GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

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GRADE 11

MARKING GUIDELINES

ECONOMICS (PAPER 1)

22 pages

SECTION A (COMPULSORY)

QUESTION 1

1.1 MULTPLE-CHOICE QUESTIONS

1.1.1 B – real wage that the worker receives each week. ✓✓

1.1.2 A – entrepreneur ✓✓

1.1.3 C – G + I + X > S + M + T ✓✓

1.1.4 D – in the capital market ✓✓

1.1.5 B – add taxes on products and subtract subsidies on products ✓✓

1.1.6 A – command ✓✓

1.1.7 D – private owners ✓✓

1.1.8 C – tertiary ✓✓ (8 x 2) (16)

1.2 MATCHING ITEMS

1.2.1 G – laws, such as the EEA, BEE and AA together with SETAs have been put in place ✓

1.2.2 D – NATURAL resources need to be transformed to make them useful for consumption ✓

1.2.3 E – acts as a link between households and firms that have surplus money and others in the economy that require funds ✓

1.2.4 H – when money is contributed towards the economy's ability to manufacture consumer goods and services ✓

1.2.5 A – gives information to consumers and producers to increase or decrease production or consumption ✓

1.2.6 B – includes commercial and professional services ✓

1.2.7 F – a total that is obtained by adding gross amounts ✓

1.2.8 C – the state's planned income and expenditure for the financial year ✓

(8 x 1) (8)

1.3 **GIVE THE TERM**

1.3.1 Free goods ✓

1.3.2 Leakage ✓

1.3.3 Centrally planned economy ✓

1.3.4 Not economically active ✓

1.3.5 Specialisation of labour ✓

1.3.6 Intermediate goods/capital goods ✓ (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MACROECONOMICS

2.1 Answer the following questions.

2.1.1 **Name TWO components of capital.**

- Physical ✓
- Financial ✓

(Accept any other correct relevant response.) (2 x 1) (2)

2.1.2 **How does an increase in income tax affect the money flow of a country?**

- It can lead to a capital flight, where investment funds flow out of the country, potentially reducing domestic investment and economic growth ✓✓
- When there is a significant increase in income tax, it will create a negative multiplier effect. ✓

(Accept any other correct relevant response.) (1 x 2) (2)

2.2 **DATA RESPONSE**

2.2.1 **Identify the factor of production in the statistics above.**

- Labour ✓ (1)

2.2.2 **In which of the three categories above will marginalised groups fall?**

- Not Economically Active/Other NEA/Discouraged work seekers/Last category ✓ (1)

2.2.3 **Briefly describe the term *formal sector*.**

- The formal sector is the part of South Africa's economy that includes all formal businesses that pay their taxes and are regulated. The formal sector includes most widely known private businesses. ✓✓

(Accept any other correct relevant response.) (2)

2.2.4 **What would be required for a person to move from unskilled labour to skilled labour?**

- Skilled labour requires some degree of formal education and expertise that unskilled labour does not. ✓✓
- Those in the unskilled labour category can move into the semi-skilled or skilled category if they pursue formal education. ✓✓

(Accept any other correct relevant response.) (2)

2.2.5 **Why is intellectual property important?**

- Intellectual property encourages individuals and organisations to invest time, effort, and resources in creating new ideas, inventions, and artistic works by ensuring that they can reap the benefits of their hard work through exclusive rights and ownership. ✓✓
- By providing legal protection to intellectual property, it creates an environment that stimulates research and development activities. These activities lead to advancements in technology, medicine, and other fields, ultimately benefiting society as a whole. ✓✓
- Companies with strong intellectual property portfolios often have a competitive edge, attracting investors, partners, and customers and enable them to compete globally. ✓✓
- By allowing creators and inventors to license their intellectual property, they can share their knowledge with others while maintaining control over its use and commercialisation. ✓✓
- Intellectual property protects traditional knowledge, folklore, and indigenous cultural expressions. It ensures that these unique cultural assets are respected, preserved, and passed on to future generations while preventing inappropriate or unauthorised use. ✓✓
- Overall, intellectual property is essential for fostering creativity, driving innovation, stimulating economic growth, and preserving valuable knowledge and culture. An increase in marginal rate of taxation has a dampening effect on the multiplier in an economy. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

2.3 DATA RESPONSE

2.3.1 Give ONE example of a non-durable good

- Food ✓
- Drinks ✓
- Laundry detergent ✓
- Dish soap ✓
- Paper products like paper plates ✓

(Accept any example of a consumable good.) (1)

2.3.2 Name ONE other item that is used to calculate GDE.

- Government expenditure ✓
- Business investment spending/Gross fixed capital formation ✓
- Net exports ✓ (1)

2.3.3 Briefly describe the term *Gross Value Added.*

- GVA is the output of the country less the intermediate consumption, which is the difference between gross output and net output ✓✓

OR

GVA is a measure of the contribution to GDP made by an individual producer, industry or sector. ✓✓

(Accept any other correct relevant response.) (2)

2.3.4 What adjustment should be made to current prices to reflect a true GDE growth?

- GDP at current prices does not reflect the effect that inflation had on prices. Therefore, the prices should be converted to constant prices. ✓✓
- An inflation adjustment should be made to remove the effect of inflation on the current prices. ✓✓

(Accept any other correct relevant response.) (2)

2.3.5 Why is spending on non-durable goods more than spending on semi-durable goods and durable goods?

- Non-durable goods are products that can only be used once or only a few times before losing their economic value and are therefore bought more frequently. ✓✓
- Non-durable goods are largely represented by necessary goods like groceries, that consumers must purchase regardless of the current economic situation. ✓✓ (2 x 2) (4)

2.4 **Briefly explain the accessibility of the economically marginalised group through empowerment.**

- Policies that promote small business development, reducing bureaucratic red tape, and providing mentorship and networking opportunities by creating an enabling environment supports entrepreneurship and innovation and accessibility of the economically marginalised. ✓✓
- Inclusivity in ensuring accessibility for the economically marginalised includes addressing systemic barriers and discrimination, promoting gender equality, and embracing diversity in all aspects of society. ✓✓
- Since 1994 laws have been put in place to protect the rights of all employees ✓✓ e.g., law of Black Economic Empowerment and the Employment Equity Act of 1998. ✓
- The main objective of BBEE is the inclusion of black people, namely Africans, Indians and Coloureds who are South African citizens, in the economy within a larger goal of national empowerment targeting historically disadvantaged people such as black women, the youth, rural communities and disabled people. ✓✓
- Affirmative action policies have also increased the representation of women in fields that were traditionally dominated by men such as science, politics, and business. ✓✓
- The Skills Development Act provides businesses with a solid framework to implement learning strategies towards skills development with the help of SETAS that will improve the South African workforce's skills in the primary, secondary and tertiary sector. ✓✓
- The expanded Public Works Programme is the largest job-creating initiative that promotes the development of young, marginalised people through training and capacitation. ✓✓
- The National Youth Agency helps persons between 16 and 25 who want to finish their education, by providing them with part-time work. ✓✓
- The Human Resource Development Strategy helps to fight levels of poverty, unemployment and inequalities through their anti-poverty initiative and programmes as well as well-developed grant and better service delivery to the poor. ✓✓
- The accessibility of the economically marginalised group in South Africa is done by empowering individuals who are economically disadvantaged, by providing them with the tools, resources, and opportunities necessary to overcome barriers and to achieve economic independence. ✓✓
- Empowerment takes various forms, such as providing education and skills training programmes that equip individuals with marketable skills and knowledge. This can enable them to enter the job market, start their own businesses, or access higher-paying employment opportunities. ✓✓
- Access to financial services and resources play a role in empowering the economically marginalised. By providing microfinance initiatives, low-interest loans, or grants, individuals can gain access to capital and start or expand their own enterprises. ✓✓

(Accept any other correct relevant response.) (4 x 2) (8)

2.5 **Why does the government charge taxes?**

- They charge direct and indirect taxes to increase government revenue to finance state expenditure, such as the payment of salaries of public servants. ✓✓
- They charge direct indirect taxes to provide public goods and services such as health services and education. ✓✓
- They charge indirect taxes to discourage consumption of certain products such as cigarettes. ✓✓
- They charge indirect taxes to reduce the production of harmful products and the release of green-house gases into the atmosphere/to protect the environment by levying green taxes to reduce pollution. ✓✓
- They charge direct and indirect taxes to deliver social services at municipality level. ✓✓
- To recover external costs for the use of a public tourist site ✓✓ e.g., Robben Island. ✓

(Accept any other correct relevant response.) (8)

[40]

QUESTION 3: MACROECONOMICS

3.1 Answer the following questions.

3.1.1 **Name any TWO main economic activities in modern society.**

- Production ✓
- Consumption ✓
- Exchange ✓ (2 x 1) (2)

3.1.2 **Why could a poor person be happier in a command system?**

- A poor person will experience a more equal distribution of income, full employment and full access to social services. ✓✓

(Accept any other correct relevant response.) (1 x 2) (2)

3.2 DATA RESPONSE

3.2.1 Identify the economic system that is illustrated above.

- Mixed economic system ✓ (1)

3.2.2 How are prices determined in a free market economy?

- Market forces/demand and supply ✓ (1)

3.2.3 Briefly describe the term *socialism.*

- Socialism is an economic and political system based on collective, common, or public ownership of the means of production. ✓✓

OR

Socialisms is a social and economic doctrine that calls for public rather than private ownership or control of property and natural resources. ✓✓

(Accept any other correct relevant response.) (2)

3.2.4 Why is there a lack of innovation in a centrally planned economy?

- Innovation is difficult in a centrally planned economy because firms operate with a society-serving motive and not a profit-making motive and therefore have no incentive to find innovative ways of reducing costs of production/or to be competitive. ✓✓

(Accept any other correct relevant response.) (2)

3.2.5 How is self-interest beneficial for an economy?

Self-interest is one of the main driving forces in a market economy as:

- Businesses are driven to produce goods and services at a minimum cost to achieve maximum profits and consumers buy goods at lower prices. ✓✓
- They are also driven to use scarce resources to produce only the goods and services that society wants most, to achieve allocative efficiency. ✓✓
- Businesses try to maximise profits or minimise losses and this leads to economic growth. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

3.3 DATA RESPONSE

3.3.1 Identify the most developed country from the pie charts above.

- Country A ✓ (1)

3.3.2 Name ONE activity found in the Primary Sector.

- Cultivation of agricultural products ✓
- Exploitation/Mining of minerals ✓
- Collection of forestry and fisheries ✓

(1)

3.3.3 Briefly describe the term *exploitative operations.*

- Exploitative operations are activities in the primary sector where we cannot return to nature what has been taken from it, such as mining and fishing. ✓✓

(Accept any other correct relevant response.) (2)

3.3.4 Why is water supply categorised in the secondary sector?

- It is in the secondary sector where natural resources such as water is changed into a form that is suitable for human use. ✓✓

(Accept any other correct relevant response.) (2)

3.3.5 What will the effect of more capital-intensive techniques in the primary sector have on employment?

- The adoption of capital-intensive techniques may reduce the need for manual labour in the primary sector. ✓✓
- As machines and technology take over certain tasks, there might be a decrease in the number of workers employed in traditional roles. ✓✓
- However, there could also be an increase in demand for individuals skilled in operating, maintaining, and repairing the new equipment, potentially creating new job opportunities in related fields. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

3.4 **Briefly discuss how manufacturing contributes to the economy.**

- Manufacturing is a crucial component of the secondary sector of the economy that involves transforming raw materials into finished goods through various processes, utilising machinery, labour, and technology. ✓✓
- Job creation: Manufacturing provides employment opportunities for a large number of people, ranging from skilled labourers to engineers and technicians. ✓✓
- Manufacturing often offers stable and well-paying jobs, contributing to overall economic growth and social development. ✓✓
- Economic growth: By producing goods, manufacturing adds value to raw materials and components, generating revenue and contributing to GDP growth. ✓✓
- It also stimulates other sectors such as transportation, logistics, and services, creating a multiplier effect in the economy. ✓✓
- Innovation and technological advancements: The manufacturing sector is known for driving innovation and technological progress. ✓✓
- It invests in research and development, leading to the development of new products, improved production techniques, and increased efficiency. ✓✓
- Export potential: Manufacturing often serves as a source of export earnings, promoting international trade and strengthening a country's balance of payments. ✓✓
- Countries with competitive manufacturing sectors can capitalise on global demand by exporting their products. ✓✓
- Industrial development: A strong manufacturing base is essential for industrial development as it enables countries to diversify their economies, reduce dependence on imports, and build self-sufficiency in meeting domestic demands. ✓✓
- To remain competitive, manufacturers adapt to technological advancements, embrace automation and digitisation, focus on quality control, and foster innovation. ✓✓

(Accept any other correct relevant response.) (4 x 2) (8)

3.5 **Analyse the necessity of government to spending in a free-market economy.**

- In a free-market economy, governments are necessary to provide a legal and social framework, maintain competition, provide public goods and services, redistribute income, correction of externalities, and the stabilising of the economy. ✓✓
- Government spending on infrastructure such as roads and ports are necessary to create an environment wherein business can function efficiently, which is necessary for economic growth. ✓✓
- The majority of government projects in a free-market economy provide direct employment for those who do not have an income.
- Government spending contributes to an increase in aggregate demand which may cause economic growth. ✓✓

- Expenditure on health and education will contribute to the improvement of the productivity of the country's workforce. ✓✓
- In a free-market economy, poverty levels may be reduced through government spending on social welfare programmes such as old age pensions and child grants. ✓✓

(Accept any other correct relevant response.) (4 x 2) (8)

[40]

QUESTION 4: MACROECONOMICS

4.1 Answer the following questions.

4.1.1 **Name any TWO real flows in a closed economy.**

- Factors of production ✓
- Goods and services ✓ (2 x 1) (2)

4.1.2 **Why is labour an important factor of production?**

- Production requires physical and mental effort that is provided by labour. ✓✓

(Accept any other correct relevant response.) (1 x 2) (2)

4.2 **DATA RESPONSE**

4.2.1 **Identify any participant in the economy from the extract above.**

- Households ✓
- Government ✓ (1)

4.2.2 **Name the cash injection that is proposed by the budget office**.

- Government spending ✓ (1)

4.2.3 **Briefly describe the term *gross domestic product*.**

- Gross domestic product (GDP) is the total market value of all the finished goods and services produced within a country's borders in a specific time period. ✓✓

(Accept any other correct relevant response.) (2)

4.2.4 **Why are imports not included in domestic expenditure**?

- Expenditure on GDP is the total value of spending on goods and services produced within the borders of a country. It excludes imports since imports are produced in the rest of the world, but includes exports since exports are produced within the borders of the country. ✓✓

(Accept any other correct relevant response.) (2)

4.2.5 **How will more disposable income for households support GDP growth?**

- Consumer Spending: When people have more disposable income, they are more likely to increase their spending on goods and services. ✓✓
- This increased spending stimulates demand, leading to higher production and sales, which in turn supports economic growth. ✓✓
- Investment: Disposable income can also be used for investment purposes. Individuals with higher disposable incomes are more likely to invest in businesses, stocks, properties, or other financial instruments. ✓✓
- These investments provide capital to businesses, allowing them to expand operations, develop new products, hire more employees, and ultimately contribute to economic growth. ✓✓
- Savings and capital formation: People with disposable income can choose to save a portion of it, which contributes to the formation of capital. ✓✓
- Banks and financial institutions use these savings to provide loans to businesses and individuals for various purposes, such as starting new ventures, funding education, or purchasing homes which helps drive economic growth by facilitating investment and entrepreneurship. ✓✓
- Demand for services: Disposable income not only boosts demand for goods but also for services. Increased disposable income allows individuals to spend more on healthcare, education, leisure activities, travel, dining out, and other services. ✓✓
- The growth in service sectors creates job opportunities, generates revenue, and supports the overall economy. ✓✓
- Innovation and entrepreneurship: Higher disposable incomes can support innovation and entrepreneurship. When individuals have more financial security, they may be more willing to take risks and pursue entrepreneurial ventures. ✓✓
- This can lead to the creation of new businesses, products, and services, fostering innovation, competition, and economic growth. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

4.3 DATA RESPONSE

4.3.1 Name the main role player in the economic system shown in the cartoon above.

- Government✓ (1)

4.3.2 Which economic system is used in South Africa?

- A mixed-economic system (1)

4.3.3 Briefly describe the term *capitalism.*

- Capitalism resolves the basic economic problems of "what", "how" and "for whom" to produce through the market mechanism. ✓✓
- An economic system in which the interactions of consumers and business enterprises determine the price of goods and services freely with limited state intervention. ✓✓

(Accept any other correct relevant response.) (2)

4.3.4 How is the market economy "self-regulating"?

- The price mechanism co-ordinates the economic activities. ✓✓
- Consumers and producers come together to respond to each other's needs. ✓✓
- Consumers' freedom of choice directs the types and quantities of goods. ✓✓

(Accept any other correct relevant response.) (2)

4.3.5 How does a centrally planned economy aim to achieve equal distribution of income?

- By having the state decide on what is to be produced, how it is to be produced and for whom it is to be produced. ✓✓
- The system does not allow private ownership of resources, instead government controls all the resources for the equal benefit of all citizens.
- Workers are only paid basic salaries to satisfy their needs instead of feeding a luxurious lifestyle. ✓✓

(Accept any other correct relevant response.) (4 x 2) (4)

4.4 **Briefly explain the following equation: GDI = wages + profit + interest.**

- When you add up these three components – wages, profits, and interest – you get the gross domestic income (GDI). This equation provides an overall measure of the income generated within a country's economy and helps economists analyse and compare economic growth and productivity. ✓✓
- Wages represent the income earned by workers in exchange for their labour. ✓✓
- This includes salaries, wages, and other forms of compensation paid to individuals for their work. ✓✓
- Profits refer to the income earned by businesses after deducting all expenses, including wages and operating costs. ✓✓
- It represents the return on investment for business owners and shareholders. ✓✓
- Interest represents the income earned by individuals or businesses from lending money or capitalising on investments. ✓✓
- It includes interest payments on loans, bonds, and other financial instruments. ✓✓ (4 x 2) (8)

(Accept any other correct relevant response.)

4.5 **Examine free market orientation and competitiveness as guidelines for development in South Africa**.

- Free-market refers to an economic system based on the principles of supply and demand, where prices and consumption decisions are determined by individuals and businesses rather than the government. ✓✓
- In a free-market economy, businesses are driven by competition, innovation, and efficiency which may stimulate economic growth and enable development. ✓✓
- A free-market system encourages entrepreneurship, investment, and trade, leading to economic growth, development and prosperity. ✓✓
- A free-market orientation offers opportunities for diversification, economic expansion, and poverty reduction. ✓✓
- By promoting entrepreneurship and removing barriers to entry, a free-market economy can stimulate business growth, job creation, and income generation. ✓✓
- Competition encourages businesses to constantly strive for improvement, leading to innovation and higher quality products and services. ✓✓
- A competitive economy attracts investment, stimulates job creation, and encourages sustainable economic development. ✓✓
- To enhance competitiveness, factors such as infrastructure development, access to finance, quality education and skills training, and regulatory reforms need to be considered, which will fuel development. ✓✓

(Accept any other correct relevant response.) (8)

[40]

TOTAL SECTION B: 80

SECTION C

Answer any ONE of the two questions in this section in the ANSWER BOOK.

QUESTION 5: MACROECONOMICS

- **Discuss natural resources as a factor of production under the following headings.**

  - Characteristics (12)
  - Importance (10)
  - Factors that influence rent (4) **(26 marks)**

- **Explain how capital deepening will lead to a higher real GDP. (10 marks)**

INTRODUCTION

Natural resources refer to the naturally occurring living and non-living elements of the Earth system – such as water, land, plants, animals, ecosystems and minerals – that drive the economy and other human activities. ✓✓
(Accept any other relevant introduction.) (Max. 2)

BODY:

MAIN PART

CHARACTERISTICS

Natural resources are scarce:
- Natural resources are scarce in relation to people's demands and the quality needed in the production process. ✓✓
- There are not enough natural resources of the required quality in the world to make all things that people might want. ✓✓
- Plants grow back relatively quickly, but it takes the Earth millions of years to replenish oil. ✓✓

Natural resources have a price:
- For people to use natural resources they must pay for them. ✓✓
- As an economic good, the remuneration (price/payment) for natural resources is rent. ✓✓
- The rent will be determined by the quality and quantity of the natural resources. ✓✓

Uneven distribution of natural resources

- Natural resources are not spread equally across all countries e.g., S.A. has large deposits of gold and other mineral resources, whereas Japan does not. ✓✓
- The surplus of resources in one country and the scarcity thereof in another country leads to international trade between countries. ✓✓
- International trade will develop when one country exports excess products to other countries and imports other items that are needed. ✓✓
- Countries earn an income from exports and must pay for imports.

Adding value to natural resources

- Most natural resources are not useful in their natural form. ✓✓
- They need to be changed or transformed to make them useful for human consumption e.g., wood must be transformed into furniture through a production process. ✓✓

(Accept any other correct relevant response.) (Max. 12)

IMPORTANCE OF NATURAL RESOURCES:

To serve as inputs to produce goods and services

- No production is possible without the resources that come from nature, e.g., land, water, animals and plants. E.g., oil is used to produce petrol and gas. ✓✓

To provide opportunities for international trade

- When a country has a surplus of a particular natural resource, they can export it. ✓✓
- Countries who lack a particular natural resource can import it. ✓✓

Agriculture, forestry and fisheries

- The agriculture, forestry and fisheries sectors are crucial to South Africa's socio-economic development. ✓✓
- The key priorities of the Department of Agriculture, Forestry and Fisheries are therefore aligned to alleviating poverty, creating employment and improving food security. It is an important part of S.A.'s economy. ✓✓

Mining

- S.A. has a large variety of mineral resources of high quality and in substantial quantities. ✓✓
- Gold provides the country's largest mineral income – S.A. earns millions from gold. ✓✓
- Coal and platinum are the next most important and the mining industry employs thousands, thus creating job opportunities. ✓✓
- According to the World Economic Forum (WEF), the mining sector must be seen as the most important role-player in the future economic development in Africa. ✓✓

(Accept any other correct relevant response.) (Max. 10)

FACTORS THAT INFLUENCE RENT:

- Supply and demand – if the natural resource is scarce, or demand is high, the rent will be higher. ✓✓
- Geography – favourable climate conditions and a close distance to main markets will result in higher renting costs. ✓✓
- Quality and technology – the better the quality of the natural resource, the higher the rent will be. ✓✓ (Max. 4)

(Accept any other correct relevant response.) (Max. 26)
(A maximum of 8 marks may be allocated for mere listing of headings/examples)

ADDITIONAL PART

Explain how capital deepening will raise the standard of living of the population.

- Capital deepening occurs when the amount of capital per worker is increased, that is, when the rate of increase in capital stock is higher than the rate of increase in the labour force. ✓✓
- For example, it would imply that when the number of workers increases from 20 to 40, the employer invests in a further 20 shovels to give a total of 30 shovels. ✓✓
- This increases the capital-to-labour ratio from 2 : 1 (or 4 : 2) to 4 : 3. ✓✓
- This will allow the team of workers to perform more work and increase its efficiency. ✓✓
- So, capital deepening results in real economic growth that will raise the standard of living of the population. ✓✓
- This is because it leads to a higher real GDP and higher GDP per capita. ✓

(Accept any other relevant correct response.) (Max. 10)
(A maximum of 2 marks may be allocated for mere listing of facts)

CONCLUSION

It remains critical that business cycles must be clearly monitored through the indicators available, policy makers must act quickly by using monetary and fiscal instruments in order to prevent instability in the economy. ✓✓

(Accept any other higher-order conclusion.) (Max. 2)

SECTION C

Answer any ONE of the two question in this section in the ANSWER BOOK.

Your answer will be assessed as follows:

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 repeat any part of the introduction in the body. • Avoid mentioning 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/Draw a graph and explain/Use the graph given and explain/Complete the given graph/Assess/Debate **A maximum of 8 marks may be allocated for headings/ examples.** **Additional part:** Critically discuss/Evaluate/Critically evaluate/ Debate/Deduce/Compare/Distinguish/Interpret/How?/Suggest **A maximum of 2 marks may be allocated for mere listing facts.**	Max. 26 Max. 10
Conclusion Any higher-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement 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 6

- **Discuss, in detail, the economic importance of the tertiary sector. (26 marks)**
- **What is the economic importance of transportation? (10 marks)**

INTRODUCTION

Tertiary sector is the sector that is involved in facilitating the flow of goods and services from producers to consumers. ✓✓
(Accept any other correct relevant introduction.) (Max. 2)

BODY:

MAIN PART

Contributes to GDP ✓
- The sector contributes 62% of the overall GDP of South Africa. ✓✓
- In the current technological environment, it is predicted that the growth in the tertiary sector will play an even bigger role in the GDP contribution in future. ✓✓
- The actual numbers of the tertiary sector's contribution to GDP may be understated. ✓✓
- Many essential services are not included, such as the service of homemakers and services rendered by businesses for themselves in the primary and secondary sector ✓✓ e.g., computer services, bookkeeping and training. ✓

Contribution to employment ✓
- This sector dominates employment, accounting for 60% of total employment. ✓✓
- Job opportunities are created for all levels of labour, including unskilled labourers, ✓✓ for example cleaners, semi-skilled workers, such as machine operators and highly skilled such as dentists and teachers. ✓
- Many South African entrepreneurs choose to start their own businesses in the tertiary sector. ✓✓

Contribution to exports ✓
- The tertiary sector exports a considerable number of services to foreign countries in the form of freight, insurance, transport, travel, royalties, licence fees and services such as communication. ✓✓
- Countries also export services. ✓✓

Contribution to economic growth ✓
- The growth in the tertiary sector was much bigger than that of the primary sector and the secondary sectors. ✓✓
- Over this period the tertiary sector was the engine of growth that pulled the other sectors. ✓✓

Source of income for the state ✓

- Companies must pay tax to the South African Receiver of Revenue (SARS) ✓✓
- This money is used to provide basic services to South Africans ✓✓ for example, infrastructure (roads, housing, public transport) and welfare services ✓

(Accept any other correct relevant response) (26 marks)

(A maximum of 8 marks may be allocated for mere listing of headings/subheadings/ examples)

ADDITIONAL PART

What is the economic importance of transportation?

- Transportation plays a crucial role in the economy by facilitating the movement of goods, people, and services. ✓✓
- Trade and commerce: Efficient transportation systems enable the smooth flow of goods and services domestically and internationally. ✓✓
- By connecting producers, suppliers, and consumers, transportation networks facilitate trade and commerce, contributing to economic growth and development. ✓✓
- Market access: Reliable and affordable transportation infrastructure provides businesses with better access to markets. ✓✓
- It allows them to reach customers in remote areas, expand their customer base, and tap into new opportunities for growth. ✓✓
- Job creation: The transportation sector itself creates employment opportunities. It requires a diverse range of workers, including drivers, logistics personnel, warehouse staff, maintenance crews, and administrative support. ✓✓
- Additionally, transportation enables other industries to function, leading to indirect job creation in sectors such as manufacturing and services. ✓✓
- Regional development: Well-developed transportation networks connect rural areas to urban centres and provide better access to resources, services, and employment opportunities. ✓✓
- This helps to reduce regional disparities and improve overall economic inclusivity. ✓✓
- International competitiveness: A robust transportation infrastructure enhances a country's international competitiveness as it allows for efficient imports and exports, reducing costs and time delays. ✓✓
- This fosters trade relationships, encourages foreign investment, and strengthens a country's position in the global market. ✓✓
- Tourism and hospitality: Transportation is vital for the tourism industry. It enables tourists to travel between destinations, visit attractions, and have access to accommodation. ✓✓

- A well-connected transportation system, including airports, highways, railways, and public transport, can boost tourism, generating revenue and creating jobs. ✓✓
- Supply chain efficiency: Transportation is an integral part of the supply chain. It ensures that raw materials, components, and finished products are delivered to the right place at the right time. ✓✓
- Efficient transportation logistics help streamline operations, reduce inventory costs, and increase overall productivity. ✓✓

(Accept any other correct relevant response.) (10 marks)
(A maximum of 2 marks may be allocated for mere listing of facts)

CONCLUSION

To leverage the potential benefits of transportation, it is important for governments and businesses to invest in infrastructure development, improve transport policies and regulations, embrace technological innovations, and prioritise sustainability to minimise environmental impacts. ✓✓

OR

The tertiary sector is important for the economy because it includes all the services provided by the government to communities as well as personal services provided by business to individual consumers. ✓✓
(Accept any relevant higher order conclusion.) (Max. 2) **[40]**

TOTAL SECTION C: 40

TOTAL: 150