education
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ECONOMICS P2

SEPTEMBER 2024

MARKS: 150

TIME: 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. Write the question number above each answer.
3. Answer only the required numbers of questions. Answers in excess of the required number will not be marked.
4. 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.
5. Number the answers correctly according to the numbering system used in this question paper.
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. You may use a non- programmable pocket calculator.
11. Write legible 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 correct answer and write only the letter (A-D) next to the question number (1.1.1-1.1.8) in the ANSWER BOOK, for example 1.1.9. D.

1.1.1 The sum of all incomes earned by a firm from selling its product is called…

A average revenue.
B total revenue.
C marginal revenue.
D average cost.

1.1.2 When a public good is supplied and it is impossible to leave out other individuals from deriving a benefit, it is said to be ….

A non-excludable
B non-rivalry
C pure public sector
D missing markets

1.1.3 The level of output where a business can only just cover its variable costs but not its fixed costs it is called...

A break-even point.
B fixed cost.
C shut-down point.
D average output.

1.1.4 A situation whereby one firm set a price and the other firms accept it as the market price represents … collusion.

A overt
B cartel
C explicit
D price leadership

1.1.5 The monetary policy strategy whereby inflation is controlled by adopting the upper and lower limit of the inflation rate is called…

A cost push inflation.
B Inflation.
C hyperinflation.
D Inflation targeting.

1.1.6 The uncontrollable removal of trees in an unsustainable way is called …

A deforestation.
B land restitution.
C land redistribution.
D natural resources.

1.1.7 The international agreement that manages the nuclear waste is called the …

A Kyoto Protocol.
B Stockholm Protocol.
C Basel Convention.
D Johannesburg Summit.

1.1.8 A place that is listed by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) as having special cultural or physical importance is called a ...

A Department of tourism.
B World Heritage Site.
C superstructure.
D World Bank.

(8 x 2) (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 numbers (1.2.1. to 1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Cost benefit analysis	A	unadjusted CPI that is calculated for urban areas only.
1.2.2	Competition Commission	B	the continuous decrease in general prices over a period of time.
1.2.3	Implicit costs	C	the direct regulation of an industry or activity through laws that state what is allowed and what is illegal.
1.2.4	Marginal social cost	D	excludes items with highly volatile prices.
1.2.5	Deflation	E	private costs plus external costs.
1.2.6	Tourism forum	F	value of inputs owned by the entrepreneur and used in the production process.
1.2.7	Headline Inflation	G	it is a technique used by government to compare social benefits against social costs of a project.
1.2.8	Command and Control	H	It supports tourism policy and advisory body to the minister of tourism.
		I	an institute that investigates restrictive business practices and the abuse of dominant positions.

(8 x 1) (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 competition body that reviews orders where parties are dissatisfied with the rulings of the Competition Tribunal.

1.3.2 The cost incurred when producing one additional unit.

1.3.3 When the production or consumption of a good has a negative or positive effect on third parties.

1.3.4 Activities of people travelling to and staying in places outside their usual environment for no more than one consecutive year.

1.3.5 The type of inflation caused by increase in cost of production.

1.3.6 The process of keeping the resources that are non-renewable intact.

(6 x 1) (6)

TOTAL SECTION A: [30]

Copyright reserved

SECTION B

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

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

2.1 Answer the following questions.

2.1.1 Name any TWO examples of oligopoly businesses (2 x1) (2)

2.1.2 Why will the monopolist not be able to charge excessively high prices for his/her product? (1 x 2) (2)

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

PERFECT COMPETITION

Perfect competition is a useful economic theory that illustrates a type of a market structure operating under ideal conditions. If there are several firms producing a commodity and no individual firm has a comparative advantage, there is perfect competition. In this ideal market quality is comparative across, firms and buyers can purchase the product for the lowest possible price since there is no supplier that has influence over price. Firms can make various forms of profits in the short run and long run.

[Source: www.google.co.za]

2.2.1 Identify a reason why a perfectly competitive firm is regarded as a price taker. (1)

2.2.2 What is the nature of the product for the perfect competition? (1)

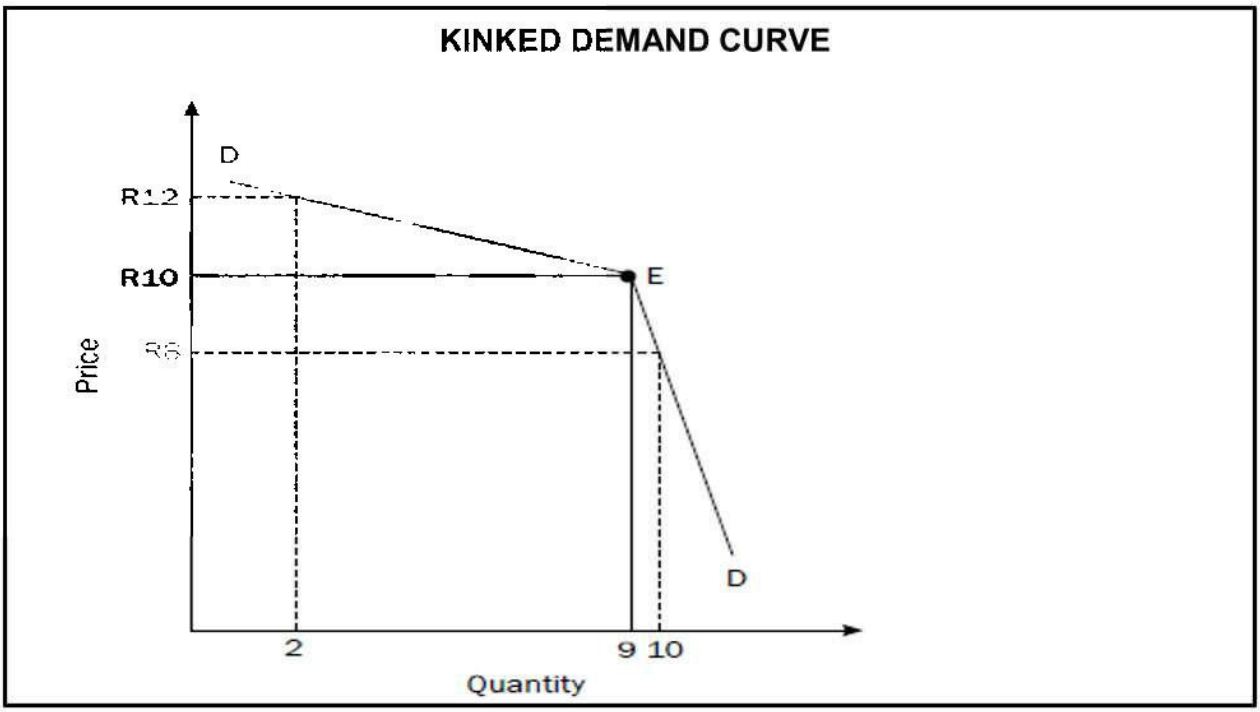
2.2.3 Briefly describe the term *economic profit*. (2)

2.2.4 Why is access into the perfect market regarded as easy? (2)

2.2.5 What are the short run benefits of running a firm in perfect competition? (4)

Copyright reserved

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



2.3.1 Identify the original market price in the graph above. (1)

2.3.2 Name the upper segment of the kink demand curve represented by distance DE in the graph. (1)

2.3.3 Briefly describe the term *duopoly*. (2)

2.3.4 Explain why oligopolists are reluctant to compete on prices. (2)

2.3.5 Use the information in the graph to show the impact of a decrease in the price on the revenue of the oligopolist firm. Show ALL calculations. (2 x 2) (4)

2.4 With the aid of a graph explain profit maximization of a perfectly competitive firm using the marginal cost and marginal revenue approach. (8)

2.5 How do hybrid market structures positively impact the economy? (4 x 2) (8)

[40]

`

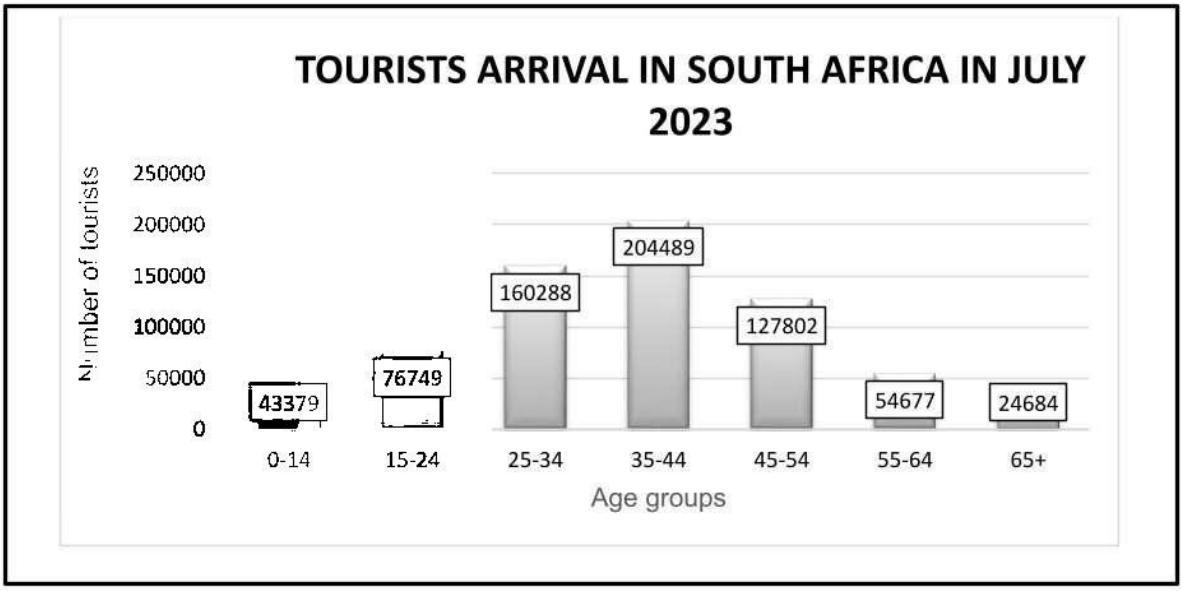
QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO reasons why market fails to protect the environment. (2 x 1) (2)

3.1.2 How can high rates of taxation negatively affect tourism industry? (1 x 2) (2)

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



[Source: www.statistica.com]

3.2.1 Identify the age group of people who visited South Africa the most in July 2023. (1)

3.2.2 Name ONE organisation that is responsible for marketing South Africa as a tourist destination. (1)

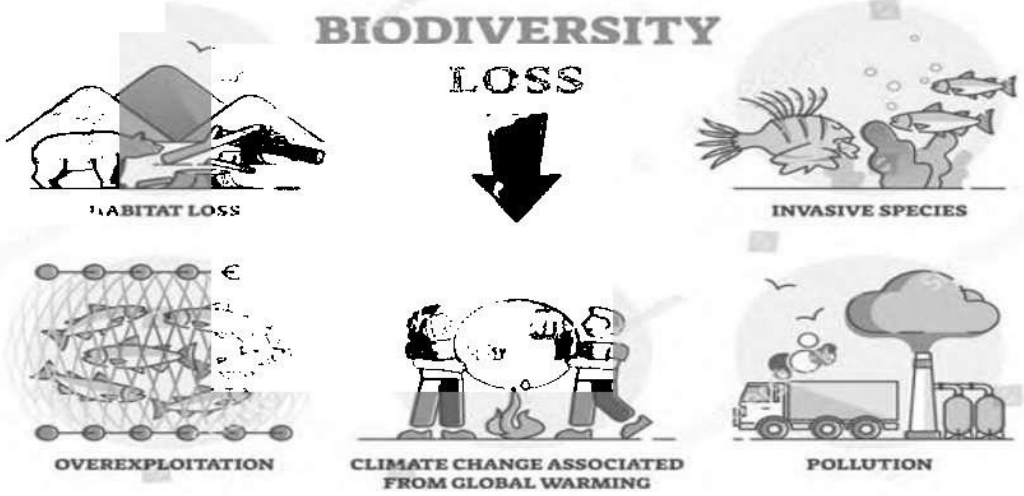
3.2.3 Briefly describe the term *cultural tourism.* (2)

3.2.4 Why is infrastructure development important in promoting tourism? (2)

3.2.5 How can the depreciation of the rand impact inbound tourism in South Africa? (2 x 2) (4)

Copyright reserved

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



Plant and animal species are disappearing at an ever-faster rate due to human activity. Biodiversity has been declining at an alarming rate in recent years, mainly due to human activities, such as land use changes, pollution and climate change.

[Source:www.shutterstock.com]

3.3.1 Identify the term used to describe the introduction of waste matter into the environment. (1)

3.3.2 Name any ONE international measure to control climate change. (1)

3.3.3 Briefly describe the term *Biodiversity*. (2)

3.3.4 Explain the importance of property rights in ensuring environmental sustainability. (2)

3.3.5 How can green tax negatively impact the economy? (2 x 2) (4)

3.4 Briefly discuss *marketable permits* and *subsidies* as measures used to ensure environmental sustainability? (4 x 2) (8)

3.5 How can indigenous knowledge systems (IKS) be used to promote tourism in South Africa? (8)

[40]

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 30 MINUTES

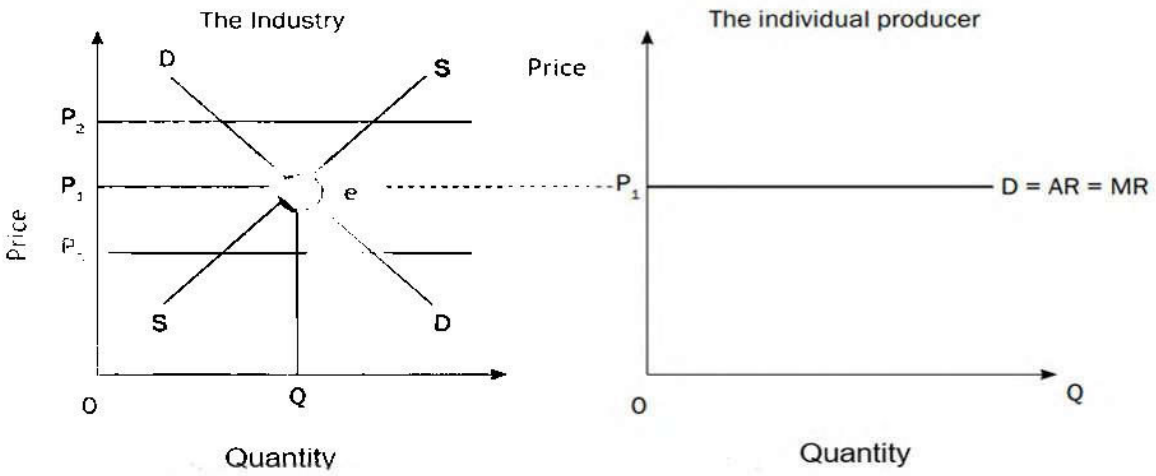
4.1 Answer the following questions.

4.1.1 Give any TWO reasons why governments levy tax on demerit goods. (2 x 1) (2)

4.1.2 How does chemical waste affect people? (1 x 2) (2)

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

THE INDIVIDUAL BUSINESSES'S DEMAND CURVE



4.2.1 Identify the market price at which the individual firm sell its products. (1)

4.2.2 Name the market structure illustrated above. (1)

4.2.3 Briefly describe the term *variable cost*. (2)

4.2.4 Why is average revenue always equals to marginal revenue in a perfect market? (2)

4.2.5 Explain the effect on the industry in the long run if the businesses in a perfect market made an economic profit? (2 x 2) (4)

Copyright reserved

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

TOURISM IN SOUTH AFRICA



[Source: www.google.com]

4.3.1 What type of tourism is depicted in the picture above. (1)

4.3.2 Name any ONE environmental World Heritage Site found in South Africa. (1)

4.3.3 Briefly describe the term *domestic tourist.* (2)

4.3.4 Explain the role played by representative bodies in improving tourism. (2)

4.3.5 How can households benefit from tourism? (2 x 2) (4)

4.4 Distinguish between *natural monopoly* and *artificial monopoly*. (2 x 4) (8)

4.5 Evaluate the effectiveness of the Johannesburg Summit (WSSD) in ensuring sustainable development. (8)

[40]

TOTAL SECTION B: (80)

SECTION C

Answer any ONE of the TWO questions in this section in the ANSWER BOOK. Ensure that your answer follows the structure indicated below in order to obtain maximum marks:

STRUCTURE 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**

QUESTION 5: MICROECONOMICS — 40 MARKS – 40 MINUTES

- Discuss in detail the factors leading to the misallocation of resources in the market (causes of market failure). (26)
- How does government intervention in the markets positively impact the South African economy? (10)

40

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES

- Discuss the consequences of inflation. (26)
- Analyse the inflation problem in South Africa. (10)

40

TOTAL SECTION C: [40]

GRAND TOTAL: 150

Copyright reserved