GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

JUNE 2019

GRADE 11

ECONOMICS
PAPER 1

13 pages

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

ECONOMICS
(Paper 1)

TIME: 2 hours

MARKS: 150

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. Additional answers 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 the answer to each question on a NEW page.

7. Leave 2 – 3 lines open 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 requirements of the questions.

9. Use only black or blue ink.

10. Non-programmable 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 number. (1.1.1 -1.1.8) in the ANSWER BOOK.

1.1.1 Which sector contributes the most to the GDP of South Africa?

A Primary
B Secondary
C Foreign sector
D Tertiary

1.1.2 Pollution is caused when electricity is generated from …

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

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

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

1.1.4 Fixed capital …

A is the stock of all those goods that have a money value.
B changes its form in the process of production.
C is simply a means by which we can exchange goods and services.
D is an example of a non-durable good.

1.1.5 The South African labour force is characterised by … labour.

A skilled
B unskilled
C semi-skilled
D highly skilled

1.1.6 Marginalised groups are excluded from …

A society.
B politics.
C the economy.
D protection.

1.1.7 Double counting is a problem that occurs when the … method of calculating GDP is used.

A production
B expenditure
C income
D consumption

1.1.8 In South Africa's national accounts final consumption expenditure refers to expenditure by …

A tourists.
B households.
C business.
D foreigners. (8×2) (16)

1.2 **MATCHING ITEMS**

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

COLUMN A		COLUMN B	
1.2.1	Capital widening	A	Have an expected lifespan of more than one year
1.2.2	Skills Development Act	B	Takes the form of social security such as state pensions and disability grants
1.2.3	Durable goods	C	Resources are allocated by government
1.2.4	Transfer payments	D	Industries of the primary sector
1.2.5	Economic systems	E	Enables entrepreneurs in remote and rural areas to set up small businesses
1.2.6	Centrally planned economy	F	Increases at a rate equal to the rate of increase of the work force
1.2.7	Extractive industries	G	Methods used by countries to allocate their resources
1.2.8	Procurement	H	Have an expected life span of a few months
		I	People who are discriminated against
		J	The steps that are used in the acquisition of goods and services
		K	Its aim is to improve the quality of the working life of workers

(8)

1.3 **CONCEPTS**

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. (NO ABBREVIATIONS, ACRONYMS OR EXAMPLES WILL BE ACCEPTED)

1.3.1 The resources that are scarce and that people are willing to pay for.

1.3.2 A pathway to a qualification that is made up of a structured learning component, together with workplace experience.

1.3.3 State-owned businesses.

1.3.4 Total value of all final goods and services that are manufactured during a given period within the borders of a country.

1.3.5 The record of money flow related to the import and export of goods and services.

1.3.6 An economic system that combines the advantages of a centrally planned and a free market economy.

(6 ×1) (6)

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2 **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO characteristics of natural resources. (2×1) (2)

2.1.2 Why is community participation important? (1×2) (2)

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

GOVERNMENT EXPENDITURE FUNCTIONAL CLASSIFICATION SOUTH AFRICAN BUDGET 2018/2019	
R billion	2018/2019
Learning and culture Health District health services Central health services Provincial health services Other health Facilities management and maintenance Safety and security Debt service costs	R351.1bn (2.2.5) R90.2bn R38.6bn R34.3bn R33.8bn R8.5bn R200.1bn R180.1bn

[Source: www.treasury.gov.za 02/2018]

2.2.1 Name the government expenditure classification used in the above table. (1)

2.2.2 Indicate the service in which the government allocates most of the resources. (1)

2.2.3 Briefly describe the concept *final consumption expenditure* by the government. (2)

2.2.4 Why does government spend more on education? (2)

2.2.5 Calculate the total health expenditure in the above table. Show all calculations. (4)

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

Water crisis: Cape Town

Drought to have huge impact on SA's economy

Cape Town has fought tooth and nail to push day zero back to 2019. A large part of the battle has been concentrated on catching the national government's attention and ensuring that the water crisis was handled by the highest sources of power.

Not only is the drought set to leave a large dent in Cape Town's local finances, but it is believed that South Africa's economy is also under threat.

Moody's – the credit agency who decide SA's financial status – estimate that it will take R12 billion rand ($1billion) to build sustainable infrastructure and sanitation developments over the next five years.

Fin24 reports that the Western Cape economy equates 13% of South Africa's GDP in total. So, if the province was to lose 2% off of its own output, that would take 0.26% off of the national total.

[Source: *Engineering news* February 2018]

2.3.1 Identify ONE possible reason for water restrictions in the Western Cape? (1)

2.3.2 What is *Day Zero*? (1)

2.3.3 Briefly describe the term *Gross National Income* (GNI). (2)

2.3.4 Why is South Africa's economy under threat? (2)

2.3.5 What role can government play in preventing water shortages in future? (2x2) (4)

2.4 Discuss the role of entrepreneurs as creators of employment and their contribution in ensuring competition. (4×2) (8)

2.5 How successful has the government been in creating opportunities for previously disadvantaged individuals through empowerment? (2×4) (8)

[40]

QUESTION 3 **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name TWO primary sector operations. (2×1) (2)

3.1.2 How effective is local government in promoting the role of community participation? (1×2) (2)

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

CENTRALLY PLANNED ECONOMIC SYSTEM

If there is no shop in a rural area, the state will tell one of the inhabitants to start a spaza shop. By doing this, the state will decide what, how, and when to produce in order to uplift the society.

[Source: *Economics Fast track*]

3.2.1 What type of economic system is referred to in the above extract? (1)

3.2.2 Who allocates the resources in the above extract? (1)

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

3.2.4 Explain how service delivery can be improved in South Africa. (2)

3.2.5 Why is South Africa regarded as a mixed economy? (2x2) (4)

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

FUEL PRICE HIKE



Motorists will pay more for a litre of petrol at the pumps from Wednesday (06 March 2019), owing to an increase in the international petroleum price, and a weaker local currency (Rand).

Based on current local and international factors, the fuel prices for March 2019 will be adjusted as follows:

- Petrol (93 Octane): 74 cents increase
- Petrol (95 Octane): 74 cents increase
- These price hikes come as toll fees across the country increase on Friday (1 March 2019) while additional increases to the General Fuel and Road Accident Fund levies will apply in April.

[Source: *Business Tech* 04 March 2019]

3.3.1 Which Government Department is responsible for the determination of petrol prices? (1)

3.3.2 Identify the major cause of petrol hikes in South Africa. (1)

3.3.3 Briefly explain the effect of petrol price hikes on the average South African citizen. (2)

3.3.4 Why do transport costs have an impact on the prices of goods and services? (2)

3.3.5 What can the government do to improve the lives of low-income earners during these difficult times? (2x2) (4)

3.4 Distinguish between *durable* goods and *non-durable* goods. (4x2) (8)

3.5 Evaluate the success of South Africa's communication infrastructure. (4x2) (8)

[40]

QUESTION 4 **40 MARKS – 30 MINUTES**

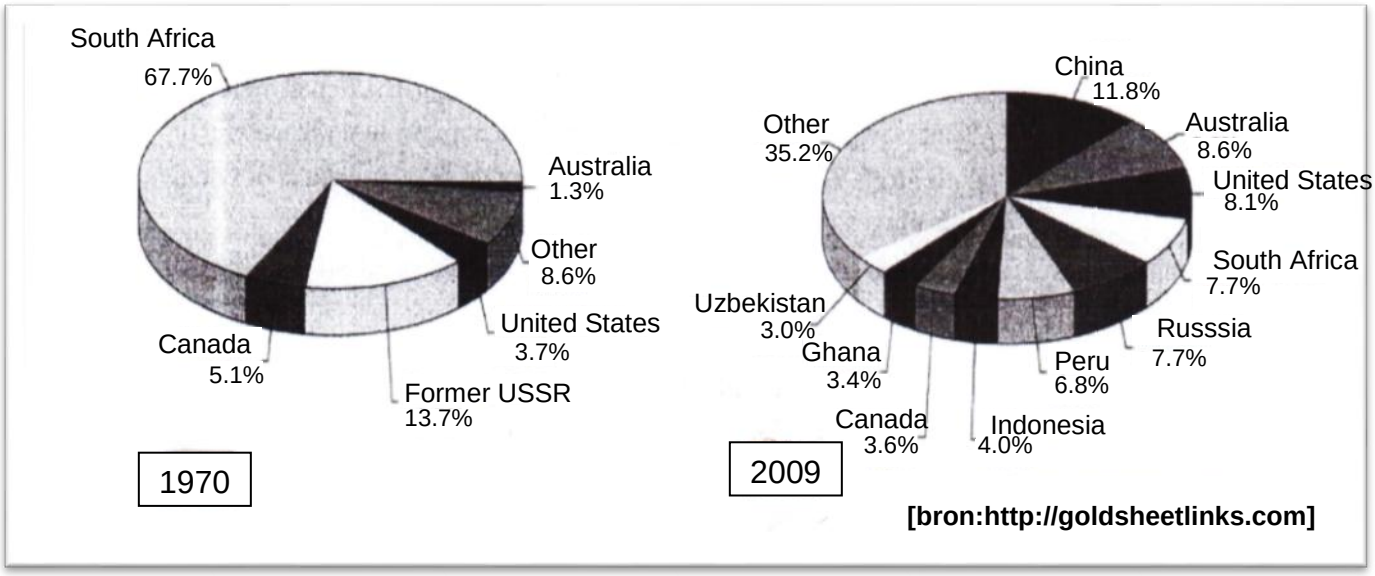
4.1 Answer the following questions.

4.1.1 Name TWO classifications of capital. (2)

4.1.2 How will an increase in investment spending influence the economy? (2)

4.2 Study the following pie graphs on Gold Production and answer the questions that follow:

GOLD PRODUCTION



[bron:http://goldsheetlinks.com]

4.2.1 Which sector does the pie graphs refer to? (1)

4.2.2 Which country was the biggest gold producer in the world in the 1970s? (1)

4.2.3 Briefly describe the term *secondary sector*. (2)

4.2.4 What happened to South Africa's gold production from 1970 to 2009? Prove your answer with calculations. (2)

4.2.5 Analyse the economic impact of this trend on the South African economy since 2009. (2×2) (4)

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

NATIONAL INCOME ACCOUNTS OF SOUTH AFRICA		
	R millions	
	2016	2017
Compensation of employees	1 451	1 576
Net operating surplus	922	961
Consumption of fixed capital	406	443
Gross value added at factor cost	**2 779**	**2 980**
Other taxes on production	56	64
LESS: Subsidies on production	15	14
…(A)…	**2 820**	**3 030**
Taxes on production	338	374
LESS: Subsidies on products	20	19
Gross domestic product at market prices	**3 138**	**3 385**

[Adapted from SARB Quarterly Bulletin, September 2018]

4.3.1 What method of calculation was used in the table to calculate the gross domestic product (GDP)? (1)

4.3.2 Name the missing item labelled **A**. (1)

4.3.3 Describe the concept '*net operating surplus*'. (2)

4.3.4 Briefly explain the importance of measuring national accounts. (2)

4.3.5 Calculate the compensation of employees as a percentage of GDP at market prices in 2017. Show ALL calculations. Round off to two decimal places. (4)

4.4 Briefly discuss the characteristics of labour as a factor of production. (4×2) (8)

4.5 How effective is the delivery of social services in South Africa? (4×2) (8)

[40]

TOTAL SECTION B: 80

SECTION C

Answer ONE of the two questions in the ANSWER BOOK.

STRUCTURE OF THE 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 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 / Explain / Assess / Debate **Additional part**: Give own opinion / Critically discuss / Evaluate / Critically evaluate / Draw a graph and explain / Use the graph given and explain / Calculate / Deduce / Compare / Explain / Distinguish / Interpret / Briefly debate / How / Suggest / Use the information and argue, debate, evaluate	Max. 26 Max. 10
Conclusion Any relevant higher order conclusion that should include: ➢ A brief summary of what has been discussed / analysed without repeating facts already mentioned in the body ➢ An opinion or value judgement on the facts discussed ➢ Additional support information to strengthen the discussion / analysis ➢ A contradictory viewpoint with motivation, if so required ➢ Recommendations	Max. 2
TOTAL	**40**

QUESTION 5 **40 MARKS – 40 MINUTES**

- Discuss the economic importance of the tertiary sector. (26)
- Evaluate the growth in the composition of the tertiary sector. (10)

QUESTION 6 **40 MARKS – 40 MINUTES**

- Discuss the economic characteristics, advantages and disadvantages of a market economy. (26)
- Evaluate the efficiency of the state in addressing the disadvantages of the market system. (10)

TOTAL SECTION C: 40

TOTAL: 150

END