GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2019

GRADE 11

ECONOMICS
PAPER 1

TIME: 2 hours

MARKS: 150

13 pages

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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 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 subsections 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. You may use a non-programmable calculator.

11. Write neatly and legibly.

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SECTION A (COMPULSORY)

QUESTION 1 30 MARKS – 20 MINUTES

1.1 Various options are provided as possible answers to the following questions. Choose the answers 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 Platinum in the ground may best be classified as which factor of production?

A Capital
B Labour
C Natural resources
D Precious metal

1.1.2 Macroeconomics deals with ...

A economic aggregates.
B the behaviour of firms.
C the activities of individual units.
D government purchases.

1.1.3 In a planned or command economy, all the economic decisions are taken by the …

A voters.
B producers.
C consumers.
D government.

1.1.4 In South Africa, mining is the responsibility of the Department of …

A Public Works.
B Environmental.
C Mineral Resources.
D Energy.

1.1.5 The value of the gini coefficient ranges between …

A 0 and 1.
B 10 and 100.
C 1 and 10.
D 100 and 1000.

1.1.6 … measures the economic growth in percentage from one period to another.

A Real economic growth rate
B Economic growth rate
C Inflation rate
D GDI

1.1.7 The … consists of a group of countries that have abolished tariffs and quotas on trade among themselves.

A common market
B monetary union
C customs union
D free trade area

1.1.8 The primary objective of NEPAD is to ...

A stop wars.
B vote in elections.
C eradicate poverty.
D support protests.

(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 number (1.2.1. to 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Capital deepening	A Trade agreement between a group of emerging markets
1.2.2 Non-renewable	B The practice of passing on wealth from one generation to the next
1.2.3 Capitalism	C Occurs when labour-capital ratio increases
1.2.4 Gross capital formation	D Means of production are controlled by private owners
1.2.5 Productivity	E Production of capital goods
1.2.6 Inheritance	F Ratio of output to input
1.2.7 BRICS	G Bank saving accounts and term deposits
1.2.8 Quasi Money	H Remuneration for factors of production
	I Mineral resources and fossil fuels are exhausted when they are mined

(8 x 1) (8)

1.3 Give ONE term for EACH of the following descriptions. Write only the term next to the question number (1.3.1 to 1.3.6) in the ANSWER BOOK.

Abbreviations and acronyms will NOT be accepted.

1.3.1 Decrease in monetary value of assets over time

1.3.2 Goods and services for which households, the business sector and government are prepared to pay a price

1.3.3 State owned businesses like SABC and ESKOM

1.3.4 Taxation and government spending are used to influence economic growth.

1.3.5 A statistic used to rank countries by level of human development in terms of set criteria

1.3.6 Percentage of deposits at banks that have to be kept in cash at the Reserve Bank in order to meet all possible withdrawals (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

Answer 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 Mention any TWO kinds of capital. (2 x 1) (2)

2.1.2 Why is the supply of land fixed? (2)

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



[Source: https://www.globalwoodmarketsinfo.com/]

2.2.1 Name the industry of the primary sector presented in the above picture. (2)

2.2.2 What is the relationship between the primary and the secondary sectors? (2)

2.2.3 Briefly explain why a minimum wage was introduced in the agricultural sector in South Africa. (2)

2.2.4 Why is the contribution to GDP important in the primary sector? (4)

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

GROSS VALUE ADDED 2018, QUARTER 3

	R (millions)
Gross value added at primary sector	427 270
Gross value added at secondary sector	833 994
Gross value added at tertiary sector	2 713 609
Gross value added at basic prices	**3 974 873**

[Source: *SARB quarterly bulletin,* December 2018]

2.3.1 Which method was used in the calculation of the gross domestic product above? (1)

2.3.2 Which year is currently used as the base year by the SARB? (1)

2.3.3 Briefly explain the concept *Gross Value Added*. (2)

2.3.4 Briefly describe the term *Gross National Product (GNP)*. (2)

2.3.5 Calculate the total contribution of the secondary sector to the Gross Value Added at basic prices. Show all your calculations. (4)

2.4 Discuss the economic importance of the tertiary sector in the economy. (8)

2.5 How can procurement benefit the marginalised people in South Africa? (8)
[40]

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

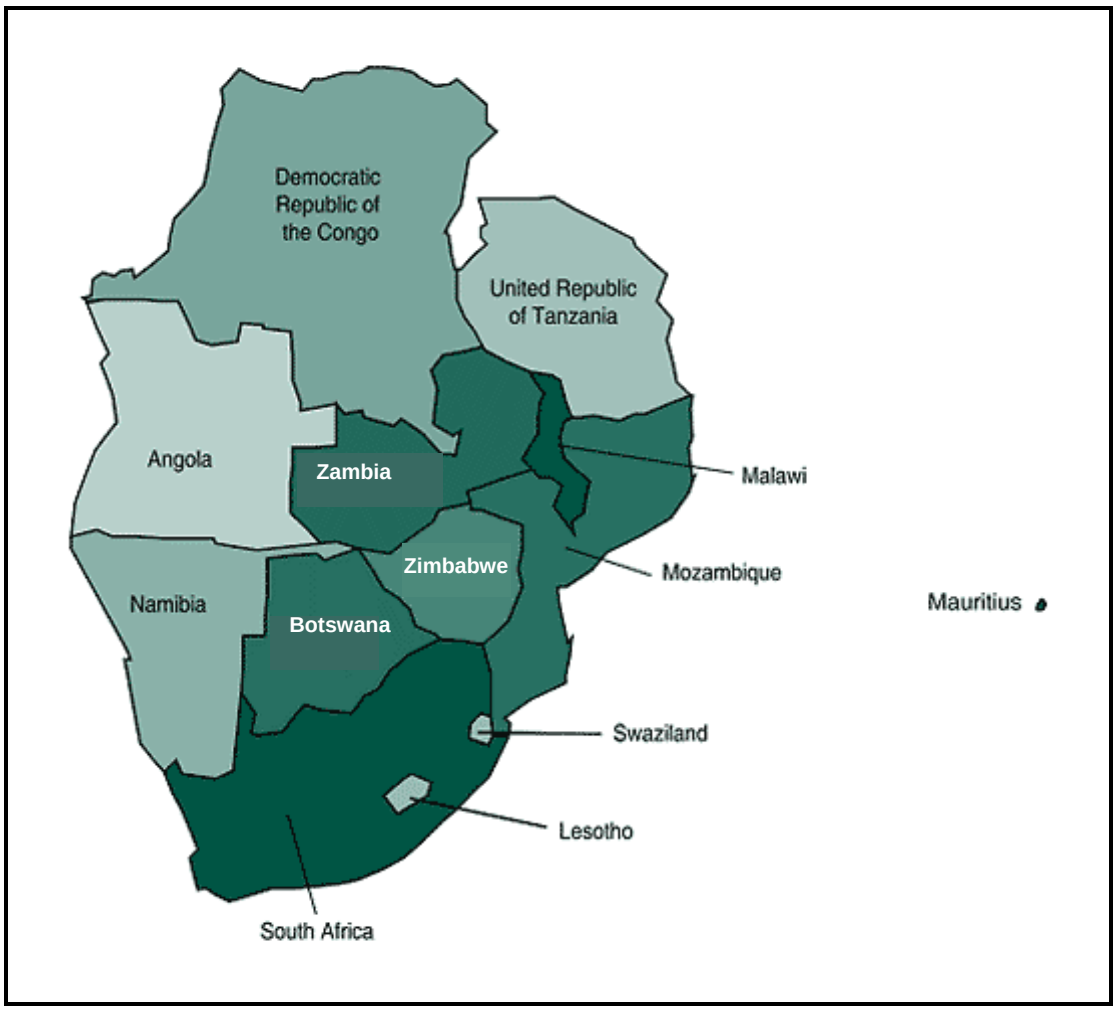
3.1 Answer the following questions.

3.1.1 Name any TWO examples of social grants. (2 x 1) (2)

3.1.2 What is income inequality? (2)

3.2 Study map below and answer the questions that follow.

SADC



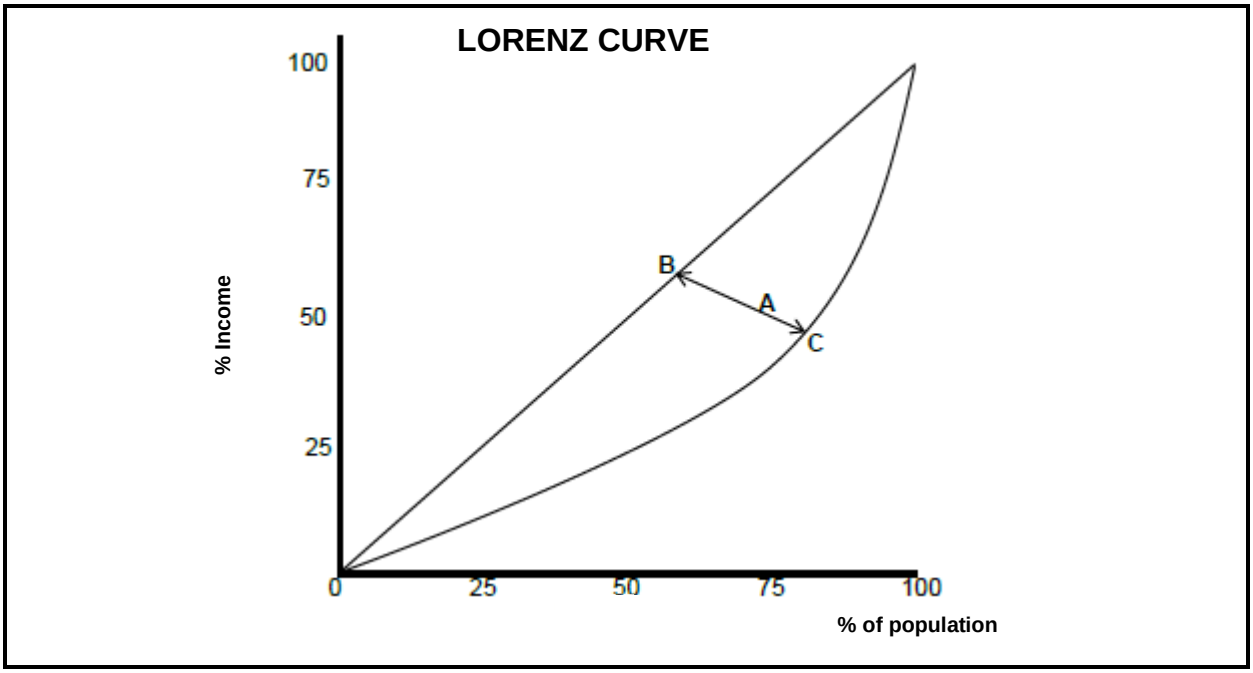
3.2.1 List TWO member countries of SADC. (2)

3.2.2 What does the abbreviation SADC stand for? (2)

3.2.3 Name ONE economic goal of SADC. (2)

3.2.4 Briefly discuss South Africa's importance in Africa. (4)

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



3.3.1 Name the curve that represents the *Lorenz curve*. (2)

3.3.2 Briefly explain the term *Lorenz curve*. (2)

3.3.3 What happens when the *Lorenz curve* is away from the line of equality? (2)

3.3.4 Why is income and wealth in a country such as South Africa so unequally distributed? (4)

3.4 How does regional economic integration remove trade barriers between member countries? (8)

3.5 Explain low life expectancy and lack of education as the characteristics of a developing country. (2 x 4) (8)

[40]

QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 List TWO methods of determining GDP. (2)

4.1.2 Explain how consumption stimulates employment. (2)

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

Cuba's new constitution won't fix its economy

"The reforms are an important symbolic step," said American university scholar of Cuba, William LeoGrande. "Legalisation of private property puts the private sector on a firm legal foundation, which it hasn't had. By doing away with the old commitment to build a communist society, the new constitution underscores the recognition that a mixed economy is the future."

[Source: https://www.bloomberg.com]

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

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

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

4.2.4 Why is South Africa regarded as a mixed economy? (4)

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

SOUTH AFRICAN BANKS THAT HAVE FAILED

Bank	Year of curatorship	Reason
VBS Mutual Bank	2018	Poor management and liquidity problems
African Bank	2014	Poor management and liquidity problems, particularly around unsecured lending
Saambou Bank	2002	Poor management and liquidity problems
New Republic Bank	2002	Poor management and liquidity problems

[Source https//www.businesstech.co.za/news/banking]

4.3.1 Name TWO risks that banks face. (2)

4.3.2 How does the South Africa Reserve Bank deal with bank failure? (2)

4.3.3 Who are the victims of bank failure? (2)

4.3.4 Briefly explain *medium of exchange* and *measure of value* as functions of money. (4)

4.4 Differentiate between *economic growth* and *economic development*. (8)

4.5 Discuss reasons for the unequal distribution of income. (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 • A good starting point would be to define a concept or key word that appears in the question. • Include additional information to support the 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 / Differentiate / Explain / Assess / Debate **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	Max. 26 Max. 10
Conclusion • The conclusion is a wrap-up of the discussion of the topic in the body and should be treated as a higher-order response. • The conclusion can take the form of an own opinion, 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**

QUESTION 5: MACROECONOMICS 40 MARKS – 40 MINUTES

- Discuss South Africa's infrastructure in detail. (26 marks)
- In your opinion what has caused the ongoing energy crisis in South Africa since 2008? (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)
    - Bankers' 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

GRAND TOTAL: 150

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