GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2021

GRADE 11

ECONOMICS

PAPER 1

TIME: 2 hours

MARKS: 150

13 pages

EXEMPLAR

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.
6. Start EACH question on a NEW page.
7. Leave 2 – 3 lines between sub-sections of questions.
8. 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.
9. Use only black or blue ink.
10. Non-programmable pocket calculators may be used.
11. Write neatly and legibly

EXEMPLAR

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 to 1.1.8) in the ANSWER BOOK, for example 1.1.9 D.

1.1.1 The difference between the original price and the current value of machinery or equipment will depend on how much it has worn out. This is known as …

A market price.
B depreciation.
C basic price.
D constant price.

1.1.2 Wages and salaries earned by permanent residents outside South Africa must be … the GDP to obtain the GNI.

A added to
B divided by
C multiplied by
D subtracted from

1.1.3 One of the advantages of a centrally planned economy is …

A choice.
B risk.
C innovation.
D full employment.

1.1.4 Pollution is caused when electricity is generated from …

A coal.
B water.
C uranium.
D gas.

1.1.5 The tax where higher income earners are taxed at a higher rate is known as … tax.

A proportional
B regressive
C progressive
D indirect

EXEMPLAR

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

A repurchase rate
B prime lending rate
C interest rate
D dividend rate

1.1.7 An increase in the standard of living of the population is a direct result of economic …

A growth.
B development.
C freedom.
D stability.

1.1.8 Countries that are in a developing state, often share the following condition:

A High standard of living
B High levels of employment
C Dependence on tertiary sector activities
D High levels of unemployment

(8 x 2) (16)

EXEMPLAR

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 numbers (1.2.1 to 1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Human Development Index	A	Measures the degree of income inequality and wealth distribution between households
1.2.2	Economic growth	B	Aims to improve the quality of the workforce
1.2.3	Tertiary sector	C	The flow of goods and services
1.2.4	Market economy	D	Consists of decisions made by the SARB to influence the rate of interest and supply of money in the economy
1.2.5	Skills Development Act		
1.2.6	Consumption	E	A statistic used to rank countries in terms of life expectancy, education and standard of living
1.2.7	Lorenz curve	F	It is measured in terms of real GDP
1.2.8	Monetary policy	G	Includes wholesale and retail trade, community, social, personal and other services
		H	The basic economic problems of what, how and for whom to produce, are decided by the market mechanism of demand and supply
		I	Use of goods and services to satisfy needs

(8 x 1) (8)

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

1.3.1 They take the initiative to establish businesses

1.3.2 Resources that are scarce and that people are willing to pay for

1.3.3 Includes the spending of all departments including central, provincial and local

1.3.4 The total value of all final goods and services produced within the borders of a country in a particular period

1.3.5 The purpose is to return land to those who lost it as a result of racially discriminating laws and practices after 19 June 1913

1.3.6 The knowledge that is unique to a given culture or community

(6 x 1) (6)

TOTAL SECTION A: 30

EXEMPLAR

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 examples of subsidised household services provided by the local government. (2 x 1) (2)

2.1.2 Explain how consumption will stimulate employment. (1 x 2) (2)

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

No.	Item	Millions (R)
1	Final Consumption expenditure by consumers	513 472
2	Final Consumption expenditure by government	166 439
3	Gross capital formation	126 348
4	Residual Items	-34 029
5	**GDP at basic prices**	**772 230**
6	Exports	223 495
7	Imports	210 389
8	**GDP at market prices**	**(A)**

[Source: Adapted from STATSSA, P0441 released 2021]

2.2.1 Name any other organisation, besides Stats SA, that publishes statistics. (1)

2.2.2 Identify the method used to calculate GDP in the above table. (1)

2.2.3 Briefly describe the concept *Gross Capital Formation*. (2)

2.2.4 Why would South Africa's import value be higher than the export value? (2)

2.2.5 Calculate the value for **A**. (Show ALL calculations.) (4)

EXEMPLAR

2.3 Read the extract 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. 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 prices, will rise by more than 20% and others, such as bread, will rise by less.

[Source: YOU Magazine 11 Feb 2016, you.co.za]

2.3.1 Name the economic sector that is affected by drought. (1)

2.3.2 What impact will the drought have on South Africa's agricultural exports? (1)

2.3.3 Briefly describe the concept *secondary sector.* (2)

2.3.4 How will a drought influence consumers? (2)

2.3.5 Evaluate the types of primary sector operations with the aid of examples. (2 x 2) (4)

2.4 Discuss *supply and demand* and *climate,* as factors that influence the price of natural resources. (4 x 2) (8)

2.5 Evaluate the possible causes for the ongoing energy crisis in South Africa. (4 x 2) (8)

[40]

EXEMPLAR

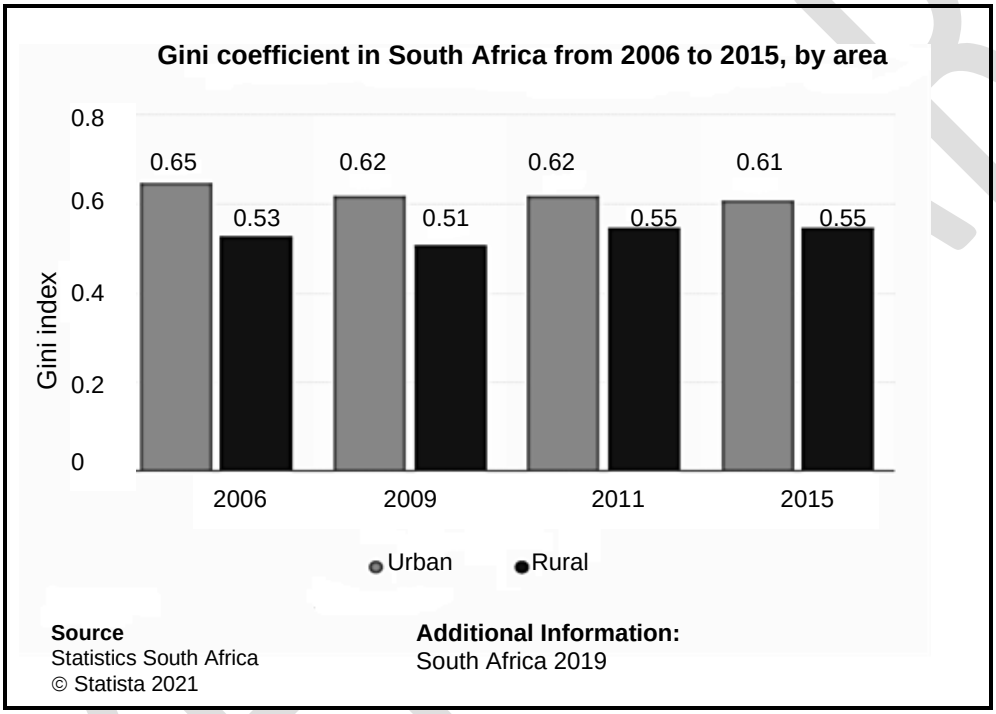
QUESTION 3: ECONOMIC PURSUITS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO components of monetary policy. (2 x 1) (2)

3.1.2 How will the South African Reserve Bank intervene when a bank experiences bank failure? (1 x 2) (2)

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



[Source: www.statista.co.za]

3.2.1 Name ONE possible reason for the higher Gini coefficient in urban areas. (1)

3.2.2 Where is the Gini coefficient derived from? (1)

3.2.3 Briefly describe the concept *wealth.* (2)

3.2.4 Why does South Africa have one of the highest inequality rates in the world? (2)

3.2.5 Illustrate a typical Lorenz curve for a country with high levels of income inequality by using a fully labelled graph. (4)

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

> Most bankers would not consider Zakkie a good candidate for a loan.
> Zakkie aged 49, is a primary school drop-out who does not earn a wage.
> Zakkie provides for her family by selling vegetables, "loose" cigarettes and little plastic bags of cooked mielies as snacks.
> Despite such humble credentials, Zakkie was the perfect candidate for a loan from the Small Enterprise Foundation, a non-profit organisation that provides micro-credit to rural entrepreneurs.
> The only other credit available is from neighbourhood money lenders, who charge 30% interest per month and use cruel methods of collecting debts.

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

3.3.1 Which banking concept is represented by the extract above? (1)

3.3.2 Name any ONE problem with borrowing money from micro-lenders. (1)

3.3.3 Briefly describe the concept *interest rates.* (2)

3.3.4 How does inflation influence the purchasing power of money? (2)

3.3.5 What will the impact of micro-lenders (micro-lending) be on economic growth? (2 x 2) (4)

3.4 Discuss the importance of the SARB *issuing coins and notes* and being *banker to the government* as functions of the South African Reserve Bank. (4 x 2) (8)

3.5 Examine how the COVID-19 lockdown has impacted wealth creation. (4 x 2) (8)

[40]

EXEMPLAR

QUESTION 4: MACROECONOMICS & ECONOMIC PURSUITS

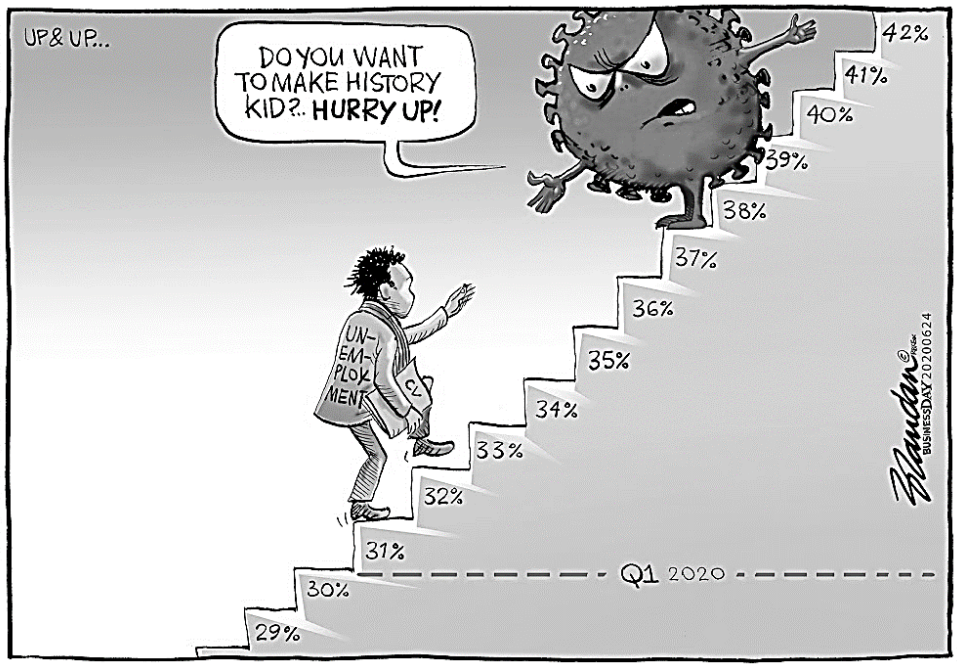
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name TWO ways in which standards of living can be measured. (2 x 1) (2)

4.1.2 Why does economic growth improve economic development? (1 x 2) (2)

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



[Source: https://www.businesslive.co.za]move]

4.2.1 Which production factor is represented in the cartoon above? (1)

4.2.2 What is the age group of the economically active population in SA? (1)

4.2.3 Briefly describe the concept *nominal wages.* (2)

4.2.4 Why do developing countries have a large supply of unskilled workers? (2)

4.2.5 What is the impact of technology on unemployment in South Africa? (2 x 2) (4)

EXEMPLAR

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

South Africa's economy is in a severe recession

Tshegofatso Mathe – 8 Sep 2020
The plummet in economic growth has been attributed to the COVID-19 lockdown, which hit the economy the hardest during April, May and June. StatsSA said the second quarter would become known as the "pandemic" quarter.

Kevin Lings, the chief economist at Stanlib, said the decline is "massive" and "more significant" than economists expected. But, he said, in the context of the unusual circumstances the figure is not entirely out of line with what was expected.

[**Source: Mail and Guardian]**

4.3.1 Which indicator is used to measure economic growth? (1)

4.3.2 Name any ONE policy that the government can use to achieve economic growth. (1)

4.3.3 Briefly describe the concept *deregulation.* (2)

4.3.4 Why do developing countries often struggle to achieve significant economic growth? (2)

4.3.5 How will a shortage in factors of production result in negative economic growth? (4)

4.4 Discuss the economic importance of labour as a factor of production. (4 x 2) (8)

4.5 How can indigenous knowledge systems be used to improve economic development in South Africa? (4 x 2) (8)

[40]

TOTAL SECTION B: 80

EXEMPLAR

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 answer. • A good starting point would be to define 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/Debate **Additional part**: Give own opinion/Critically discuss/Evaluate/ Critically evaluate/Calculate/Deduce/Compare/Explain/Distinguish/ Interpret/Briefly debate/How?/Suggest/ Draw a graph	Max. 26 Max. 10
Conclusion: Any high-order conclusion must include the following: • The conclusion is a wrap-up of the discussion of the topic in the body, without repetition of any facts already mentioned. • Any opinion or value-judgement about the facts discussed • The conclusion can take the form of an own opinion, with examples to support your discussion or a contradictory viewpoint from what has been discussed • No aspect from either the introduction or body should be included in the conclusion	Max. 2
TOTAL:	**40**

EXEMPLAR

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

- Discuss South Africa's mixed economic system in terms of:
  - Characteristics (10)
  - Advantages (8)
  - Disadvantages (8) (26 marks)

- Evaluate the government's efficiency in the delivery of social services to local communities. (10 marks) **[40]**

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

- Discuss in detail, the characteristics of developing countries. (26 marks)

- Outline the impact of the COVID-19 pandemic on the South African economy as a developing country. (10 marks) **[40]**

TOTAL SECTION C: 40

TOTAL: 150

EXEMPLAR

END