GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

JUNE 2024

GRADE 11

ECONOMICS

PAPER 1

TIME: **2 hours**

MARKS: **150**

13 pages

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK:

   SECTION A: COMPULSORY
   SECTION B: Answer TWO questions of the three questions.
   SECTION C: Answer ONE question 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 correctly 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 1 – 2 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.

SECTION A (COMPULSORY)

QUESTION 1 **30 MARKS – 20 MINUTES**

1.1 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, e.g 1.1.9 D.

1.1.1 The buying power of wages refers to the …

A nominal wage that the worker receives each week.
B real wage that the worker receives each week.
C wage in rand amounts that the worker receives each week.
D number of goods the worker can buy at special prices.

1.1.2 The … make(s) decisions on what to produce, where to set up the business, and who to produce for in a free-market economy.

A entrepreneur
B Minister of Labour
C Minister of Internal Affairs
D buyers and sellers

1.1.3 Which of the following indicates a rise in national income?

A $G + I + X < S + M + T$
B $X – m < G + I + C$
C $G + I + X > S + M + T$
D $X – m > G + I + C$

1.1.4 Long term funds are borrowed and saved by consumers and business enterprises …

A in the money market.
B at the JSE.
C at the reserve bank.
D in the capital market.

1.1.5 To convert basic prices to market prices, one has to …

A add subsidies on products and subtract taxes on products.
B add taxes on products and subtract subsidies on products.
C add taxes and add the percentage of profit one wants to make.
D add the percentage of profit one wants to make and subtract taxes.

1.1.6 The inefficient allocation of resources, is one of the main disadvantages of a/an … economic system.

A command
B free market
C mixed market
D open market

1.1.7 Capitalism refers to an economic and political system in which trade and industry are controlled by …

A the foreign sector
B the government
C high-tech methods
D private owners

1.1.8 With technological advancement, it is predicted that the growth in the … sector will play a bigger role in the GDP contribution in the future.

A secondary
B intermediatory
C tertiary
D primary (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 numbers (1.2.1 to 1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A		COLUMN B	
1.2.1	Empowerment	A	gives information to consumers and producers to increase or decrease production or consumption
1.2.2	Value adding		
1.2.3	Financial sector	B	include commercial and professional services
1.2.4	Gross fixed capital formation	C	the state's planned income and expenditure for the financial year
1.2.5	Price as signals	D	natural resources need to be transformed to make them useful for consumption
1.2.6	Tertiary sector		
1.2.7	Double counting	E	acts as a link between firms and households that have surplus money, and others in the economy that require funds
1.2.8	National budget		
		F	a total that is obtained by adding gross amounts
		G	laws such as the EEA, BEE and AA together with SETAs have been put in place
		H	when money is contributed towards the economy's ability to manufacture consumer goods and services
		I	a sector in the economy that represents the first phase of the manufacturing process

(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, acronyms and examples will NOT be accepted.

1.3.1 Goods that are available in unlimited quantities, such as the sea, sand and air

1.3.2 The withdrawal of money from the economic cycle

1.3.3 An economic system in which factors of production are viewed as communal property

1.3.4 People that are under the age of 15 years old, over the age of 65, and not suitable for work

1.3.5 The separation of the work process into several tasks, with each task performed by a separate person or group of persons

1.3.6 Goods that are not directly consumed but are used in the production of other goods and services (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

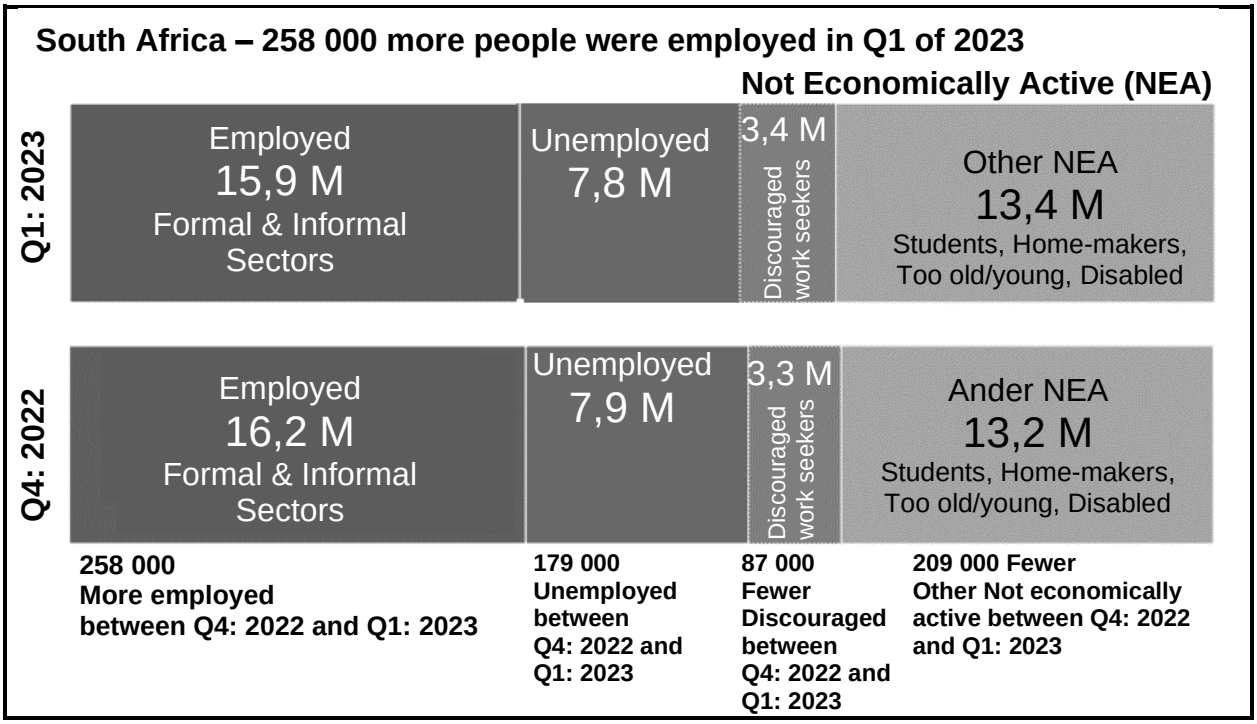
QUESTION 2: MACROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name TWO components of capital. (2 x 1) (2)

2.1.2 How does an increase in income tax affect the money flow of a country? (1 x 2) (2)

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



[Source: Stats SA: Labour Force Survey, March 2023]

2.2.1 Identify the factor of production in the statistics above. (1)

2.2.2 In which of the three categories above will marginalised groups fall? (1)

2.2.3 Briefly describe the term *formal sector*. (2)

2.2.4 What would be required for a person to move from unskilled labour to skilled labour? (2)

2.2.5 Why is intellectual property important? (2 x 2) (4)

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

SOUTH AFRICA – Final consumption expenditure by households			
R million (Current prices)	**2020**	**2021**	**2022**
Durable goods	306 389	353 175	377 933
Semi-durable goods	266 885	299 015	316 569
Non-durable goods	1 122 633	1 251 648	1 414 814
Services	1 785 174	1 934 391	2 100 223
Total consumption expenditure by households	**3 481 081**	**3 838 229**	**4 209 539**

[Source: Stats SA P0441, 2nd Quarter 2023]

2.3.1 Give ONE example of a non-durable good. (1)

2.3.2 Name ONE other item that is used to calculate GDE. (1)

2.3.3 Briefly describe the term *Gross Value Added.* (2)

2.3.4 What adjustment should be made to current prices to reflect a true GDE growth? (2)

2.3.5 Why is spending on non-durable goods more than spending on semi-durable and durable goods? (2 x 2) (4)

2.4 Briefly explain the accessibility of the economically marginalised group through empowerment. (4 x 2) (8)

2.5 Why does government charge taxes? (8)

[40]

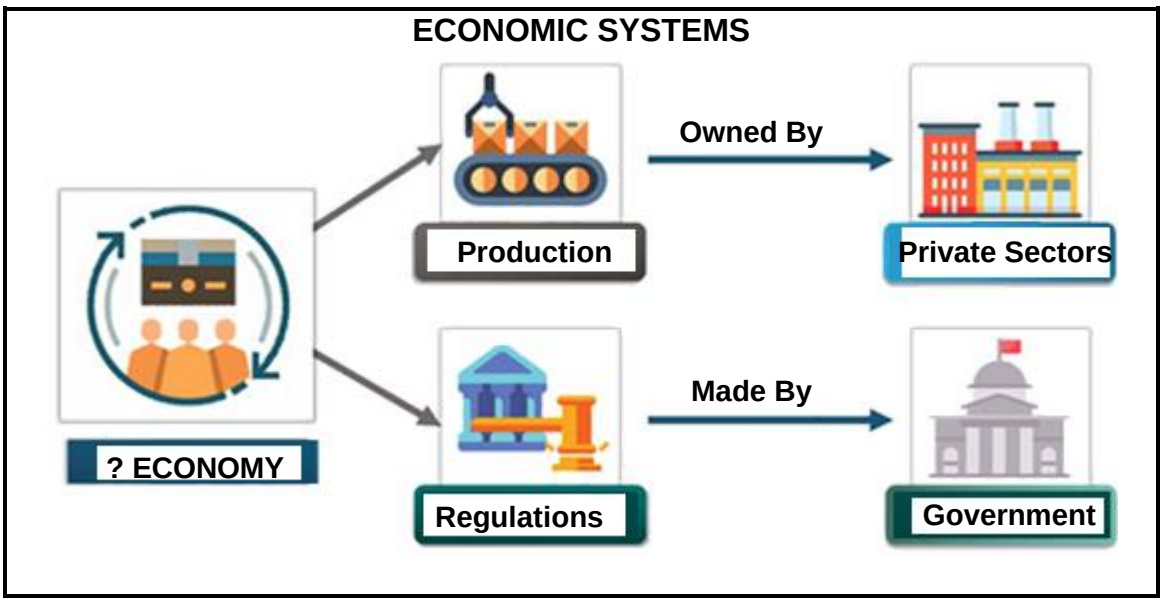
QUESTION 3: MACROECONOMICS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO main economic activities in modern society. (2 x 1) (2)

3.1.2 Why could a poor person be happier in a command system? (1 x 2) (2)

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



[Source: www.educba.com.education.ba/]

3.2.1 Identify the economic system that is illustrated above. (1)

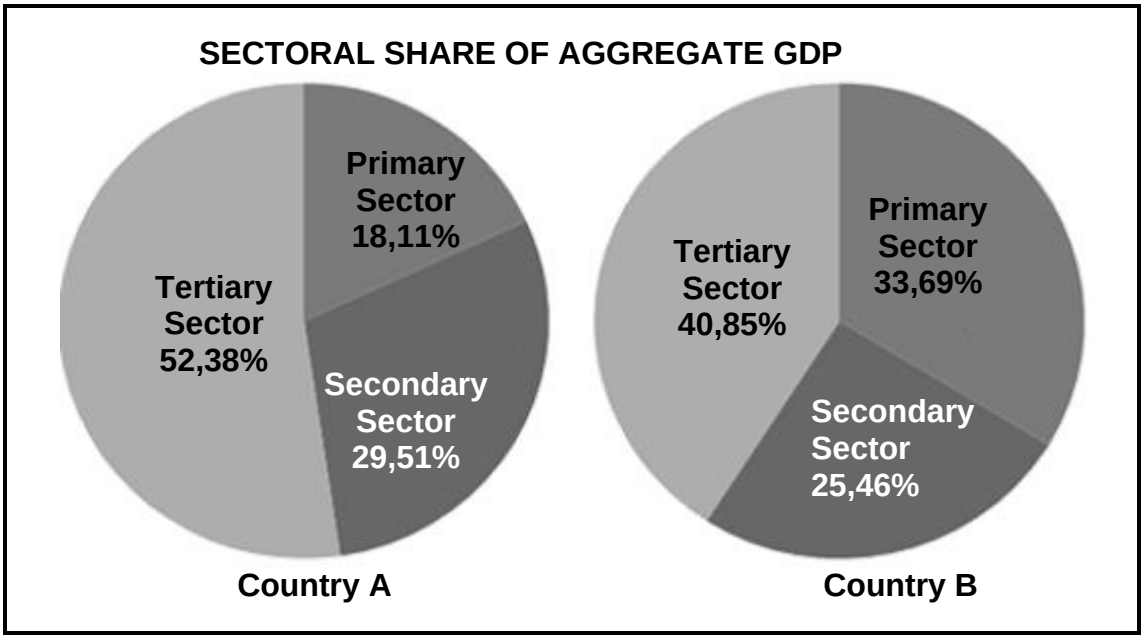
3.2.2 How are prices determined in a market economy? (1)

3.2.3 Briefly describe the term *socialism.* (2)

3.2.4 Why is there lack of innovation in a centrally planned economy? (2)

3.2.5 How is self-interest beneficial for an economy? (2 x 2) (4)

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



[Source: Google images]

3.3.1 Identify the most developed country from the pie charts above. (1)

3.3.2 Name ONE activity found in the primary sector. (1)

3.3.3 Briefly describe the term *exploitative operations*. (2)

3.3.4 Why is water supply categorised in the secondary sector? (2)

3.3.5 What will the effect of more capital-intensive techniques in the primary sector have on employment? (2 x 2) (4)

3.4 Briefly discuss how manufacturing contributes to the economy. (4 x 2) (8)

3.5 Analyse the necessity of government spending in a free-market economy. (8)

[40]

QUESTION 4: MACROECONOMICS **40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name any TWO real flows in a closed economy. (2 x 1) (2)

4.1.2 Why is labour an important part of production? (1 x 2) (2)

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

ECONOMY NEEDS A CASH INJECTION TO RECOVER, PARLIAMENT HEARS.

The economy needs a cash injection – more disposable income for households, or an increased social wage through grants and service provision, Parliament's Select Committee on Finance heard on Wednesday. This was during the Parliamentary Budget Office briefing.

The Budget Office said government spending and fiscal expansion would be needed to support GDP growth and support government's blueprint for an economic turnaround – the Economic Reconstruction and Recovery Plan (ERRP).

South Africa's economy was in a precarious state even before the COVID-19 pandemic struck in 2020. The ERRP was intended to guide the country's turnaround.

[Source: https://businesstech.co.za/news/]

4.2.1 Identify any participant in the economy from the extract above. (1)

4.2.2 Name the cash injection that is proposed by the budget office. (1)

4.2.3 Briefly describe the term *gross domestic product* (2)

4.2.4 Why are imports not included in domestic expenditure? (2)

4.2.5 How will more disposable income for households support GDP growth. (2 x 2) (4)

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



[Source: https://www.cartoonstock.com/directory/e/economics.asp]

4.3.1 Name the main role player in the economic system shown in the cartoon above. (1)

4.3.2 Which economic system is used in South Africa? (1)

4.3.3 Briefly describe the term *capitalism*. (2)

4.3.4 How is the market economy "self-regulating"? (2)

4.3.5 How does a centrally planned economy aim to achieve equal distribution of income? (2 x 2) (4)

4.4 Briefly explain the following equation: GDI = wages + profit + interest. (4 x 2) (8)

4.5 Examine free-market orientation and competitiveness as guidelines for development in South Africa. (8)

[40]

TOTAL SECTION B: 80

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 5: MACROECONOMICS **40 MARKS – 40 MINUTES**

- 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 raise the standard of living of the population. (10 marks) **[40]**

QUESTION 6: MACROECONOMICS **40 MARKS – 40 MINUTES**

- Discuss, in detail, the economic importance of the tertiary sector. (26 marks)
- What is the economic importance of transportation? (10 marks) **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END