for productive activities.
1.2.2 Trade balance	
1.2.3 Ad valorem	B. It is aimed at promoting investment projects in underdeveloped areas where unemployment and poverty are high.
1.2.4 Trough	
1.2.5 Expanded public work program	C. transfer of functions and ownership of entities from the private to the public sector.
1.2.6 Economically active population	
1.2.7 Regional development	D. The value of tangible exports minus tangible imports.
1.2.8 Economic growth	E. Is a tariff charged as percentage of the value of imported goods.
	F. Nationwide government intervention to create employment using labour intensive methods.
	G. Increase in the country's production capacity.
	H. The lowest turning point in a business cycle.
	I. The minimum balance that banks are required by law to keep in their accounts.

(1 x 8) (8)

Copyright Reserved

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1–1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 The rate at which commercial banks borrow money from the SARB.

1.3.2 Debt security issued by the states in exchange for loans which are redeemable at some future date in the long term.

1.3.3 Goods that are characterized by non-rivalry and non-excludability.

1.3.4 A plan to bring disadvantaged group to participate in the mainstream of economic activities.

1.3.5 A limited supply of goods and services to reduced imports.

1.3.6 The price of one currency in terms of another.

(1 x 6) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the three questions in this section in the ANSWER BOOK.

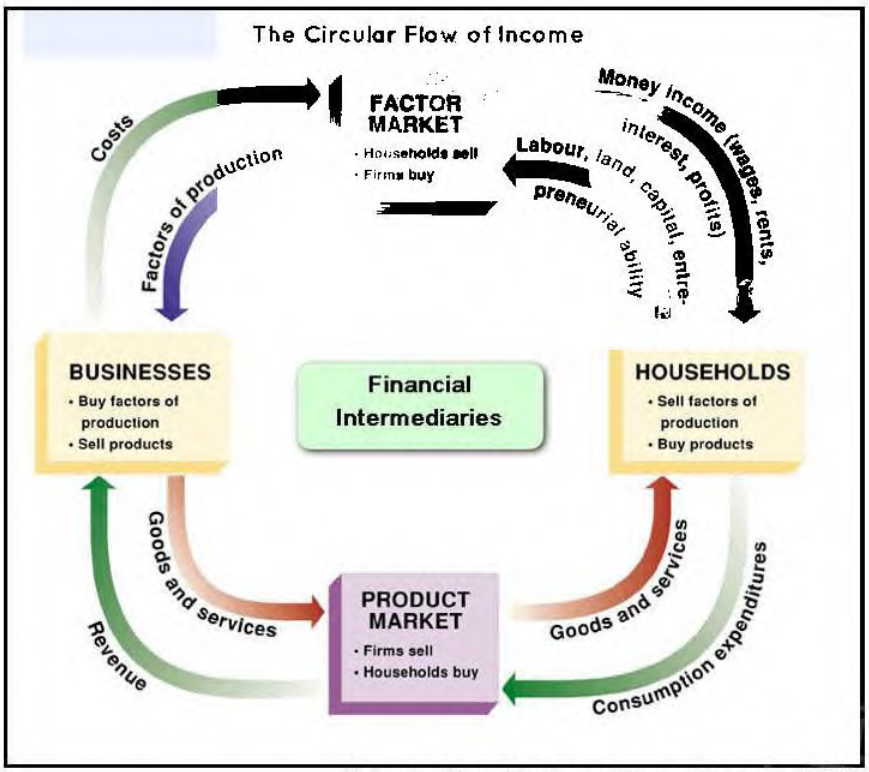
QUESTION 2: MACROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO types of business cycle. (1 x 2) (2)

2.1.2 How can double counting be avoided when calculating the GDP? (2 x 1) (2)

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



(Adapted from Business Times, January 2024)

2.2.1 Identify the primary participant in the diagram above. (1)

2.2.2 Name one factor of production provided by the factor market. (1)

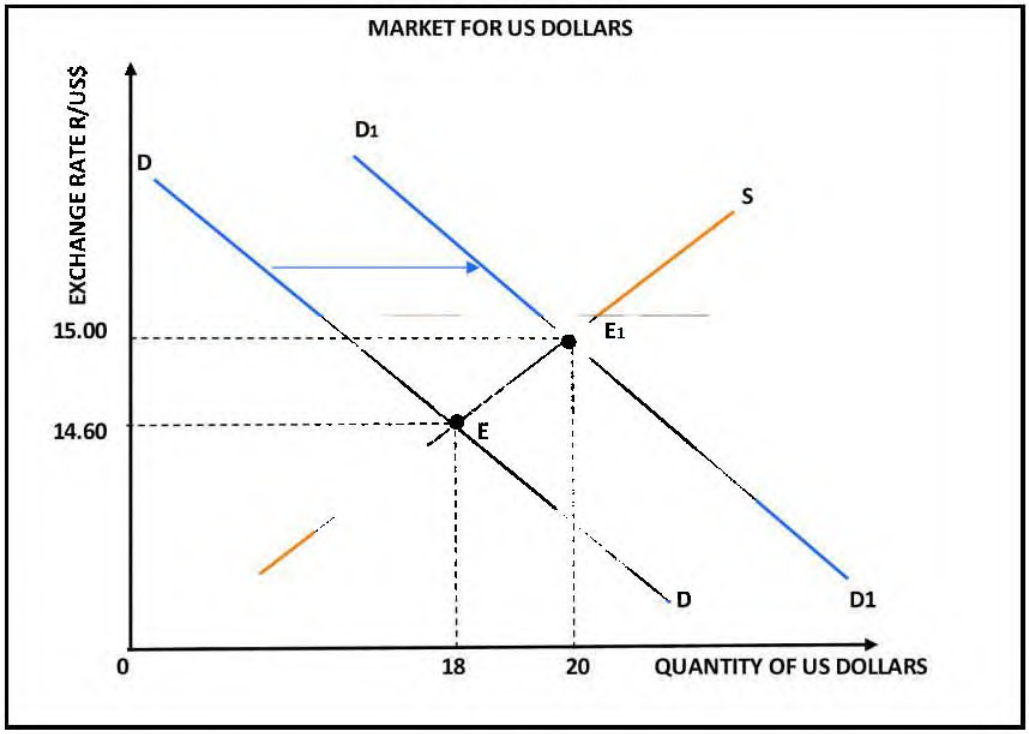
2.2.3 Briefly describe the term *circular flow*. (2)

2.2.4 Explain the role of firms in the economy. (2)

2.2.5 How can foreign direct investment influence national income? (4)

Copyright Reserved

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



2.3.1 Identify the exchange rate system that is represented by the graph. (1)

2.3.2 Which curve represents an increase in the demand for foreign currency. (1)

2.3.3 Briefly describe the term *exchange rate*. (2)

2.3.4 What could have caused a shift of the demand curve to the right from DD to D_1D_1? (2)

2.3.5 How can the SARB intervene to devalue the currency? (4)

2.4 Discuss amplitude and length as features underpinning forecasting in business cycles. (2 x 4) (8)

2.5 How can the South African economy be influenced by the effect of international trade? (2 x 4) (8)

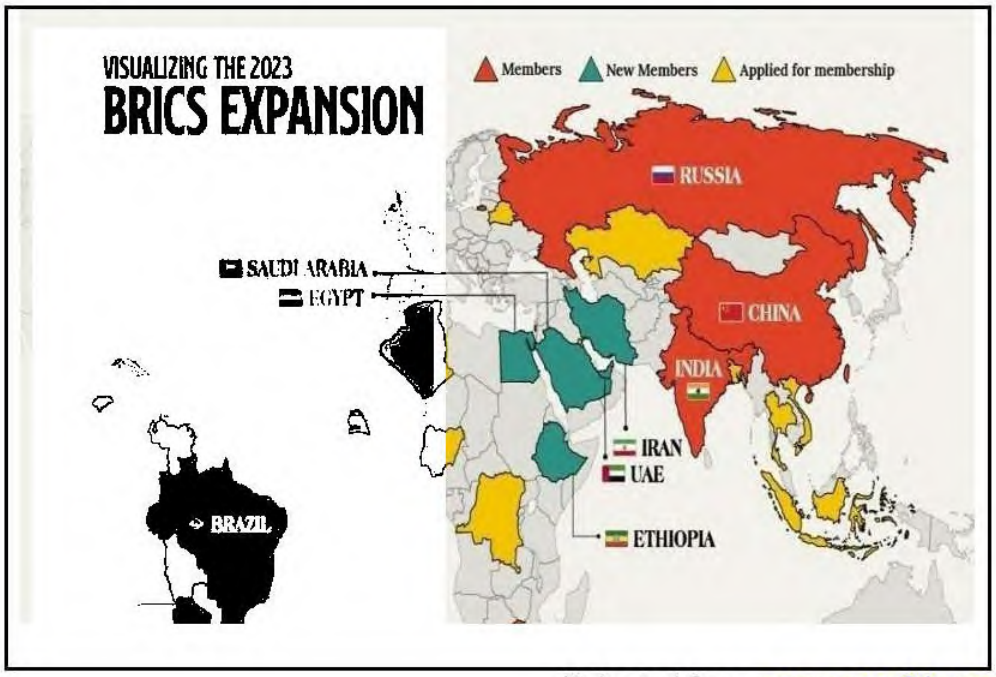
QUESTION 3: ECONOMIC PERSUITS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO inflation rate indicators. (2 x 1) (2)

3.1.2 How can physical control be used to reduce imports? (1 x 2) (2)

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



(Adapted from www.news24.com)

3.2.1 Identify one of the new BRICS countries. (1)

3.2.2 Name the country that assumed BRICS presidency in 2024. (1)

3.2.3 Briefly describe the term *import substitution*. (2)

3.2.4 Why is export promotion important for the South African economy? (2)

3.2.5 How can South Africa benefits from being a member of BRICS? (4)

Copyright Reserved

3.3 Study the picture and answer the questions that follow.

THE INEQUALITY GAP BETWEEN RICH AND POOR COUNTRIES



(Adapted from www.economicstoday.com)

3.3.1 Identify the economic concept that is depicted by the cartoon above. (1)

3.3.2 Name one country that is a member of the G7. (1)

3.3.3 Describe the term *economic development.* (2)

3.3.4 Why is South Africa regarded as one of the major polluters in the world? (2)

3.3.5 How can countries of the South solve the inequality gap? (4)

3.4 Discuss population growth and life expectancy as demographic indicators. (4 x 2) (8)

3.5 Evaluate the success of Japan- South Africa partnership forum for the South African economy. (4 x 2) (8)

Copyright Reserved

QUESTION 4: MACROECONOMICS AND ECONOMIC PERSUITS
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO problems of public sector provisioning. (2 x 1) (2)

4.1.2 Why is education an important indicator for the development of a country? (1 x 2) (2)

4.2 Study the following cartoon and answer the questions that follow:

SOUTH AFRICAN ECONOMY!!!!



(Extracted from www.theguardian.com)

4.2.1 Name the phase of the business cycle that can be associated with high inflation. (1)

4.2.2 Identify one challenge faced by the South African economy on the cartoon above. (1)

4.2.3 Briefly describe the term *recession*. (2)

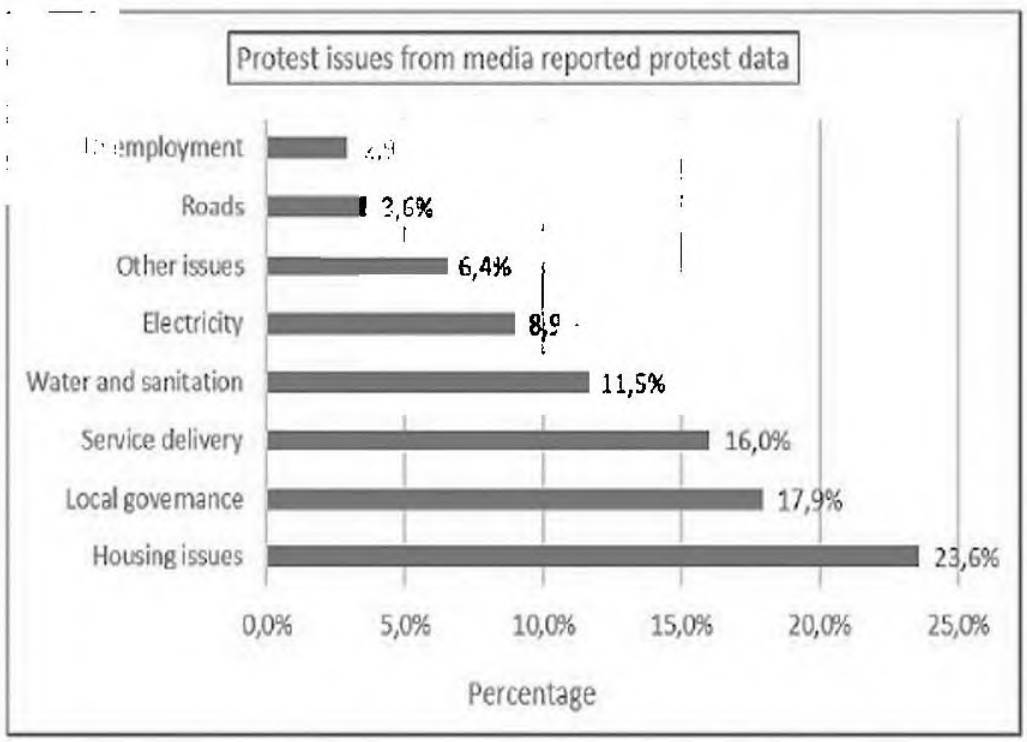
4.2.4 Explain the impact of the high cost of food on the economy. (2)

4.2.5 How can reserve bank use open market transaction to curb inflation? (4)

Copyright Reserved

4.3 Study the following data and answer the questions that follow:

SERVICE DELIVERY PROTEST IN SOUTH AFRICA



Source: Runciman et al.

4.3.1 Identify the percentage protest for water and sanitation. (1)

4.3.2 Name the organisation that regulates electricity in South Africa. (1)

4.3.3 Briefly describe the term *urbanization.* (2)

4.3.4 Why is load shedding a threat to the South Africa's economy? (2)

4.3.5 How can the government reduce the number of service delivery protest? (4)

4.4 Discuss injections and leakages in the circular flow. (4 x 2) (8)

4.5 How can trade liberalisation benefit developing countries? (4 x 2) (8)

Copyright Reserved

SECTION C

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

STRUCTUTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower order-response • A good starting point would be to define the main concept related to the question topic. • Do not include any part of the question in your introduction. • Do not include any part of the introduction in your body. • Avoid saying in the introduction what you are going to discuss in the body.	Max. 2
Body **Main part:** Discuss in detail/ In depth discussion/ Examine/ Critically discuss/ Analyse/ Compare/ Evaluate/ Distinguish/Differentiate/ Explain. **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/ How/ Suggest	Max. 26 Max. 10
Conclusion Any high-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned. • Any opinion or value judgment on the facts discussed. • Additional support information to strengthen the discussion/ analysis. • A contradictory viewpoint with motivation, if required. • Recommendations.	Max. 2
TOTAL	**40**

Copyright Reserved

QUESTION 5 MACRO-ECONOMICS 40 MARKS – 40 MINUTES

- Discuss in detail the reasons for public sector failure. (26)
- How can the South African government improve accountability of public sector officials? (10)

QUESTION 6. ECONOMIC PURSUITS 40 MARKS – 40 MINUTES

- Discuss in detail South Africa's initiatives (endeavours) in regional development. (26)
- How can Small Business Development Programme stimulate regional development? (10)

[40]

TOTAL MARKS: 150

Copyright Reserved