LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

VHEMBE WEST

GRADE 12

ECONOMICS

JANUARY 2024

MARKS: 100

TIME: 1 HOUR

This question paper consists of 10 pages

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INSTRUCTIONS AND INFORMATION

1. Answer **ALL questions.**

2. Write the question number above each answer.

3. 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.

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

5 Read the questions carefully.

6 Start each question on a new page.

7 Use only black or blue ink.

8 You may use a non- programmable pocket calculator.

9 Write legible and present your work neatly.

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SECTION A: COMPULSARY

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

A One
B Two
C Three
D Four

1.1.2 Investment is an example of a/an ….. in the circular flow model.

A Leakage
B Injection
C Withdrawals
D Loss

1.1.3 The total remuneration that the owners of the production factors receive is called….

A Production
B Expenditure
C Exports
D Income

1.1.4 Savings flow back into the circular flow as …

A government expenditure
B Leakage
C Investment
D Exports

1.1.5 The value of the total annual output of finished goods and services by the permanent residents of a country for any year …

A Gross National Product
B Gross Domestic Product
C Net National Product
D Gross National Assets

(5 x 2) (10)

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	Autonomous consumption	A	Proportion of their disposable income that households spend.
1.2.2	Leakages	B	Income and expenditure between the participants in the economy.
1.2.3	Marginal propensity to consume	C	Spending that takes place irrespective of the level of income.
1.2.4	Money flow	D	Compulsory payment made by a private individual or business enterprise to the state for which there is no direct benefit
1.2.5	Tax	E	Outflow of money from the economy.
		F	Reduction in the price of goods and consumers have more money to spend on other goods

(5 x 1) (5)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 A model which illustrates the flows between participants in the economy.

1.3.2 The owners of the production factors in the economy.

1.3.3 Goods used as inputs to produce other goods and services.

1.3.4 The movement of goods and services in the economy.

1.3.5 An economy that has no foreign sector as participator.

(5 x 1) (5)

TOTAL SECTION A: [20]

SECTION B

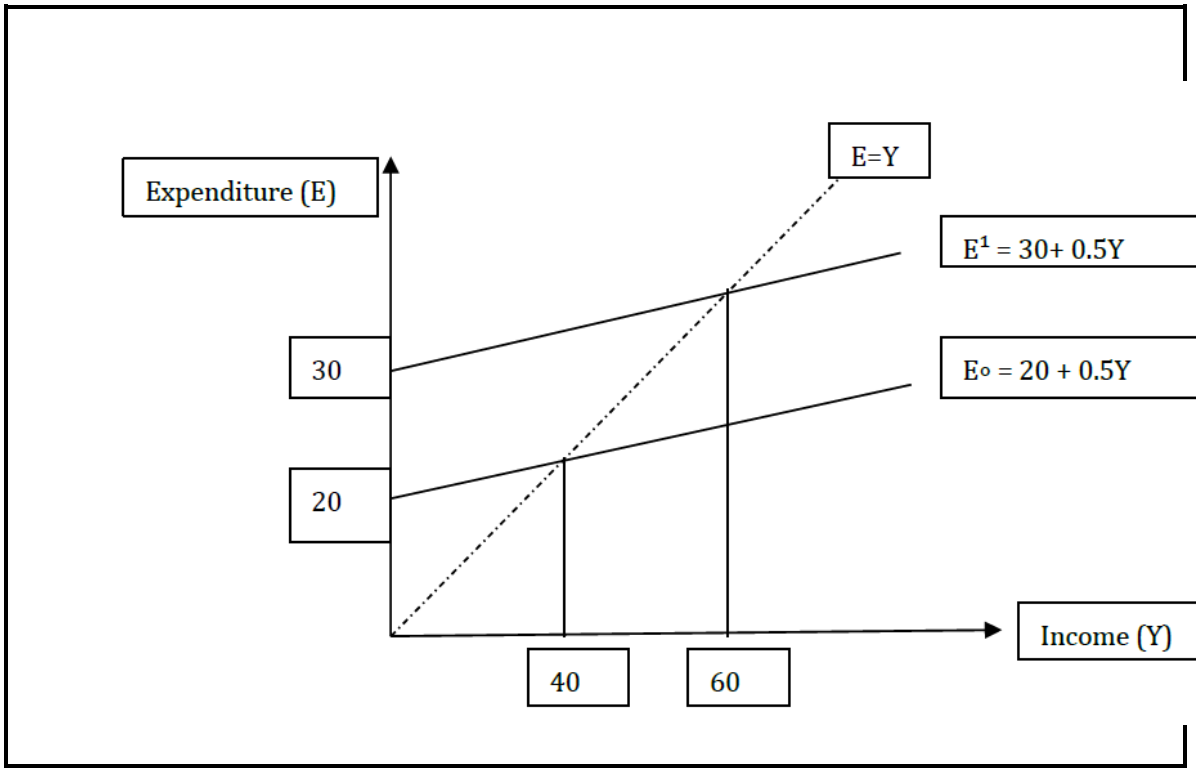
QUESTION 2 **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO types of consumer goods. (2 x 1) (2)

2.1.2 What is the purpose of the residual item when the expenditure method is used? (1 x 2) (2)

2.2 Study the graph below that depicts a simplified two-sector economy (where E = C + I) and answer the questions that follow.



2.2.1 Name the **ONE** sector involved in deriving the macro-economic multiplier. (1)

2.2.2 What is represented by the line E = Y? (1)

2.2.3 Briefly describe the term autonomous consumption. (2)

2.2.4 Explain the relationship between the MPC and the multiplier. (2)

2.2.5 Use the formula, k = ΔY/ΔJ, to calculate the multiplier (k) for the above scenario. Show ALL calculations. (4)

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

NATIONAL INCOME AND PRODUCTION ACCOUNTS OF SOUTH AFRICA
(GVA at constant 2010 prices)

GROSS VALUE ADDED BY KIND OF ECONOMIC ACTIVITY	2016 (Rm)
Primary Sector	298 849
Secondary Sector	550 195
Tertiary Sector	1 945 557
Gross value added at basic prices	**2 794 601**
Taxation on products	30 600
Subsidies on products	5 900
Gross Domestic Product at market prices	**A**

[Adapted from *SARB Quarterly Bulletin*, March 2017]

2.3.1 Identify the base year used by the SARB above. (1)

2.3.2 Which sector above contributed most towards the gross domestic product of South Africa? (1)

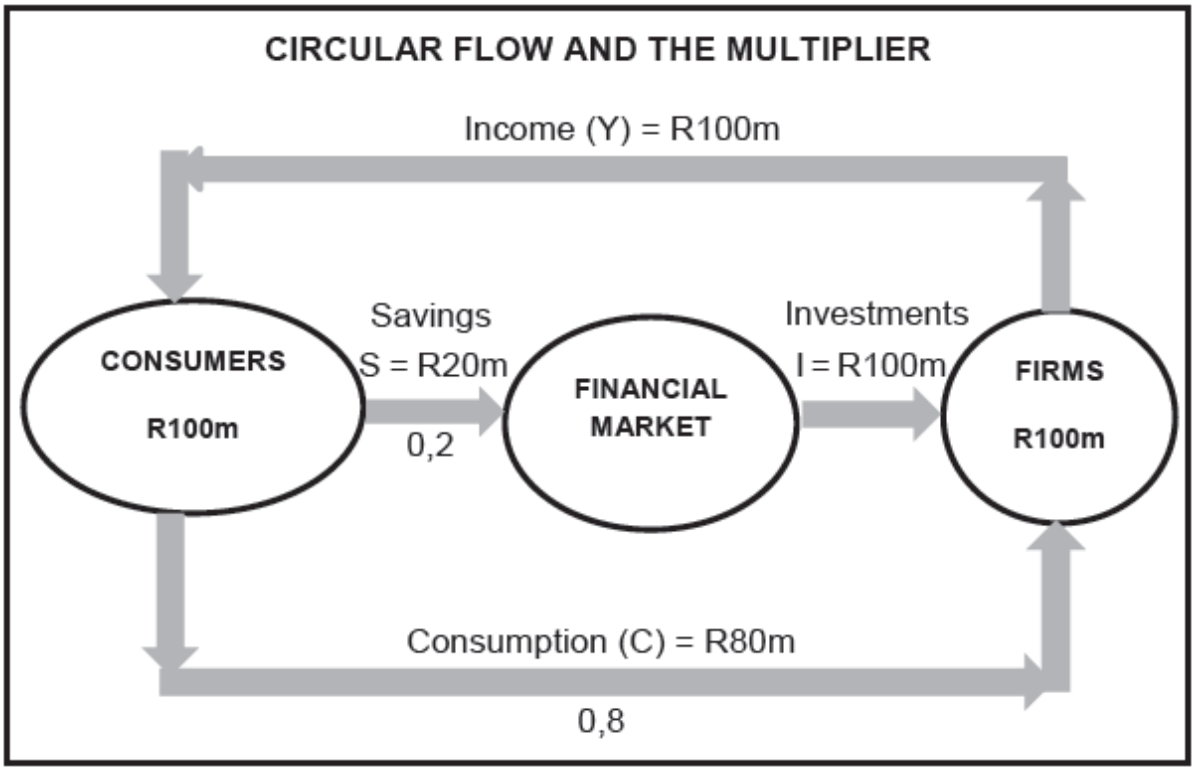
2.3.3 Briefly describe the term gross value added (GVA) at constant prices. (2)

2.3.4 How would the GDP at market prices be converted to GNP at market prices? (2)

2.3.5 Calculate the gross domestic product at market prices (A). (Show ALL calculations.) (4)

2.4 Briefly discuss the role of household as an important participant in the economy. (8)

2.5 Study the extract/ diagram below and answer the questions that follow.



2.5.1 Identify the value of marginal propensity to save (MPS) in the diagram above (1)
2.5.2 Name ONE leakage that relates to the foreign sector. (1)
2.5.3 Explain the importance of savings in the economy. (2)
2.5.4 Use the marginal propensity to consume (mpc) in the diagram above to determine the value of the multiplier. Show the formula and ALL calculations. (4)

[40]

SECTION C

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**

QUESTION 3: **40 MARKS – 40 MINUTES**

- Discuss the role of markets in a circular flow model. (26)
- How can the business sector contribute more positively to the economy? (10)

[40]