



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

MOPANI WEST DISTRICT

GRADE 12

ECONOMICS

REVISION PACKAGE

**MICRO ECONOMICS & CONTEMPORARY ECONOMIC
ISSUES**

This revision package consists of 35 pages

MICRO ECONOMICS**PERFECT MARKETS****PART 1 LOW ORDER QUESTIONS****QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the correct letter (A-D) next to the question number.

1.1.1 The supply curve of the perfect competitor is represented by that part of the MC that is above the ... curve.

- A total cost
- B average variable cost
- C average cost
- D marginal cost

1.1.2 The perfect competitor charges the price that is equal to the ...

- A average cost.
- B marginal revenue.
- C average variable cost.
- D total revenue.

1.1.3 In the long run, an individual business in perfect competition will be in equilibrium when marginal ...

- A revenue equals total cost.
- B revenue equals fixed cost.
- C cost equals marginal revenue.
- D cost equals total revenue.

1.1.4 An example of a fixed cost item is ...

- A telephone.
- B electricity.
- C wages.
- D rent.

1.1.5 A close example of a perfect market in South Africa is ...

- A oil companies.
- B Eskom.
- C the retail industry.
- D the Johannesburg Securities Exchange.

1.1.6 The gap between the average cost (AC) curve and the average variable (AVC) curve ... as production increases.

- A decreases
- B increases
- C remains constant
- D expands

1.1.7 Price formation for the individual firm in a perfect market is determined by the ...

- A owner.
- B dominant firm.
- C market.
- D seller.

1.1.8 Factors of production are completely mobile in a ... market.

- A perfect
- B imperfect
- C semi-perfect
- D unique

1.1.9 the average revenue of a firm in a perfectly competitive market is equal to its ...

- A selling price.
- B marginal cost.
- C total cost.
- D economic profit.

1.1.10 A supply curve of a perfectly competitive firm has a ... slope.

- A negative
- B horizontal
- C positive
- D convex

1.1.11 Costs of inputs that are owned by the entrepreneur and used during the production process are regarded as ... costs.

- A explicit
- B fixed
- C variable
- D implicit

1.1.12 A market where there are no barriers to entry is called ... a/an market.

- A monopoly.
- B perfect
- C oligopoly
- D monopolistic competitive

1.1.13 The revenue derived from the sale of one additional unit of a product is called ... revenue.

- A average
- B extra
- C total
- D marginal

1.1.14 The institution that investigates restrictive business practices is the Competition ...

- A Commission.
- B Tribunal.
- C Appeal Court.
- D policy.

1.1.15 The cost that changes with the level of output is known as ... cost.

- A fixed
- B marginal
- C variable
- D average

1.1.16 The perfect competitor must be able to cover its ... costs to prevent a shut down.

- A average
- B average variable
- C fixed
- D labour

1.1.17 Unit cost is also known as ... cost.

- A marginal
- B total
- C average
- D variable

(17x2) (34)

- 1.2 Choose the description from COLUMN B that matches an item from COLUMN A. Write only the correct letter next to the question numbers.

COLUMN A	COLUMN B
1.2.1 Economic loss	A minimum earnings required to prevent an entrepreneur from leaving the business
1.2.2 Marginal cost	B period of production where all factors of production are variable
1.2.3 Normal profit	C occurs when inputs increase, while outputs are increasing by less than the percentage increase in inputs
1.2.4 Perfect market	D average revenue is less than average cost
1.2.5 Explicit costs	E marginal revenue is equal to marginal cost
1.2.6 Firm	F additional cost when producing an extra unit
1.2.7 Marginal revenue	G a mechanism that brings together the sellers and buyers of goods and services
1.2.8 Diseconomies of scale	H Actual expenditure of a business such as paying wages
1.2.9 Shut down point	I extra income the seller earns if one more unit of a product is produced and sold
1.2.10 Long run	J smallest individual and independent producing unit
1.2.11 Competition Tribunal	K A business in a perfect market will consider closing down if $AR = AVC$
1.2.12 Market	L authorises and prohibits large mergers and takeovers
	M large number of buyers and sellers

(12x1)(12)

- 1.3 Give one term for each of the following descriptions. Write only the correct term next to the question numbers in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.
- 1.3.1 Period of production where only the variable factors of production can be changed
- 1.3.2 Products that are identical and standardized
- 1.3.3 The point in production below which the firm's revenue is unable to cover its variable costs i.e., $MR = AVC = P$
- 1.3.4 The profit that a business makes that is more than the normal profit.
- 1.3.5 Sum of all individual businesses producing a similar kind of product
- 1.3.6 Sells homogeneous and standardised goods
- 1.3.7 Output increases by more than the percentage increase in inputs which results in a decrease in costs
- 1.3.8 The period in which the perfect competitor can make an economic profit.
- 1.3.9 The cost that remains the same even if output changes
- 1.3.10 A situation where total cost is equal to total revenue (10x1)(10)

QUESTION 2

- 2.1 Answer all questions
- 2.1.1 Name any TWO examples of a perfect market structure. (2)
- 2.1.2 Give TWO examples of fixed costs. (2)
- 2.1.3 Give TWO examples of explicit costs. (2)
- 2.1.4 Name TWO institutions responsible for regulating competition in South Africa (2)

PART 2 MIDDLE & HIGH ORDER QUESTIONS

- 1 Distinguish between economic and normal profit in the perfect market. (8)
- 2 Explain the roles played by any TWO key institutions that monitor competition in South Africa. (4x2) (8)
- 3 Explain the aims of South Africa's anti-monopolistic policy. (8)
- 4 With the aid of the graph, explain the economic loss of the perfect competitor. (8)
- 5 Use the graph of total cost (TC) and total revenue (TR) to explain profit maximisation in a perfect market. (10)
- 6 How effective is competition policy in regulating mergers and takeovers in South Africa? (10)
- 7 Outline the challenges that the competition policy in South Africa face in achieving their goals. (8)
- 8 How can the government discourage firms from engaging in anti-competitive behaviour? (8)
- 9 How successful is competition policy in promoting a more competitive economy? (8)
- 10 With the aid of a well labelled graph, explain the shut- down point of the individual firm in the perfect market. (8)

IMPERFECT MARKETS**PART 1 LOW ORDER QUESTIONS****QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the correct letter (A-D) next to the question answer

1.1.1 The most likely barrier for a firm wanting to compete with firms in the cellphone industry like Vodacom is ...

- A licensing.
- B capital.
- C technical superiority.
- D labour.

1.1.2 Oligopolies do not have as much control over prices as monopolies because of ...

- A policies.
- B advertising
- C competition.
- D demand.

1.1.3 An imperfect market where information is complete is ...

- A oligopoly.
- B monopolistic market.
- C duopoly.
- D monopoly.

1.1.4 A demand curve of a monopolistic competitor is ...

- A vertical.
- B negatively sloped.
- C positively sloped.
- D horizontal.

1.1.5 The monopolist will maximise his revenue where his marginal revenue is equals to ...

- A one.
- B market price.
- C zero.
- D marginal cost.

1.1.6 Products of the monopolistic competitor are ...

- A homogeneous.
- B differentiated.
- C unique.
- D identical.

1.1.7 Which market structure is highly dependent on loyalty branding?

- A Monopoly
- B Perfect market
- C Monopolistic competition
- D Individual

1.1.8 In a monopoly market, entry and exit is ...

- A completely free.
- B relatively free.
- C free to restricted.
- D completely blocked.

1.1.9 Differentiated products are ...

- A unique.
- B heterogeneous.
- C identical.
- D homogeneous.

1.1.10 The demand curve that explains the oligopolistic behaviour is described by some theorists as ...

- A circular.
- B horizontal.
- C kinked.
- D vertical.

1.1.11 An industry with only two producers controlling the market is known as a/an ...

- A oligopoly.
- B monopoly.
- C triopoly.
- D duopoly.

1.1.12 An example of the monopolistic competition in South Africa is ...

- A fast-food outlets.
- B the banking sector.
- C agricultural markets.
- D Eskom.

1.1.13 When one dominant firm changes the price and the others follow, it is regarded as price ...

- A leadership.
- B discrimination.
- C taking.
- D differentiation.

1.1.14 Collusion is an agreement among firms to ... competition

- A promote
- B match
- C regulate
- D limit

1.1.15 A market structure that is dominated by two producers is called ...

- A a perfect market.
- B a duopoly.
- C a monopoly.
- D monopolistic competition.

1.1.16 The nature of the product under conditions of monopolistic competition is ...

- A homogeneous
- B static
- C differentiated
- D environmentally friendly

1.1.17 The nature of product traded in a pure oligopoly is ...

- A differentiated
- B unique
- C homogeneous
- D heterogeneous

1.1.18 The characteristic of the monopolistic competitors is that they ...

- A produce homogeneous product.
 - B obtain economic profits in the long run
 - C have full control over the price
 - D can easily enter and exit the market
- (18x2) (36)

1.2 Choose the description from COLUMN B that matches the item from COLUMN A.
Write only the correct letter next to the question number.

COLUMN A	COLUMN B
1.2.1 Duopoly	A an arrangement between businesses with the aim of limiting competition amongst themselves
1.2.2 Heterogeneous	B businesses in the same industry come to an agreement to determine prices and quantities
1.2.3 Collusion	C products that are not the same
1.2.4 Break-even point	D exists because of barriers to entry which are not economic in nature
1.2.5 Price leadership	E method of building customer loyalty by choosing one product instead of the other
1.2.6 Patent	F an example of tacit collusion with regard to pricing
1.2.7 Branding	G charges higher prices and produce lower quantities
1.2.8 Monopoly	H two firms that dominate the industry
1.2.9 Differentiated products	I sells both homogeneous and differentiated Products
1.2.10 Artificial monopoly	J exclusive right to manufacture the product
1.2.11 Imperfect markets	K a variety of packaging designs of the same article
1.2.12 Cartel	L market structures that have control over the market price
	M total revenue equals to total cost

(12x1)(12)

1.3 Give one term for each of the following descriptions. Write only the correct term next to the question number in the answer book. Abbreviations, acronyms and examples will NOT be accepted.

- 1.3.1 Monopoly that occurs because of high development costs
- 1.3.2 A market structure where only two businesses dominate the market
- 1.3.3 A situation where one firm fixes a price and the other firms accept it as a market price.
- 1.3.4 Type of monopoly that uses patents to manufacture their product
- 1.3.5 A market structure where firms use different types of packaging to market their products.
- 1.3.6 An industry controlled by two producers
- 1.3.7 An example of tacit collusion where a dominant firm will set the price and the others will follow.
- 1.3.8 An imperfect market structure that makes normal profit in the long run.
- 1.3.9 A market structure that consists of many businesses selling differentiated products. (9x1) (9)

QUESTION 2

- 2.1 Answer all questions
 - 2.1.1 Name TWO characteristics of monopolistic competition. (2)
 - 2.1.2 Name TWO methods of non-price competition (2)
 - 2.1.3 Name TWO broad types of monopolies (2)
 - 2.1.4 Give any TWO examples of monopolistic competitive markets (2)
 - 2.1.5 Name TWO types of collusion. (2)

PART 2 MIDDLE & HIGH ORDER QUESTIONS

- 1 Distinguish between price leadership and cartel as forms of collusion (8)
- 2 Compare monopolistic competition with perfect competition (8)
- 3 Why do oligopolies often collude though it is illegal in South Africa? (8)
- 4 Draw a well labelled graph to illustrate the economic profit in the monopoly market (8)
- 5 Differentiate between the monopoly and monopolistic competition under nature of product (8)
- 6 Draw a fully labelled graph to illustrate the economic loss of the monopoly market structure (8)
- 7 Draw a fully labelled graph to illustrate the long-run equilibrium of the monopoly. (8)
- 8 Discuss the challenges that the monopolist might face if excessively high prices are charged for the products. (8)
- 9 With the aid of a correctly labelled graph, briefly explain why it is advisable for oligopolies to sell at market price. (10)
- 10 Evaluate the impact of collusion in the economy. (10)
- 11 Evaluate the impact of imperfect competition on consumers. (8)

MARKET FAILURES**PART 1 LOW ORDER QUESTIONS****QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the correct letter (A-D) next to the question answer

1.1.1 the use of cost-benefit analysis allows ... decision making

- A subjective
- B complex
- C objective
- D biased

1.1.2 Private goods are provided and funded by ...

- A markets
- B governments
- C factories
- D companies

1.1.3 Government can introduce ... to increase the mobility of labour.

- A training programmes
- B taxes
- C inflation
- D poverty

1.1.4 The effect of a minimum price will increase the ... good.

- A demand for
- B consumption of
- C spending of
- D supply of

1.1.5 Goods which are non-excludable and non-rival are known as ...

- A consumer.
- B community.
- C capital.
- D scarce.

1.1.6 When the business does NOT produce at the lowest possible cost, it relates to ... inefficiency.

- A allocative
- B consumer
- C productive
- D goods

1.1.7 the social benefit is the sum of private benefit and ...

- A external benefit.
- B internal benefit.
- C private cost.
- D marginal cost.

(7x2) (14)

- 1.2. Choose the description from COLUMN B that matches the item from COLUMN A. Write only the correct letter next to the question number.

COLUMN A	COLUMN B
1.2.1 Community goods	A police and defense
1.2.2 Externality	B the lowest amount that employers are required by the government to pay their workers
1.2.3 Subsidy	C resources allocated in such a way that no one is made better off without making someone else worse off
1.2.4 Cost benefit analysis	D a form of financial grant to support an economic activity
1.2.5 Pareto efficiency	E these are undersupplied by the market but beneficial to the society
1.2.6 Minimum wage	F incomplete because it cannot meet the demand for certain goods
1.2.7 Merit goods	G set above the market equilibrium to ensure suppliers remain profitable
1.2.8 Missing markets	H set below the market equilibrium to make goods more affordable
1.2.9 Maximum prices	I an instrument used by the government to evaluate public projects
	J spill over effects of an economic activity on third parties

(9x1) (9)

1.3 Give one term for each of the following descriptions. Write only the correct term next to the question number in the answer book. Abbreviations, acronyms and examples will not be accepted.

- 1.3.1 A wage rate set by the government below which no employer may pay his/her workers
 - 1.3.2 The value of the next best alternative.
 - 1.3.3 A financial grant from the government to support the production of the particular good.
 - 1.3.4 The cost that the community incurs.
 - 1.3.5 A cash incentive given to a producer to lower the cost of production.
 - 1.3.6 The spill-over effect of an economic activity that affects third parties.
 - 1.3.7 A combined cost of goods and services to producers, consumers and the society as a whole.
 - 1.3.8 Third party effects, such as cost of pollution, that is not included in the market price.
 - 1.3.9 A situation where firms are allowed by law to charge prices above the market equilibrium price.
 - 1.3.10 The market in which the illegal goods are bought and sold.
 - 1.3.11 The cost to the society that is not included in the market price
 - 1.3.12 When it is impossible to increase the welfare of one individual without making things worse for another individual.
- (12x1)(12)

QUESTION 2

2.1 Answer all questions

- 2.1.1 Name TWO types of inefficiencies that can exist in the imperfect market. (2)
- 2.1.2 Give two examples of merit goods (2)
- 2.1.3 Give TWO examples of community goods (2)
- 2.1.4 Give TWO examples of positive externalities. (2)
- 2.1.5 Name TWO features of public goods. (2)

PART 2 MIDDLE & HIGH ORDER QUESTIONS

- 1 Analyse productive inefficiency with the aid of the production possibility curve graph (8)
- 2 Explain why governments sometimes proceed with a project even if the private costs exceed the private benefits in a cost benefit analysis (8)
- 3 Explain with an aid of the graph the effect of a negative externality on the production level (10)
- 4 Distinguish between productive and allocative efficiency without the use of graphs (8)
- 5 Why is cost-benefit analysis necessary for public sector projects? (8)
- 6 Briefly discuss merit and demerit goods as a cause of market failure. (8)
- 7 Briefly discuss the reasons for a cost-benefit analysis. (8)
- 8 How effective has government spending been in addressing market failure? (10)
- 9 How would implementation of maximum prices impact negatively on the economy? (8)
- 10 Explain by means of a neatly drawn graph, the impact of maximum prices on the market. (8)
- 11 With the aid of the graph, explain the impact of minimum prices on the market. (8)
- 12 How has the implementation of minimum wages advantaged the worker in South Africa? (10)

CONTEMPORARY ECONOMIC ISSUES**INFLATION****PART 1 LOW ORDER QUESTIONS****QUESTION 1**

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 When the economy is experiencing a low growth, high unemployment and high inflation, it is called ...

- A. administered price
- B. stagflation
- C. hyperinflation
- D. producer price index

1.1.2 An inflation rate that excludes items with highly volatile prices is called ... inflation.

- A. administered
- B. headline
- C. inclusive
- D. core

1.1.3 When a country experiences high inflation, high unemployment and low economic growth, it is called...

- A. disinflation
- B. deflation
- C. inflation target
- D. stagflation

1.1.4 Which ONE of the following is a fiscal measure to combat inflation?

- A. A decrease in direct taxation
- B. An increase in productivity
- C. A decrease in government expenditure
- D. Increased import control

- 1.1.5 During stagflation a country experiences low economic growth and ... at the same time.
- A. high employment
 - B. high unemployment
 - C. low inflation
 - D. limited development
- 1.1.6 Economist check what happened to all prices of final goods and services produced in a year
- A. All-inclusive inflation
 - B. Stagnation
 - C. Economic indication
 - D. Aggregate inflation
- 1.1.7 An inflation rate that excludes interest rates on mortgage bonds...
- A. administered price inflation
 - B. food inflation
 - C. CPIX
 - D. All-inclusive inflation

(7 X 2) (14)

- 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.

COLUMN A	COLUMN B
1.2.1 Consumer price index	A It occurs when the price of raw materials increases
1.2.2 Production price index	B Represents the cost of an average basket of goods and services
1.2.3 Deflation	C Continuous decrease in the general price level over a period of time
1.2.4 Cost – push inflation	D A measurement of production cost of goods over time
1.2.5. Purchasing power	E Set and controlled by government
1.2.6. Demand pull inflation	F A policy linking prices of items such as wages and mortgage bond interest rates
1.2.7. Debtors	G Charged by SARB to bank when lending them money
1.2.8. Administered prices	H This is also known as value of money
1.2.9. Indexation	I Borrowers of money who get negatively affected during inflation times
	J Too-much money chasing few goods or many buyers with less supply

(9X 1) (9)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.8) in the ANSWER BOOK.

- 1.3.1. Prices of goods and services that continuously decrease over a long period of time
- 1.3.2 Monetary policy approach used by the SARB to keep price changes within 3–6%
- 1.3.3 General increase in prices that occurs when the aggregate demand for goods and services exceeds the aggregate supply
- 1.3.4 Type of inflation where prices of goods and services are set by government
- 1.3.5 Prices on certain goods that are set or controlled by government, for example petrol
- 1.3.6 Low growth, high unemployment and high inflation rates occur simultaneously
- 1.3.7 An increase in prices of goods due to an increase in input costs
- 1.3.8 A sustained and significant increase in the general price level
- 1.3.9 Runaway inflationary conditions where the general price level increases by more than more than 50% per month

(9 X 1) (9)

PART 2: LOW & MIDDLE ORDER QUESTIONS

- 2.1. Name any TWO types of consumer inflation. (2)
- 2.2. Name any TWO ways to measure inflation. (2)
- 2.3. Name the institution that is responsible for controlling inflation in South Africa. (1)
- 2.4. Name the South African institution responsible for combatting inflation. (1)
- 2.5. Briefly describe the term hyperinflation. (2)
- 2.6. Briefly describe the term inflation. (2)
- 2.7. Briefly describe the term headline inflation. (2)
- 2.8. Briefly describe the term hyperinflation. (2)
- 2.9. Briefly describe the term core inflation. (2)

- 2.10. Briefly describe the term repo (repurchase) rate. (2)
- 2.11. Explain the term retirement lump sum. (2)
- 2.12. Explain the importance of measuring inflation in the economy. (2)
- 2.13. Explain the effect of a decrease in the general price level on producers. (2)
- 2.14. Explain the influence of inflationary expectations on consumption expenditure. (2)
- 2.15. Which school of thought believes that inflation is influenced by the total money supply? (1)
- 2.16. What is the inflation target range set by the SARB? (1)
- 2.17. How can the South African Reserve Bank ensure that the CPI fluctuates within the 3%–6% band? (2)
- 2.18. How will a decrease in the inflation rate benefit low-income earners? (2)
- 2.19. How can the government use fiscal policy to combat inflation? (2)
- 2.20. How would the cost of imported key inputs contribute to a higher inflation rate? (2)
- 2.21.** How can the government use the fiscal policy to combat demand pull inflation? (4)
- 2.22. Why is a monetary policy effective in reducing demand-pull inflation? (4)
- 2.23. How would an increase in value-added tax impact on the economy? (4)
- 2.24. How can price stability affect the economy positively? (4)
- 2.25. How can pensioners safeguard themselves against the eroding effect of inflation? (4)

PART 3 MIDDLE & HIGH ORDER QUESTIONS

- 3.1. How would an increase in the prices of imported key inputs, such as oil, affect the domestic economy? (8)
- 3.2. How will the consumer price index influence the economy? (8)
- 3.3. How effective has inflation targeting in South Africa been to ensure price stability? (8)
- 3.4. Explain the negative effects of inflation on investors and people with a fixed income. (8)
- 3.5. Briefly discuss demand-pull inflation and cost-push inflation. (8)
- 3.6. Briefly discuss the producer price index. (8)

ESSAY

- Discuss the consequences of inflation. (26 marks)
- How does foreign direct investment influence inflation in the economy? (10 marks)

TOURISM**PART 1 LOW ORDER QUESTIONS**

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 Tourists who engage in activities in the natural environment of the place that they visit, is called ... tourism.

- A. foreign
- B. outbound
- C. eco
- D. domestic

1.1.2 Religious events are included under ... tourism.

- A. paleo
- B. cultural
- C. local
- D. eco –

1.1.3 Development in media technology is important for tourism as part of the ... infrastructure.

- A. transport
- B. communication
- C. energy
- D. basic service

1.1.4 Which of the following is an example of an environmental World Heritage Site?

- A. Sterkfontein
- B. Robben Island
- C. Cape Fynbos Region
- D. Vredefort Dome

1.1.5 The tourism industry is ... intensive.

- A. capital
- B. money
- C. technology
- D. labour

- 1.1.6 The main purpose of South African Tourism (SAT) is to promote South Africa as a tourist destination ... tourists.
- A. to domestic and international
 - B. only to domestic
 - C. only to international
 - D. only to business
- 1.1.7 Tourism Can help to reduce ... in South Africa.
- A. job opportunities
 - B. savings
 - C. poverty
 - D. employment
- 1.1.8 The potential for tourism growth is much greater in ... countries.
- A. developing
 - B. developed
 - C. European
 - D. Africa
- 1.1.9 The promotion of South Africa as an international tourist destination is the responsibility of...
- A. the private sector
 - B. international organizations like Green Peace
 - C. South African Tourism (SAT)
 - D. Foreign tourist

(9x2) (18)

- 1.2 Choose a description from COLUMN B that matches an item in COLUMN A.
Write only the letter (A–I) next to the question number.

COLUMN A	COLUMN B
1.2.1 World Heritage Site	A. A place with special cultural or physical significance
1.2.2 Tourism industry	B. Visiting a country to see sites of archaeological significance, such as the Cango Caves
1.2.3 Paleo tourism	C. Labour intensive and employs many skills
1.2.4 Transit tourists	D. South African citizens travelling within the borders of the country
1.2.5 Domestic tourism	E. People travelling through South Africa to get to another destination
1.2.6 Inbound Tourism	F. Cost and benefits affecting the third party in the community
1.2.7 Tertiary sector	G. Robben Island, Isimangaliso Wetlands park and Sterkfontein caves
1.2.8 Externalities	H. South African tourist travelling abroad to other countries
1.2.9 Production	I. Tourist from other countries who stay for more than 1 year
1.2.10 Tourism attraction	J. Economic activities of changing raw materials to final products
	K. Hotels, restaurants, parks and recreation services

(10 X 1) (10)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers.

- 1.3.1 Tourists travelling through South Africa using air, road, rail and sea transport to get to another destination
- 1.3.2 The activities of people travelling outside their usual environment for not more than a year
- 1.3.3 Tourists visiting museums, art galleries and areas that depict a certain lifestyle, for example the Apartheid museum
- 1.3.4 The type of tourism where tourists come to South Africa to visit museums and art galleries
- 1.3.5 The price paid by tourist to the owners of natural resources when they visit the country
- 1.3.6 The tourist that visit museum art galleries such as Robben island
- 1.3.7 SA Citizen travelling abroad to other countries
- 1.3.8 The strategy used by businesses to advertise uniqueness of the country to foreigners
- 1.3.9 Tourists travelling through SA using Air, Road, rail and sea transport to reach their destinations

(9 X 1) (9)

PART 2 LOW & MIDDLE ORDER QUESTIONS

- 2.1. Briefly describe the term tourism. (2)
- 2.2. Name two types of Tourism? (2)
- 2.3. State ONE purpose of tourism. (1)
- 2.4. Give any TWO examples of transport infrastructure needed for tourism. (2)
- 2.5. State any TWO ways in which households can benefit from tourism. (2)
- 2.6. Give TWO examples of World Heritage Sites in South Africa. (2)
- 2.7. State any TWO criteria for an activity to be regarded as tourism. (2)
- 2.8. Give ONE reason why the government imposes tax on tourist activities. (1)
- 2.9. How do households benefit from tourism? (2)
- 2.10. Briefly describe the term inbound tourist. (2)
- 2.11. Explain the role played by tourism in infrastructure development in South Africa. (2)

- 2.12. Briefly describe the term indigenous knowledge systems. (2)
- 2.13. How can the depreciation of the rand affect inbound tourism? (2)
- 2.14. Which strategies can be used to promote tourism in South Africa? (2 x 2) (4)
- 2.15. Briefly describe the term indigenous knowledge. (2)
- 2.16. Why is marketing as a tourism policy important? (2)
- 2.17. Why is tourism growth important? (2)
- 2.18. How does a decline in tourism activities impact on rural communities?
(2 x 2) (4)
- 2.19. How can crime as a socio-economic issue negatively influence the tourism sector? (4)
- 2.20. Why do tourists visit South Africa as a tourist destination? (4)
- 2.21. How can tourism have a negative impact on the environment? (4)

PART 3 MIDDLE & HIGH ORDER QUESTIONS

- 3.1. Briefly explain the benefits of tourism for the household. (8)
- 3.2. Why is investment in tourism important for the economy? (8)
- 3.3. Briefly explain marketing strategies used to promote tourism in South Africa. (8)
- 3.4. Discuss the reasons for the growth of the tourism industry in South Africa. (8)

ESSAYS

Tourism plays an important role and can affect the economy negatively or positively.

- **Examine the effects of tourism on the following (26 marks)**
 - **Poverty**
 - **Employment**
 - **Externalities**
- **How can South Africa promote domestic tourism? (10 marks)**
- **Discuss the benefits of tourism for:**
 - **Business**
 - **Infrastructure development**
 - **Households****(26 marks)**
- **How can tourism attraction in less popular destination be successfully marketed? (10 marks)**

ENVIRONMENTAL SUSTAINABILITY**PART 1: LOWER ORDER QUESTIONS**

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 Measures taken to ensure that non – renewable resources are not threatened by extinction are known as ...

- A. preservation
- B. intervention
- C. accumulation
- D. conservation

1.1.2 The international agreement that manages the disposal of chemical waste is called the ...

- A. Basel convention
- B. Kyoto Protocol
- C. Stockholm Protocol
- D. Convention of international Trade in Endangered species

1.1.3 The process of converting waste material into economic goods is known as ...

- A. recycling
- B. re-using
- C. restoring
- D. inventing

1.1.4 Public sector intervention that allows businesses to sell their licenses to other businesses is called...

- A. granting property
- B. environmental subsidies
- C. environmental taxes
- D. marketable permits

1.1.5 The development of environmentally friendly technology refers to ... measures to ensure sustainability.

- A. market- related
- B. international
- C. voluntary
- D. government

- 1.1.6 The agreement to ban 12 of the most dangerous manufactured chemicals was addressed by the...
- A. Basel Convention
 - B. Stockholm Protocol
 - C. Johannesburg Summit
 - D. Kyoto Protocol
- 1.1.7 Natural resources are managed in such a way that it is available to present and future generations.
- A. preservation
 - B. pollution
 - C. renewal
 - D. conservation
- 1.1.8 The government can levy a/an ... tax on environmental polluters.
- A. import
 - B. personal income
 - C. consumption
 - D. green
- 1.1.9 The granting of a license to businesses that allow them to pollute up to a certain degree is referred to as ...
- A. marketable permits
 - B. legislation
 - C. taxable permits
 - D. licensing
- 1.1.10 An example of products on which environmental tax is charged, is ...
- A. car seats
 - B. car tyres
 - C. roof tiles
 - D. clothes

1.1.11 Managing the environment in such a way that it remains in its present condition, is known as ...

- A. scenery
- B. management
- C. conservation
- D. preservation

1.1.12 The variety of plant and animal life in a particular habitat is called ...

- A. biodiversity
- B. the carbon footprint
- C. deforestation
- D. fauna

1.1.13 The setting of maximum permitted levels of emissions such as carbon dioxide is called ... measures.

- A. education
- B. government
- C. command and control (CAC)
- D. Advanced emissions

1.1.14 The agreement reached in 2002 which focused on environmental sustainability is known as the ...

- A. Johannesburg
- B. Rio + 20 Summit
- C. Kyoto Protocol
- D. Millennium Development goal

1.1.15 The sustainable use of natural resources is known as ...

- A. pollution
- B. conversation
- C. Preservation
- D. Quality standard

(15 X 2) (30)

- 1.2 Choose a description from COLUMN B that matches an item in COLUMN A.
Write only the letter (A–I) next to the question number.

COLUMN A	COLUMN B
1.2.1 Non-renewable resources	A A significant and sustained variation in the normal weather pattern
1.2.2 Kyoto Protocol	B May become depleted if used repeatedly
1.2.3 Command and control systems	C International agreements aimed at reducing greenhouse gases
1.2.4 Deforestation	D The introduction of harmful substances into the environment
1.2.5 Soil erosion	E Measures that ensure the maximum level of a resource is used, e.g. tons of fish caught
1.2.6 Climate change	F Products that are eco-friendly and can be absorbed by the environment without any harm
1.2.7 Green tax	G The gradual overall increase in the temperature of the Earth's atmosphere
1.2.8 Biodegradable	H The uncontrolled removal of vegetation in an unsustainable way
1.2.9 Pollution	I Consequence of deforestation
1.2.10 Global warming	J A duty charged on the production of products that causes external environmental costs
	K The sustainable use of natural resources

(10 X 1) (10)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number.

1.3.1 A tax charged on goods that harm the environment

1.3.2 Resources that can be replaced or regenerated

1.3.3 The release of harmful gases into the atmosphere

1.3.4 Prices on certain goods that are set or controlled by government, for example petrol

1.3.5 The introduction of waste matter in the environment which damages the ecosystem

1.3.6 The variety of plant and animal life within an ecosystem

1.3.7 Taking care of the environment to ensure that the needs of the present and future generations are met

(7 X 1) (7)

PART 2 LOW & MIDDLE ORDER QUESTIONS

- 2.1. What is the main purpose of preservation? (2)
- 2.2. Why is it important to focus on preservation worldwide? (2)
- 2.3. How can climate change influence agricultural production? (2)
- 2.4. What effect will the overexploitation of land have on agricultural output in South Africa? (2)
- 2.5. How does the Paris Agreement intend to reduce the impact of climate change? (2)
- 2.6. Give any TWO examples of hazardous waste that affects the environment. (2)
- 2.7. Name any ONE non-renewable resource. (1)
- 2.8. Give the international measure that deals with the control of hazardous waste. (1)
- 2.9. Briefly describe the term environmental sustainability. (2)
- 2.10. Briefly describe the term conservation. (2)
- 2.11. Briefly describe the term biodiversity. (2)
- 2.12. Briefly describe the term climate change. (2)
- 2.13. Explain the effect of soil erosion on food security. (2)
- 2.14. How does human activity negatively affect environmental sustainability? (4)

- 2.15. What impact will environmental problems have on food security (continuous food production)? (2)
- 2.16. How can environmental subsidies be used to ensure sustainable development in South Africa? (4)

PART 3 MIDDLE & HIGH ORDER QUESTIONS

- 3.1. Briefly discuss the reasons why markets fail to ensure environmental sustainability. (8)
- 3.2. Analyse the impact of an increase in the population on the environment. (8)
- 3.3. Explain the government's use of subsidies and permits as measures to ensure environmental sustainability. (8)
- 3.4. What are the benefits of using technology in sustaining the environment? (8)
- 3.5. Why have the international measures (agreements) been ineffective in reducing the effects of climate change? (8)
- 3.6. Differentiate between conservation and preservation. (8)
- 3.7. How do consumers as key market role-players fail to protect the environment? (8)