GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 11

ECONOMICS

(PAPER 2)

TIME: **2 hours**

MARKS: **150**

14 pages

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. 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 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 requirements of the questions.

9. Use only black or blue ink.

10. Non-programmable pocket 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 numbers (1.1.1 to 1.1.8) in the ANSWER BOOK.

1.1.1 Elasticity of income is ... if Ey = 0

A relatively inelastic
B relatively elastic
C completely inelastic
D completely elastic

1.1.2 If the bank charges of Capitec Bank increases, the demand for FNB products will ...

A increase.
B decrease.
C stay the same.
D stop.

1.1.3 The total cost curve always starts at ...

A the same point where total fixed cost ends.
B the same point where total fixed cost starts.
C the same point where total variable cost starts.
D the same point where total revenue starts.

1.1.4 If a firm in perfect competition raises its price, profits will ...

A remain unchanged.
B increase.
C be driven down to below zero.
D increase in quantity as income increases.

1.1.5 Which of the following legislations is NOT an environmental law?

A The Atmospheric Pollution Prevention Act
B The Conservation of Agricultural Act
C The Emissions Trading Act
D The National Water Act

1.1.6 The ... encourages trade liberalisation by helping member countries draw up, implement and monitor trade agreements.

A World Trade Organisation
B International Monetary Fund
C Millennium Development Goals
D General Agreement on Tariffs and Trade

1.1.7 Carbon dioxide that is emitted during the production of goods and services is called ...

A the greenhouse effect.
B global warming.
C biodiversity.
D carbon emissions.

1.1.8 Achieving significant improvement in the lives of at least 100 million slum-dwellers by 2020 was one of the goals of the …

A World Summit on Sustainable Development.
B Millennium Development.
C Kyoto Protocol.
D COP 17 Conference.

(8 x 2) (16)

1.2 **MATCHING ITEMS**

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	Substitutes	A	A resource is used at a faster rate than the rate at which that resource can regenerate
1.2.2	Monopolistic competition	B	The change in the firm's total revenue as a result of selling an extra unit of the output
1.2.3	Economies of scale	C	A country is equipped to produce a product better than other countries
1.2.4	Marginal revenue	D	The more output a firm produces, the more efficient it becomes and the cost of producing each unit on average decreases
1.2.5	Comparative advantage	E	Turns productive farmland into non-productive desert as a result of poor land management
1.2.6	Multinational corporations	F	There are many firms that produce goods that are similar but not the same
1.2.7	Overexploitation	G	Large business organisations that produce and/or distribute goods and services in countries throughout the world
1.2.8	Desertification	H	If the cross-price elasticity of demand is positive
		I	Takes place when natural habitats are destroyed and natural resources are depleted

(8 x 1) (8)

1.3 **TERMINOLOGY**

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

1.3.1 This law states that total utility will increase with each additional unit consumed, but at a slower rate, until total utility decreases due to the decreased marginal utility of each unit

1.3.2 The products being offered are identical with no obvious differences in quality

1.3.3 The money that is left over once the firm subtracts its total costs from the total revenue

1.3.4 The number of permits needed to cover the carbon emissions of a specific factory

1.3.5 A grouping of countries to get more control over the global economy

1.3.6 When the flow of residual emissions, resulting from the human activity, exceeds the natural environment's capacity to absorb them

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MICROECONOMICS **40 MARKS – 30 MINUTES**

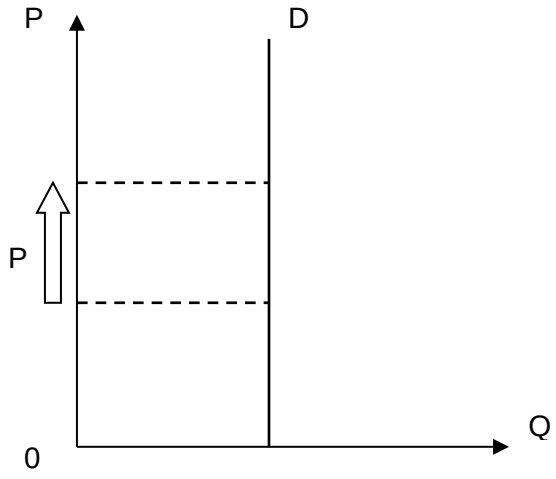
2.1 Answer the following questions.

2.1.1 List TWO examples of fixed costs. (2 x 1) (2)

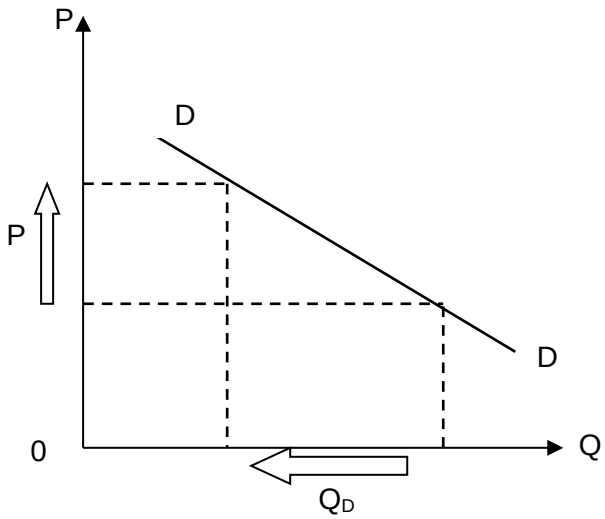
2.1.2 What would encourage a producer to continue increasing production? (1 x 2) (2)

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

GRAPH A



GRAPH B



2.2.1 Name any ONE type of price elasticity of demand. (1)

2.2.2 State the value of price elasticity of demand in graph A above. (1)

2.2.3 Briefly describe the term *price elasticity of demand*. (2)

2.2.4 How is cross elasticity of demand calculated? (2)

2.2.5 Explain why price elasticity of demand has a negative sign. (4)

2.3 *S*tudy the extract below and answer the questions that follow.

MAHALA LAUNCHED – ALL STUDENTS IN SOUTH AFRICA GET MICROSOFT OFFICE FOR FREE!

Microsoft South Africa and 2Enable are partnering up to offer all South African school learners (ages 8 – 25 years) free access to Microsoft Office across all your devices as well as 1TB of OneDrive. They are also trying to offer all students printing services for free for them to be able to do any school tasks. It is obtained through signing up at http://mahala.ms. Learners can share their schoolwork and collaborate on all devices and platforms with familiar applications and can always access files that update in real time.

[Source : https://www.schoolnet.org.za/news/mahala-launched-all-students-in-south-Africa-get-Microsoft-office-for-free.]

2.3.1 Give ONE characteristic of a monopoly for Microsoft. (1)

2.3.2 Name any state-owned monopoly. (1)

2.3.3 Briefly describe the term *patent.* (2)

2.3.4 Why is Microsoft considered a monopoly? (2)

2.3.5 Explain barriers in a monopolistic market. (2 x 2) (4)

2.4 Discuss *nature of the product* and *entry* as characteristics of a perfect market. (8)

2.5 Analyse why the price of a product under perfect competition will be equal to the lowest point on the long-run average cost curve. (8)

[40]

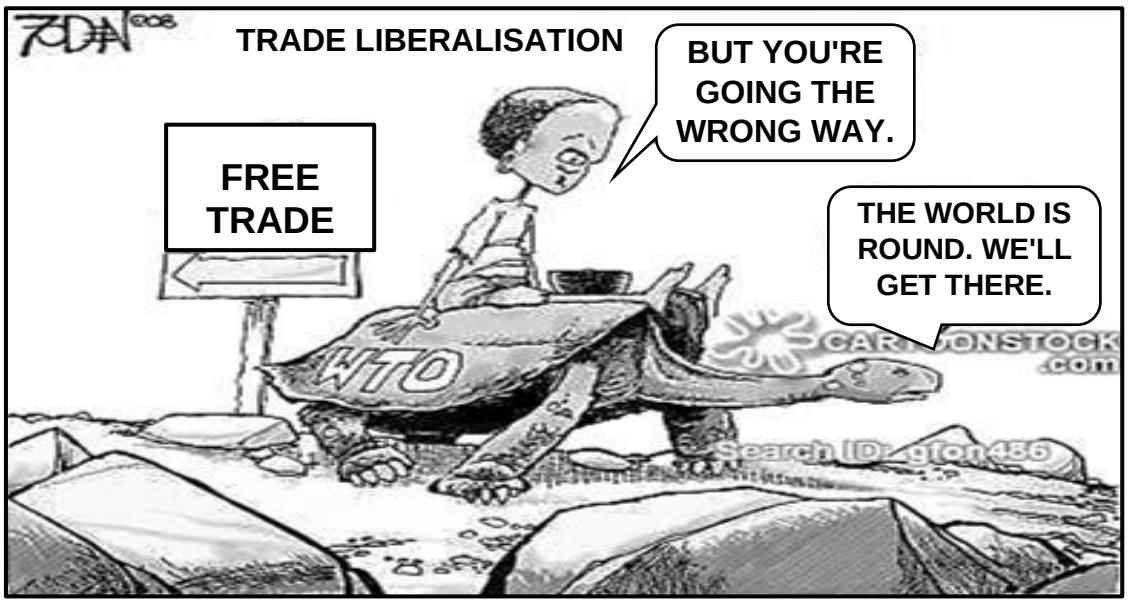
QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 List any TWO countries referred to as 'Asian Tigers'. (2 x 1) (2)

3.1.2 How are market-based methods for pollution control used? (1 x 2) (2)

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



[Source: www.cartoonstock.com]

3.2.1 Give an economic concept that can be associated with the phrase "The world is round. We'll get there." (1)

3.2.2 What does the abbreviation WTO stand for? (1)

3.2.3 Briefly explain the term of *free trade*. (2)

3.2.4 Explain the relationship between comparative advantage and free trade. (2)

3.2.5 How can free trade policy advantage countries? (4)

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

FISHING QUOTAS "DESIGNED TO SQUEEZE OUT THE POOR"

The quota system implemented by the government appears to be designed to keep small fishing companies and poor fishers out, says an action group.

Hlanganani Fishing Business Forum chairperson, Mawethu Ndude said, "Firstly, you have the bona-fide fishermen who failed to get quotas and are now sitting without an income. Then you have the small guys who were given quotas, but the costs of using those quotas are so high, they cannot make a living out of it."Co-ordinator, Pedro Garcia said, "Some allocations are just too small for people to really make a living from and many bona-fide fishermen sit on the beach, while people who have never been fishermen go out and catch."

But Marine and Coastal Management spokesperson, Carol Moses said, "The hard reality is that our marine resources are dwindling and it is impossible to allocate rights to all. We are investigating various possible alternative job opportunities for these communities. We are planning the development of harbours and we are looking at the possibilities of ecotourism."

[Source: *www.iol.co.za*]

3.3.1 Identify the need for government to impose fishing quotas, according to the article above. (1)

3.3.2 Name ONE solution which government plans to implement to create alternative jobs for the communities. (1)

3.3.3 Briefly define the term *quotas*. (2)

3.3.4 Outline ONE reason why the poor fisherman will not benefit from these quotas. (2)

3.3.5 Explain how marine resources can be prevented from "dwindling". (2 x 2) (4)

3.4 Discuss changes in employment conditions and changes in culture as consequences of globalisation. (8)

3.5 Analyse the importance of taking care of forests for the economy and the environment. (8)

[40]

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 List TWO kinds of profits associated with a business. (2 x 1) (2)

4.1.2 Why is it important for us to sustain the environment? (1 x 2) (2)

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

PRICE MAKERS VS. PRICE-TAKERS





[Source: Businesstech 20210118] **[Source:www.news24.com 20201026]**

4.2.1 Name ONE market structure in which price-takers exist. (1)

4.2.2 Name any ONE type of market structure except the one identified in the information above. (1)

4.2.3 Briefly describe the term *homogeneous* (2)

4.2.4 Why are consumers price-takers? (2)

4.2.5 Discuss the characteristics of an individual business. (2 x 2) (4)

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

LOSS OF BIODIVERSITY AND GLOBAL CLIMATE CHANGE

Global climate change is occurring at an unprecedented rate today, mainly due to an increased emission of greenhouse gases such as CO_2. Global temperatures have increased by about 0,6 – 0,7 °C and are predicted to further increase by 1,4 – 5,8 °C by the year 2100. Loss of biodiversity has become a serious issue in many places around the world. Many factors such as habitat loss, degradation, excessive nutrient load, air and water pollution, overexploitation and unsustainable use of natural resources contribute to the loss of biodiversity.

[Source:www.climate.gov]

4.3.1 Name any ONE factor that contributes to the loss of biodiversity. (1)

4.3.2 Mention any ONE type of pollution NOT mentioned in the extract above. (1)

4.3.3 Briefly explain the term *brown environmental issues*. (2)

4.3.4 What is the main cause of climate change? (2)

4.3.5 How does climate change affect the economic environment? (2 x 2) (4)

4.4 Distinguish between the following trade groupings, *BRICS* and *G20 countries*. (8)

4.5 Why should marginal revenue be equal to marginal cost for profits to be maximised? (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 The introduction is a low-order response. • A good starting point would be to define or explain 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/Draw a graph and explain/Use the graph given and explain/ Complete the graph given/Debate **A maximum of 8 marks can be awarded for headings/examples.** **Additional part**: Give own opinion/Critically discuss/Evaluate/ Critically evaluate/Calculate/Deduce/Compare/Explain/Distinguish/ Interpret/Briefly explain/How?/Suggest/Analyse/Evaluate **A maximum of 2 marks can be awarded for merely listing of facts.**	Max. 26 Max. 10
Conclusion Any higher order conclusion must include the following: • A wrap-up of the discussion of the topic without repetition of facts already mentioned • An own opinion or value judgement of the points discussed, with examples to support your discussion • Additional supporting information that strengthens your discussion/analysis • A contradictory viewpoint with motivation, if requested. • Recommendations	Max. 2
TOTAL	**40**

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

- With the aid of fully labelled diagrams, discuss the demand relationships of substitute and complementary goods. (26 marks)

- Why would South Africans choose to use substitute sources of energy over coal power? (10 marks) **[40]**

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 40 MINUTES

- Discuss, in detail, the causes of globalisation. (26 marks)

- How did globalisation negatively affect South Africa? (10 marks) **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END