GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 11

ECONOMICS

(PAPER 1)

TIME: **2 hours**

MARKS: **150**

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. In SECTION B only the first TWO questions will be marked and in SECTION C only the first ONE.

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

4. Write the question number above each answer.

5. Read ALL the questions carefully.

6. Start EACH question on a NEW page.

7. Leave 2 – 3 lines between subsections of questions.

8. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the requirements of the 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 **30 MARKS – 20 MINUTES**

1.1 MULTIPLE-CHOICE QUESTIONS

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.

1.1.1 A … is an economic system in which economic decisions are made solely by market forces of demand and supply.

A market economy
B centrally planned economic system
C mixed economy
D capitalist economy

1.1.2 The primary sector of the South African economy is …

A small, because there is a shortage of raw materials.
B the largest sector.
C scarce.
D declining in importance as part of the GDP.

1.1.3 There is less poverty among the people in developed countries because …

A there is full employment.
B the profit motive leads to self-interest.
C the private sector is discouraged.
D the government plays a very large role in the economy.

1.1.4 The Russia-Ukraine conflict affected South Africans with regards to …

A electricity prices.
B health care.
C availability and pricing of some food crops.
D availability and cost of education.

1.1.5 The taxation system that South Africa uses is ...

A proportional.
B progressive.
C regressive.
D all of the above.

1.1.6 The ... is the price at which the South African Reserve Bank lends money to the other banks.

A interest rate
B repo rate
C prime rate
D fixed rate

1.1.7 The ... is used to measure the standard of living in a country.

A level of per capita income
B inflation rate
C balance of payment account
D economic growth rate

1.1.8 The … is the most recent development strategy to be pursued by South Africa.

A Reconstruction and Development Programme
B Joint Initiative on Priority Skills Acquisition
C New Growth Path
D National Development Plan (8 x 2) (16)

1.2 **MATCHING ITEMS**

Choose a description from COLUMN B that matches the concept in COLUMN A. Write only the letter (A – K) next to the question numbers (1.2.1 to 1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Natural resources	A	meeting current needs without damaging future generations' demands
1.2.2	Optimum mix	B	free gifts from nature
1.2.3	Productivity	C	represents spending on capital stock
1.2.4	Human resource development	D	industries in the primary sector
1.2.5	Monetary policy	E	relationship between input and output
1.2.6	Sustainable development	F	the best possible outcome within a given set of circumstances
1.2.7	Gross capital formation	G	enhances the standard and quality of the lives of the people of Southern Africa
1.2.8	SADC	H	combination of economic systems

	I	formal and specific activities that will improve the ability of all individuals to reach their full potential
	J	income method
	K	measures taken by the SARB to influence the supply of money

(8 x 1) (8)

1.3 **TERMINOLOGY**

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

1.3.1 It indicates the value of final output produced by each of the sectors of the economy

1.3.2 Goods that are destroyed in the process of being used

1.3.3 The sale of more than 50% of shares by a state enterprise to the private sector

1.3.4 A group of countries that uses a common currency

1.3.5 Development assistance from foreign countries in the form of grants, subsidised loans, machinery and expertise

1.3.6 The process that takes place to transform raw materials into consumer goods (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 factors that influence the price of natural resources. (2 x 1) (2)

2.1.2 Why are imports not included in domestic expenditure? (1 x 2) (2)

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

Minister of transport Mbalula promises solution to e-tolls "for sure" this time.

Mbalula has been promising an announcement on e-tolls since he took office in May 2019 with several deadlines come and gone. Speaking at a press briefing in Pretoria on Thursday, Mr Mbalula said the decision would be made by the Medium-Term Budget Policy Statement in October.

"Between myself and the Minister of Finance we have been directed by the President that this matter [should] come to Cabinet. It will feature as a matter resolved by Cabinet at the Medium Term Budget Policy Statement. This one is for sure, for certain." he said.

Mbalula said that a decision had been taken by Cabinet a while ago which would have impacted on the fuel levy. Among the suggestions tabled to pay for lost income from e-tolls in the past, has been an increase to the fuel levy in Gauteng.

[Source: www.fin24.co.za/30june2022]

2.2.1 Name any ONE form of transport. (1)

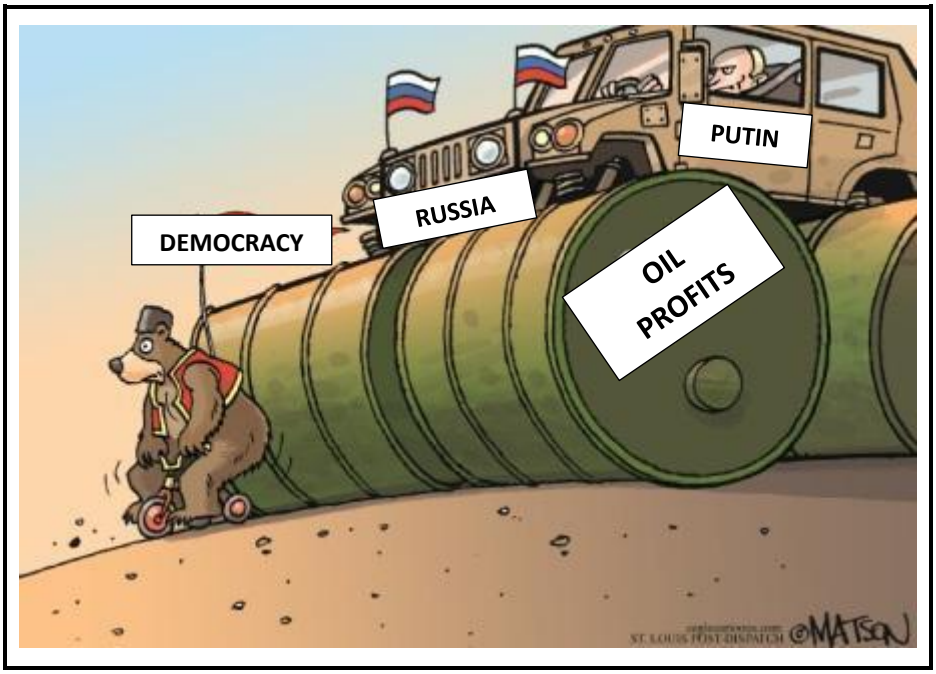
2.2.2 Which agency is responsible for constructing and maintaining national roads in South Africa? (1)

2.2.3 Briefly describe the term *infrastructure.* (2)

2.2.4 Explain the economic importance of transport to the economy. (2)

2.2.5 How can the South African government improve the functioning of public transport in the country? (4)

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



[Source:http://www.opendemocracy.net]

2.3.1 Which economic system is depicted by the image above? (1)

2.3.2 Who allocates the resources in the system depicted above? (1)

2.3.3 Briefly describe the term *economic system.* (2)

2.3.4 Explain ONE advantage of the economic system depicted in the image above. (2)

2.3.5 How does self-interest benefit an economy? (2 x 2) (4)

2.4 Discuss the role of households in an open circular flow. (4 x 2) (8)

2.5 How has the war in the Ukraine affected environmental deterioration? (4 x 2) (8)

[40]

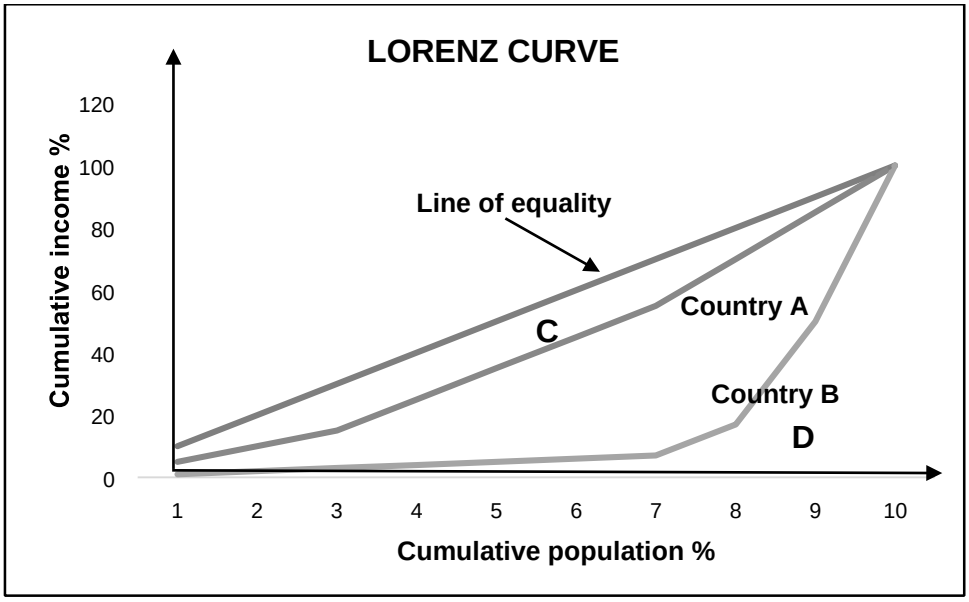
QUESTION 3: ECONOMIC PURSUITS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO functions of the Central Bank. (2 x 1) (2)

3.1.2 Why was money introduced as a medium of exchange? (1 x 2) (2)

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



[Adapted from: Focus Economics]

3.2.1 From the graph above, identify a country with the most unequal distribution. (1)

3.2.2 What does the *Gini coefficient of zero* mean? (1)

3.2.3 Briefly describe the term *Lorenz curve*. (2)

3.2.4 Explain the relationship between the Lorenz curve and the Gini coefficient. (2)

3.2.5 Suppose the area between Country A and the line of equality is 20 and the total area (**C** + **D**) below the line of equality is 100, calculate the Gini coefficient. Show ALL calculations. (4)

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

SOUTH AFRICA'S HDI RANKING

South Africa boasts a highly developed economy and advanced infrastructure. It is a significant player on the African continent.

However, development has slowed down and the nation has one of the highest inequality rates in the world.

Global ranking:	113
Life expectancy:	63,4
GDP:	349,4 billion USD
Gross National Income Per Capita:	USD 11,923
HDI ranking in Africa:	8

[Adapted from: africanexponent.com]

3.3.1 Name any ONE characteristic of developing countries. (1)

3.3.2 Which indicator is used when measuring HDI? (1)

3.3.3 Briefly describe the term *economic development*. (2)

3.3.4 Explain the use of per capita figures. (2)

3.3.5 How can the South African government improve the quality of human resources? (4)

3.4 Briefly discuss the importance of indigenous knowledge systems. (4 x 2) (8)

3.5 Evaluate the Reconstruction and Development Programme as a development strategy in South Africa. (8)

[40]

QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS

40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO methods used to calculate Gross Domestic Product. (2 x 1) (2)

4.1.2 Why is wealth more important than income? (1 x 2) (2)

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

SOUTH AFRICA'S GROSS DOMESTIC PRODUCT – 2019		
At current prices	**2018**	**2019**
Compensation of employees	2 320 179	2 418 544
Net operating surplus	1 249 182	1 296 696
Consumption of fixed capital	638 782	713 078
Gross value added at factor cost	**4 245 848**	**4 428 317**
Other taxes on production	101 936	105 061
Less: Other subsidies on production	6 492	9 798
Gross value added at basic prices	**4 173 328**	**4 523 580**
Taxes on products	545 558	564 866
Less: Subsidies on products	12 951	10 821
Gross domestic product at market prices	**4 873 899**	**5 077 625**

[Source: SARB – QB March 2020]

4.2.1 Give ONE example of taxes on products. (1)

4.2.2 Name ONE form of compensation of employees. (1)

4.2.3 Briefly describe the term *current prices.* (2)

4.2.4 Explain the purpose of subsidies on production. (2)

4.2.5 Calculate the consumption of fixed capital as a percentage of the GVA at factor cost for 2019. Show ALL calculations. (4)

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

A decade to achieve NDP Vision

The year 2020 marks the 26th year of democracy in South Africa. It also marks that we have only 10 years remaining to achieve the vision as outlined in the National Development Plan (NDP).

The plan sets out year-on-year targets to be achieved by the government. These include dismantling the structural economic elements that remain unchanged and continue to undermine economic growth endeavours, among others.

[Source: Adapted from https://mg.co.za/article/]

4.3.1 What is the main aim of the NDP? (1)

4.3.2 In which year does the NDP aim to achieve its objective? (1)

4.3.3 Briefly describe the term *economic growth.* (2)

4.3.4 Explain the negative effect the NDP can have on taxpayers. (2)

4.3.5 How will the South African economy benefit from the implementation of the NDP? (2 x 2) (4)

4.4 Discuss the economic importance of the tertiary sector. (4 x 2) (8)

4.5 Analyse South Africa's constraints in relation to economic growth. (8)

[40]

TOTAL SECTION B: 80

SECTION C

Answer any 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: The introduction is a low-order response. • A good starting point would be to define or explain a concept or key word that appears in the question. • Do NOT include any part of the question in your introduction. • 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
Body: **Main part**: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/ Explain/Assess/Draw a graph and explain/Use the graph given and explain/Complete the graph given/Debate **A maximum of 8 marks can be awarded for headings/examples.** **Additional part**: Give own opinion/Critically discuss/Evaluate/ Critically evaluate/Calculate/Deduce/Compare/Explain/Distinguish/ Interpret/Briefly explain/How?/Suggest/Analyse/Evaluate **A maximum of 2 marks can be awarded for merely listing of facts.**	Max. 26 Max. 10
Conclusion: Any higher order conclusion must include the following: • A wrap-up of the discussion of the topic without repetition of facts already mentioned • An own opinion or value judgement of the points discussed with examples to support your discussion • Additional, supporting information that strengthens your discussion/analysis • A contradictory viewpoint with motivation, if requested • Recommendations	Max. 2
TOTAL	**40**

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

- Discuss, in detail, the importance of entrepreneurial skills. (26 marks)

- How can the government assist entrepreneurs of small businesses that have been negatively affected by the COVID-19 pandemic? (10 marks) **[40]**

QUESTION 6: ECONOMIC PURSUITS **40 MARKS – 40 MINUTES**

- Discuss the functions of the South African Reserve Bank under the following headings:

    - Government's banker (8)
    - Bank of issue (8)
    - Banker's bank (10) (26 marks)

- How will the Governor of the Reserve Bank use monetary policy to influence the quantity of money of the country? (10 marks) **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END