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PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

MOPANI EAST DISTRICT

**2023 ECONOMICS GRADE 12
REVISION BOOKLET**

MAIN TOPIC: MACRO-ECONOMICS**1 CIRCULAR FLOW PART 1****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 number.

1.1.1 Earnings received from the export of goods and services are called ...

- A Leakages
- B injections
- C investments
- D Taxes

1.1.2 The method used to derive total remuneration on factors of production is called the ... method.

- A Production
- B circular
- C expenditure
- D income

1.1.3 A measure used to indicate the economic prosperity of a country is called the ...

- A gross domestic income.
- B per capita national income.
- C net national income.
- D taxation

1.1.4 The total remuneration that the owners of production factors receive is called national ... A production.

- B expenditure.
- C exports.
- D income.

1.1.5 Households in South Africa spend most of their income on ...

- A durable goods.
- B semi-durable goods.
- C non-durable goods.
- D services.

1.1.6 The circular-flow model of an open economy shows the functioning of an economy that includes the ... sector.

- A public
- B business
- C foreign
- D domestic

1.1.7 Savings flow back into the circular flow as ...

- A investment
- B government spending
- C exports
- D imports

1.1.8 The national aggregate that represents the value added in each phase of production is called the ...

- A gross domestic expenditure.
- B gross domestic product.
- C gross national income.
- D gross domestic income

1.1.9 In an economy where injections exceed leakages, the ...

- A production of goods and services will decrease.
- B national income will increase.
- C national income will decrease.
- D gross value added in production will decline.

1.1.10 Long-term funds are borrowed or saved on the ... market.

- A capital
- B money
- C foreign exchange
- D goods

1.1.11 An open economy is best described as a ... sector economy

- A one
- B two
- C three
- D four

1.1.12 Investment is an example of a/an ... in the circular flow model.

- A leakage
- B injection
- C withdrawal
- D loss

1.1.13 Production by the citizens of a country, locally and abroad, is called the ... product.

- A gross national
- B gross domestic
- C net national
- D net domestic

1.1.14 National income will increase when ...

- A $G+I+X > S+T+M$
- B $G+I+X < S+T+M$
- C $G+I+X = S+T+M$
- D $S+T+M > G+I+M$

1.1.15 If the marginal propensity to consume (mpc) is 0,6 in a 2-sector model, the marginal propensity to save (mps) will be ...

- A 4
- B 6
- C 9.4
- D 0.4

1.1.16 The continuous flow of production, income and expenditure _____ between participants in the economy.

- A business cycle
- B economics equilibrium
- C money market
- D circular flow

(16x2)

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

COLUMN A	COLUMN B
1.2.1 Disequilibrium	A. Spending by firms
1.2.2 Gross domestic product	B. prescribed by the United Nations to compile gross domestic product figures
1.2.3 Multiplier effect	C. long-term financial instruments, for example bonds
1.2.4 Households	D. movement of income and expenditure between participants in the economy
1.2.5 Leakages	E. outflow of money from the economy
1.2.6 Capital market	F. Total value of all goods and services produced within the borders of a country within a specified period
1.2.7 Marginal propensity to consume	G. A small initial change in spending produces a proportionately larger increase in national income
1.2.8 System of national accounts	H. Portion of income not consumed
1.2.9 Money flows	I. spending that takes place irrespective of the level of income
1.1.10 Autonomous consumption	J. owners of the factors of production
1.1.11 Real flows	K. when leakages are more than injections
1.1.12 Investment	L. proportion of their disposable incomes that households spend
	M. the flow of goods and services

(12x1)

1.3. Give ONE term for each of the following descriptions. Write only the correct term next the question numbers in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

- 1.3.1. Primary participants and owners of the factors of production
- 1.3.2. A model which illustrates the flows between participants in the economy
- 1.3.3. The introduction of money in the circular flow
- 1.3.4. Market for short-term savings and loans
- 1.3.5. The total value of final goods and services produced within the borders of a country in a given period
- 1.3.6. The process whereby a relatively small change in injections results in a proportionally larger increase in national income

- 1.3.7. The sector that needs to be included for the economy to be regarded as an open economy
- 1.3.8. Total market value of all final goods and services produced by permanent residents of a country within a specified period.
- 1.3.9. An economy that excludes the foreign sector
- 1.3.10. The movement of goods and services as well as factors of production
- 1.3.11. The withdrawal of money from the circular flow
- 1.3.12. An economy that includes the foreign sector (12x1)

2 QUESTION 2 Answer all questions

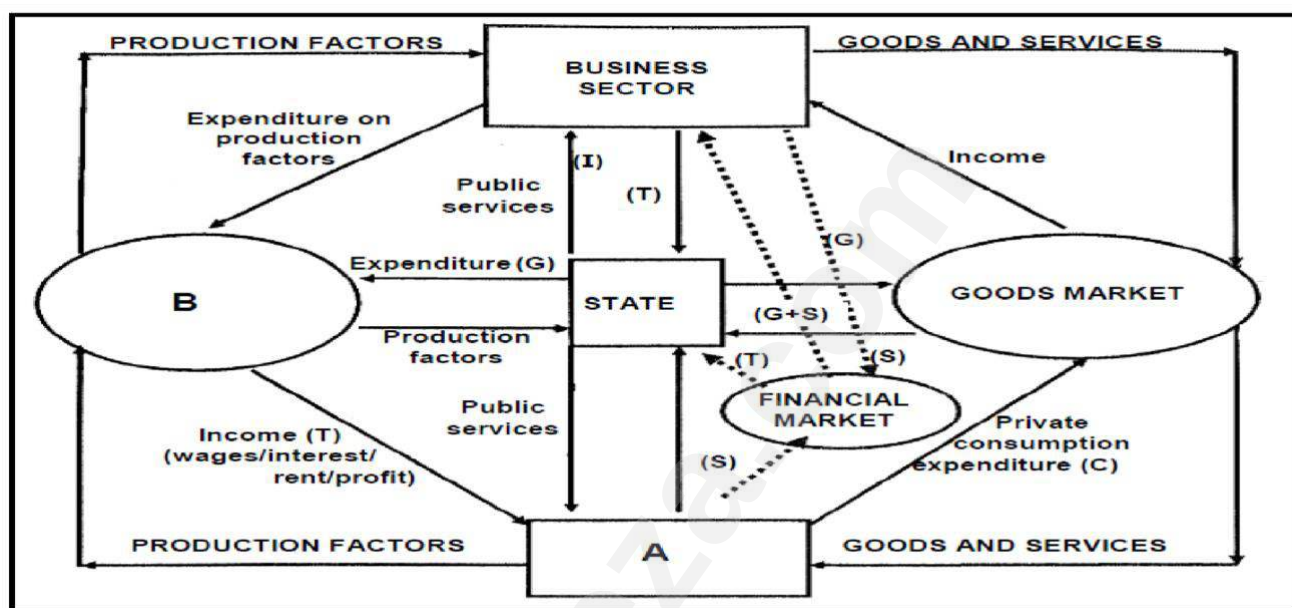
- 2.1 Name any TWO examples of non-durable goods. (2)
- 2.2 Name any TWO methods to calculate Gross Domestic Product(GDP). (2)
- 2.3 Name any TWO examples of leakages. (2)
- 2.4 Name TWO markets that form part of the economic circular flow (2)
- 2.5 Name TWO examples of injections in the circular flow. (2)
- 2.6 Name the TWO financial markets in the circular-flow model (2)
- 2.7 Name any two components of consumption function (2)
- 2.8 Name TWO items that convert Gross Value Added at factor costs to Gross Value Added at basic prices. (2)
- 2.9 Name the TWO flows in the circular flow model. (2)
- 2.10 Name any TWO participants in a closed economy (2)
- 2.11 Name any TWO sectors that are used to calculate the Gross Value Added at basic prices (2)
- 2.12 Name any two examples of secondary sector (2)

PART 2

- 1. Why are taxes regarded as leakages? (2)
- 2. How do we convert Gross domestic Product at a market price to Gross National Product at a market price? (2)
- 3. Why are the households regarded as major economic participants in the circular flow? (2)
- 4. Why is the value of Gross Domestic Product always higher than the values of Gross National Products.

PART 3: DATA RESPONSE QUESTIONS

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



- 1.1 What does letter **A** in the diagram above represent? (1)
- 1.2 Supply the label for **B**. (1)
- 1.3 Briefly describe the term *durable goods*. (2)
- 1.4 Why is the diagram above typical of a closed economic system? (2)
- 1.5 How important is the financial market and the foreign exchange markets in the circular flow? (4)

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

CALCULATION OF NATIONAL INCOME

	R million
1. Compensation of employees	1 088 631
2. Net operating surplus	728 748
3. Consumption of fixed capital	332 824
Gross Value Added at Factor Cost	A
4. Taxes on production	39 863
5. Subsidies on production	8 012
Gross Value Added at Basic Prices	2 182 054
6. Taxes on products	232 117
7. Subsidies on products	6 482
Gross Domestic Product at Market Prices (GDP)	B

2.1. Which method of calculation is depicted in the above-mentioned figures? (1)

2.2. What is the value of **A**? (1)

2.3. How is GDP at market prices converted to GNP at market prices? (2)

2.4. Calculate the GDP at market prices represented by letter **B**. (4)

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

NATIONAL ACCOUNT AGGREGATES	R MILLIONS
Final consumption expenditure by households	1 473 490
Final consumption expenditure by government	505 040
Gross capital formation	467 878
Residual item	-18 092
Gross Domestic Expenditure	2 428 316
Export of goods and services	657 113
Import of goods and services	677 740
Expenditure on GDP(E) at market prices	A

3.1. Which method of calculation used in the above-mentioned figures. (1)

3.2. Name ONE example of goods on which the household spends its money. (1)

3.3. Briefly describe the term *residual item*. (2)

3.4. Calculate the value of **A**. Show ALL calculations. (4)

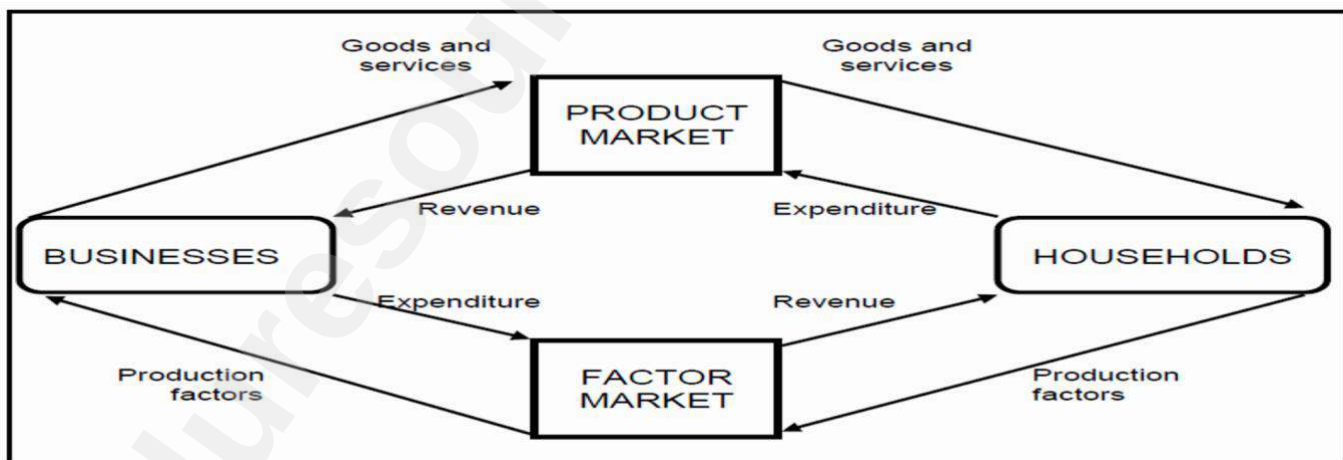
4. Study the table below and answer the questions that follow.

GROSS VALUE ADDED BY KIND OF ECONOMIC ACTIVITY (GVA at constant 2015 prices)
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	2021 figures (Rm)
Primary sector	295 203
Secondary sector	552 601
Tertiary sector	2 017 745
Gross value added at basic prices	2 865 548

- 4.1. Identify the base year from the table above. (1)
- 4.2. Name the problem that will be avoided when the method above is used to determine the GDP figures above. (1)
- 4.3. Briefly describe the term *secondary sector*. (2)
- 4.4. Why was the tertiary sector the largest contributor to GVA figures in 2021?
- 4.5. Determine the value of the secondary sector as a percentage of GVA at basic prices. (4)

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



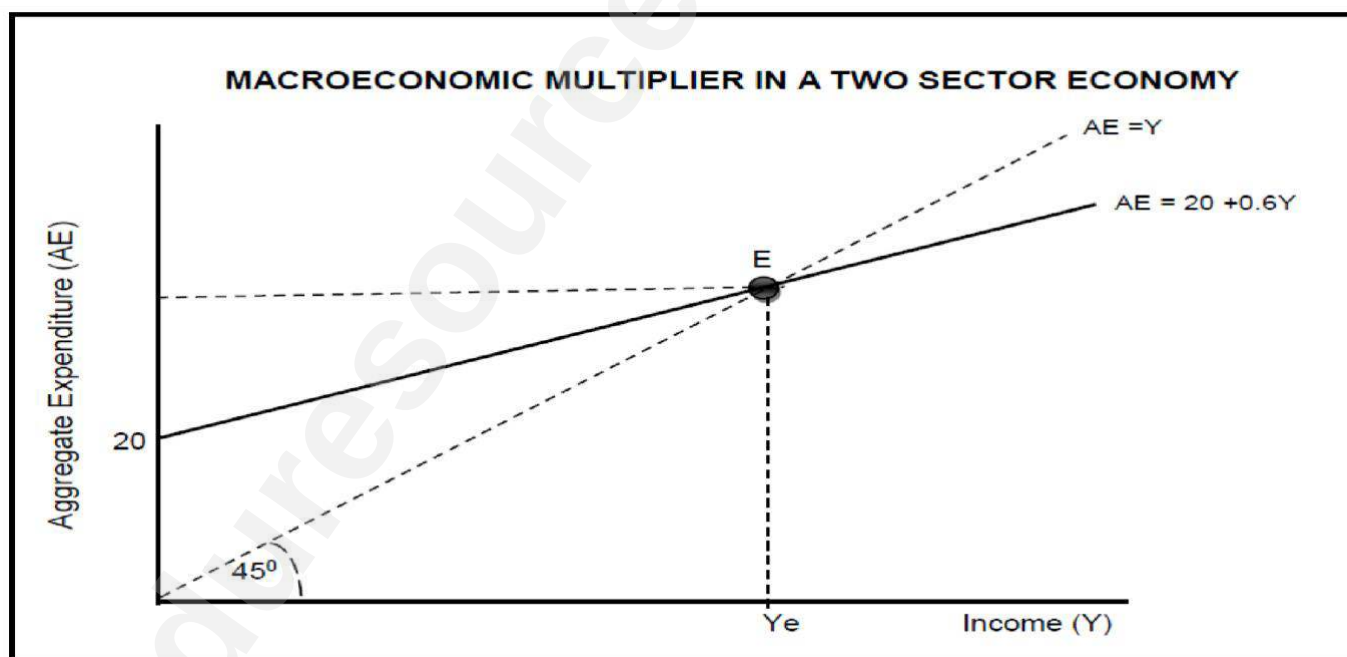
- 5.1. What is depicted in the diagram above? (1)
- 5.2. Identify ONE example of a monetary flow. (1)
- 5.3. Briefly describe the term *factor market*. (2)
- 5.4. What is the role of the household in the economy above? (2)

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

FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLDS			
AT CURRENT PRICES (R millions)	2010	2015	2017
Durable goods	136 049	199 971	209 997
Semi-durable goods	133 323	203 082	231 668
Non-durable goods	625 989	962 467	1 124 170
Services	726 476	1 051 760	1 199 221
TOTAL	1 621 836	2 417 271	2 764 397

[Adapted from Quarterly Bulletin South African Reserve Bank, March 2018]

- 6.1. Name ONE example of a semi-durable good? (1)
 - 6.2. Identify the current base year used by the SARB to compile GDP figures. (1)
 - 6.3. Briefly describe the term *current prices*. (2)
 - 6.4. What is the importance of residual item when calculating the GDP figures using the expenditure method? (2)
 - 6.5. Calculate the percentage contribution of durable goods in the final consumption expenditure in the year 2017. (4)
7. Study the graph below and answer the questions that follow.



- 7.1. Name any ONE sector involved in the economy above? (1)
- 7.2. What is the value of the mpc in the economy above? (1)
- 7.3. Briefly describe the term *multiplier effect*. (2)
- 7.4. What is the impact of a tax increase in the value of the multiplier? (2)
- 7.5. Use the formulas $1/\text{mps}$ to calculate the size of the multiplier. (4)

PART 3

1. Distinguish between non-durable goods and durable goods (4x2) (8)
2. Describe the interaction between households and government in the circular flow (8)
3. Describe the relationship between Businesses and households. (8)
4. Differentiate between injections and leakages. (8)
5. Distinguish between real flows and money flows. (8)
6. Discuss the role of factor market in the circular flow (8)
7. Discuss the role of product market in the circular flow. (8)
8. Discuss the role of financial market in the circular flow. (8)
9. Differentiate between Gross Domestic product and Gross National Product. (8)

PART 3 HIGH ORDER QUESTIONS

1. How can the household, as an important participant in the circular flow model, contribute to building the economy?
2. Evaluate the functioning of markets in the circular flow model
3. Calculate the change in aggregate income if there is an injection of R20 billion into the economy with a marginal propensity to save of 0,3. Explain how the multiplier effect could influence the government to create more jobs. Show ALL calculations.
4. Calculate the multiplier and its effect if the marginal propensity to consume (mpc) is 0,6 and investment increases by R10 bn and briefly discuss this impact on the national income. Show all the calculations.

BUSINESS CYCLES QUESTION1

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 number

1.1.1 Estimating unknown data based on a pattern of known data is called ...

- A. the amplitude
- B. a trend
- C. extrapolation
- D. length

1.1.2 Negative economic growth for at least two consecutive quarters of the year is known as a ...

- A. boom
- B. depression
- C. recession
- D. recovery

1.1.3 Exogenous factors such as ... can cause fluctuations in the level of economic activity.

- A. weather patterns
- B. inflexibility of markets
- C. demand patterns
- D. indirect links

1.1.4 The point where economic contraction is at its lowest is called a ...

- A. trough.
- B. peak.
- C. trend.
- D. recovery

1.1.5 The new economic paradigm that relates to the smoothing of business cycles is rooted in ...-side policies.

- A. public relations
- B. Trade
- C. international
- D. demand-and-supply

1.1.6 The Reserve Bank uses the... policy to influence aggregate money supply.

- A. fiscal
- B. monetary
- C. budgetary
- D. inflationary

1.1.7 An indication of long-term growth in the economy is referred to as the ...

- A. trend line.
- B. amplitude.
- C. length.
- D. trough.

1.1.8 A diagram that shows expansion and contraction periods of economic activities is called a(n) ... cycle.

- A. business
- B. economic
- C. productivity
- D. employment

1.1.9 The removal of unnecessary restrictions by legislation is known as ...

- A. regulation
- B. decentralisation
- C. centralisation
- D. deregulation

1.1.10 Severity of cyclical fluctuations in business cycles is indicated by ...

- A. amplitudes.
- B. moving averages.
- C. extrapolations
- D. trend line

1.1.11 Fiscal policy is an action taken by government in respect of taxation and ... to influence economic activity.

- A. exchange control
- B. money supply
- C. expenditure
- D. credit control

1.1.12 A period when there is a general increase in economic activities is known as a(n) ...

- A. downswing
- B. upswing
- C. depression
- D. recession

1.1.13 Indicators that change at the same time and in the same direction as the economy changes are known as ... indicators.

- A. leading
- B. lagging
- C. composite
- D. co-incident

1.1.14 The difference in the value of the output at the peak and the value of the output at the trough of a business cycle is known as the ...

- A. length.
- B. trend line.
- C. amplitude.
- D. real output.

1.1.15 The activity that minimizes the effects of short-term economic fluctuations is called ...

- A. amplitude
- B. a trend
- C. moving average
- D. extrapolation

1.1.16 The point where economic expansion is at its highest

- A. boom
- B. peak
- C. recovery phase
- D. trough

(16x2)

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

COLUMN A	COLUMN B
1.2.1 Moving averages	A. measures the distance of oscillation of a variable from the trend line to the peak and trough
1.2.2 Real business cycle	B. Removal of unnecessary laws, by-laws and power imbalances that inhibits free operations
1.2.3 Monetary policy	C. the peak of economic activities
1.2.4 Prosperity	D. Economic fluctuations emanating from outside the market system
1.2.5 Deregulation	E. give advance warning of changes in economic activity
1.2.6 Amplitude	F. uses taxation to influence the level of expenditure
1.2.7 Lagging indicator	G. evens out short-term fluctuation in economic data
1.2.8 Exogenous factors	H. The upper turning point of the business cycle
1.2.9 Leading indicators	I. Does not change until after the business cycle has changed
1.2.10 Peak	J. uses interest rates to influence the level of expenditure
	K. obtained when the effects of irregular events and seasons are removed from time series data

(10x1)

- 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 The turning point in the business cycle where the level of economic activities is at its lowest
 - 1.3.2 A summary of the value of different indicators of the same type into a single value
 - 1.3.3 A negative economic growth rate for at least two consecutive quarters
 - 1.3.4 A policy that targets taxes and government expenditure to influence economic activity
 - 1.3.5 Predicting the future economic activities using facts or information that is known
 - 1.3.6 It measures the distance between the peak and the trough of a business cycle
 - 1.3.7 A fluctuation in economic activities over a period of time
 - 1.3.8 Measures the duration of the business cycle from peak to peak
 - 1.3.9 Removal of unnecessary laws and regulations to improve the functioning of the economy
 - 1.3.10 Used by the RBSA through interest rates and money supply to influence the economy
 - 1.3.11 It illustrates (shows) the relationship between unemployment and inflation
 - 1.3.12 Factors that originate outside of the economy that cause business cycles
- (12x1) (12)

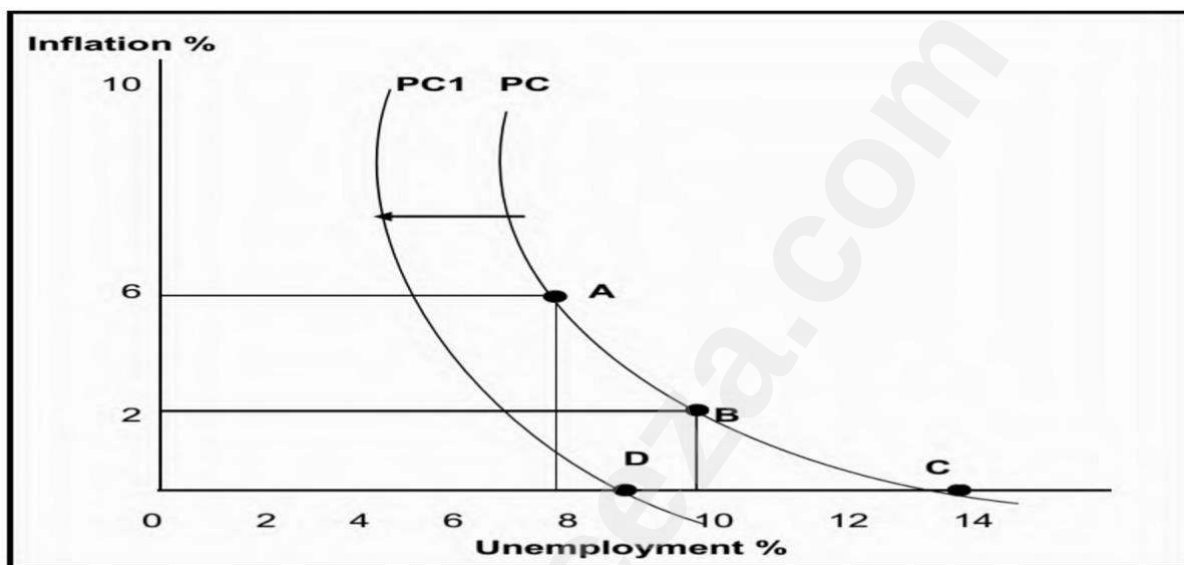
QUESTION 2 Answer all questions

- 2.1 Name TWO instruments of fiscal policy (2)
- 2.2 Name any TWO monetary policy instruments used by the South African Reserve Bank. (2)
- 2.3 Name any TWO phases of a business cycle. (2)
- 2.4 Name TWO types of business cycles that occur in a market economy (2)
- 2.5 Name any TWO types of business cycle indicators used in forecasting economic activities (2)
- 2.6 Name two turning points of the business cycle
- 2.7 Name any two factors of the supply-side policies that can be used to influence economic growth (2)

- 2.8 List two economic aspects illustrated by the Phillip's curve (2)

DATA RESPONSE QUESTIONS

- 2.3. Study the graph below and answer the questions that follow.



- 2.3.1. What is depicted on the graph above? (1)
- 2.3.2. Identify ONE economic phenomenon that is demonstrated by the graph above? (1)
- 2.3.3. Briefly describe the term *business cycle*. (2)
- 2.3.4. What impact does a decrease in unemployment have on the economy? (2)
- 2.3.5. How can the government use fiscal policy to achieve economic growth? (4)

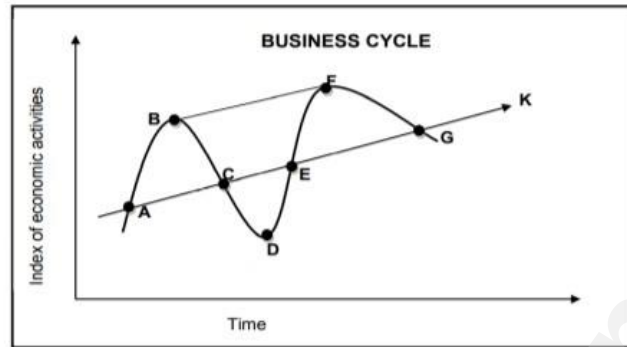
PARAGRAPH QUESTIONS

- 2.4. Discuss *reduction of costs* as a supply-side policy. (4x2)(8)
- 2.5. How can the government use fiscal policy to stimulate economic growth through demand side?

ADDITIONAL QUESTIONS (REFER TO THE NOTES)

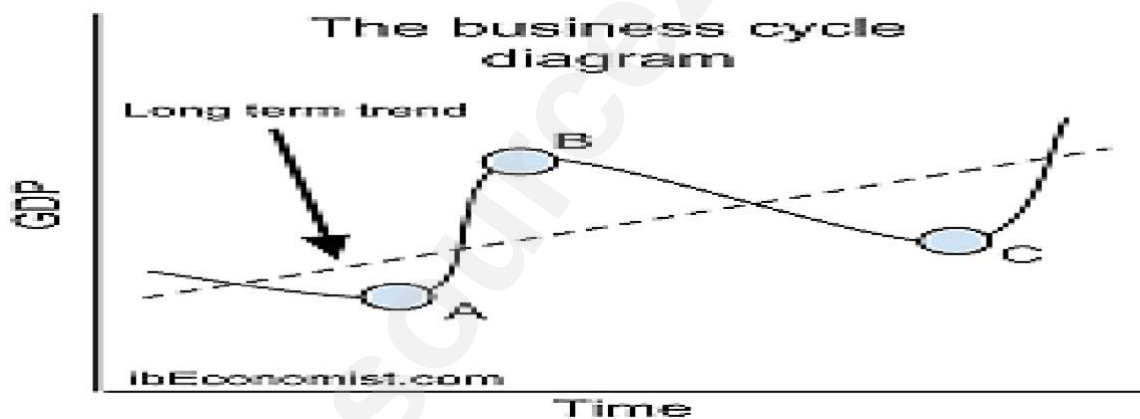
DATA RESPONSE QUESTIONS

1. Study the diagram below and answer the questions that follow:



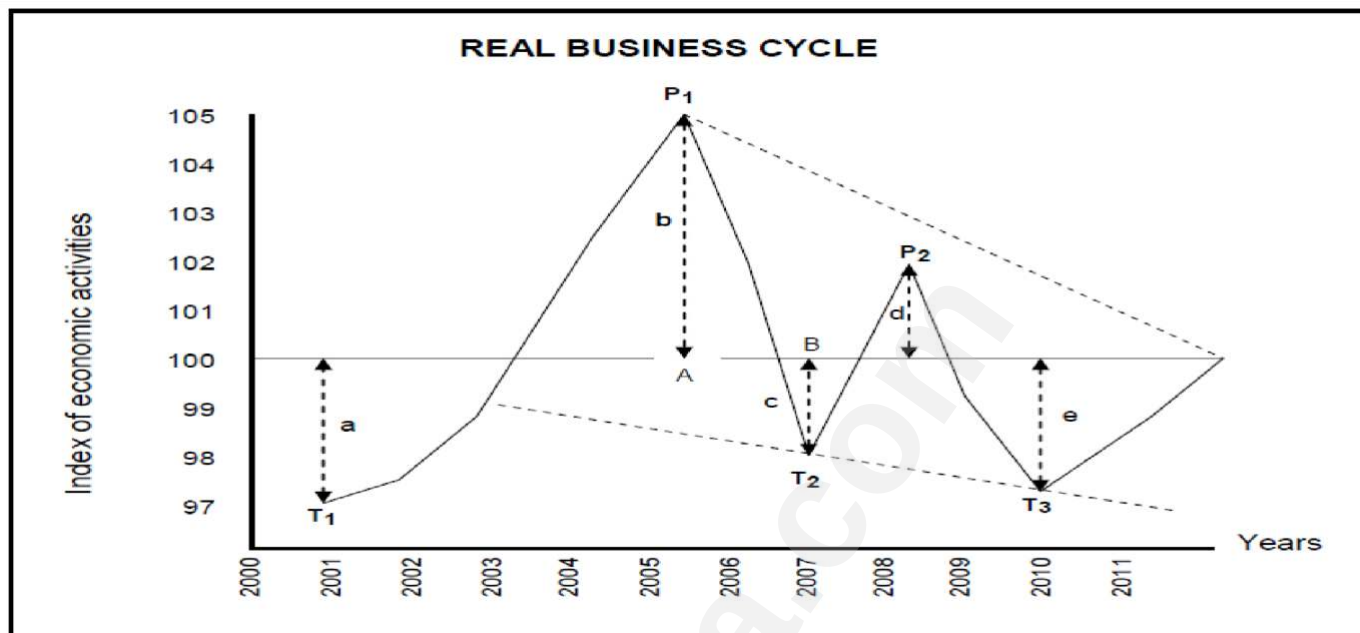
- 1.1. Identify the letter that represents the trend-line in the diagram above. (1)
- 1.2. What does letter D in the graph above represent? (1)
- 1.3. Briefly define the term Business Cycle. (2)
- 1.4. Explain the level of economic activities during a recession. (2)
- 1.5. How can the length of business cycle be used in forecasting? (4)

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



- 2.1. Identify the vertical distance between **A** and **B** represent in the graph above. (1)
- 2.2. Name the horizontal distance between A-C in the graph above? (1)
- 2.3. Briefly describe the term *forecasting*. (2)
- 2.4. Explain the importance of GDP as an economic indicator? (2)
- 2.5. How are leading indicators used in forecasting economic activities? (4)

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



- 3.1. Identify the amplitude from the diagram above. (1)
- 3.2. What does the dotted line from T₂ to T₃ in the graph above represent? (1)
- 3.3. Briefly describe the term *real(actual)business cycle* represent. (2)
- 3.4. How can extrapolation be used in predicting business cycles? (2)
- 3.5. What can the South African Reserve bank do to dampen an overheating economy? (4)

PARAGRAPH QUESTIONS

1. Discuss the endogenous approach as a cause of business cycles. (4 x 2) (8)
2. Explain exogenous approach as a cause of business cycles. (4 x 2) (8)
3. How can the South African government use fiscal policy to stimulate the economy? (8)
4. Discuss the monetary policy instruments used by the South African Reserve Bank in stabilising the economy. (4 x 2) (8)
5. With an aid of diagram, discuss the relation between inflation and unemployment. (4X2) (8)
6. Use a well labelled graph to explain the effects of demand-and-supply-side policies on prices. (8)
7. Explain economic activity during the recovery phase of the business cycle. (4 x 2) (8)

8. Explain economic activity during the prosperity phase of the business cycle (4 x 2) (8)
9. Explain economic activity during the recession phase of the business cycle. (4 x 2) (8)
10. Explain economic activity during the depression phase of the business cycle. (4 x 2) (8)
11. With the aid of a correctly labelled graph, explain the effects of demand-side policies to stimulate economic activity during a recession. (4 x 2) (8)
12. How can the Reserve Bank use a demand-side policy to revive (expand) the economy? (4 x 2) (8)
13. How can the trend line be used in forecasting of business cycles? (4 x 2) (8)
14. How can amplitude be used in forecasting of business cycles? (4 x 2) (8)
15. How can length be used in forecasting of business cycles? (4 x 2) (8)
16. How can extrapolation be used in forecasting of business cycles? (4 x 2) (8)
17. Briefly explain lagging indicators and composite indicators as features underpinning forecasting of business cycles. (4 x 2) (8)
18. Use the GDP data below to explain the importance of moving averages in the forecasting of business cycles.

YEAR	2010	2011	2012	2013	2014	2015	2016
GDP (bn)	5	8	9	11	4	6	10

19. Analyse the relationship between *inflation* and *unemployment* (8)
How can the monetary policy contribute to economic growth? (8)
20. Explain the importance of moving averages in the forecasting of business cycles. (8)
21. Analyse how deregulation benefits households. (8)

TOPIC 3: **PUBLIC SECTOR**

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 number
- 1.1.1 The mini-budget that covers a period of three years, which is tabled in October each year, is called the ...
- A. main budget
 - B. long term expenditure frame work
 - C. short-term budget
 - D. medium term budget policy statement
- 1.1.2 South African Defence Force services is provided by ... government
- A. district
 - B. local
 - C. provincial
 - D. national
- 1.1.3 The state aims towards a more equal distribution of income by using a ... personal income tax system
- A. proportional
 - B. regressive
 - C. progressive
 - D. constant
- 1.1.4 When the government sells more than 50% of the state-owned shares of a public enterprise, it is called ...
- A. privatisation.
 - B. nationalisation.
 - C. free trade.
 - D. circulation
- 1.1.5 The government is responsible for ... sector provisioning.
- A. private
 - B. foreign
 - C. public
 - D. financial
- 1.1.6 Public goods for which consumers have to pay are known as ... goods.

- A. community
- B. private
- C. collective
- D. inferior

1.1.7 Goods characterised by non-rivalry and non-excludability are known as ... goods.

- A. public
- B. common
- C. private
- D. D. normal

1.1.8 Large public corporations or business entities in the public sector are known as

- A. corporates.
- B. businesses.
- C. parastatals.
- D. households

1.1.9 Goods and services that benefit the society are called ... goods.

- A. demerit
- B. harmful
- C. common
- D. merit

1.1.10 The Laffer curve shows the relationship between ...

- A. tax revenue and tax rate
- B. income and expenditure
- C. nominal and real figures
- D. tax revenue and wages

1.1.11 Which ONE of the following is presented in October to inform parliament of changes in the budget since February?

- A. main budget
- B. medium-term budget policy statement
- C. medium-term expenditure framework
- D. national budget

1.1.12 The ... government encompasses metropolitan, districts and municipalities.

- A. local
- B. provincial
- C. national
- D. central (12x1)

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

COLUMN A	COLUMN B
1.2.1 Economic equity	A. a system of government with complicated administrative procedures and rules which causes delays
1.2.2 Nationalisation	B. transfer of ownership from the private sector to the public sector
1.2.3 Privatisation	C. An official in a government department
1.2.4 Medium term expenditure framework	D. Taxes that cannot be shifted by the taxpayer to someone else
1.2.5 Bureaucracy	E. provided by the government for use by all members of society, for example public libraries
1.2.6 Public goods	F. when a state-owned business is sold to a private sector enterprise
1.2.7 Demerit goods	G. progressive tax scales are used
1.2.8 Direct taxes	H. Shows income and expenditure estimates for three years
	I. Harmful goods

(8x1)

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

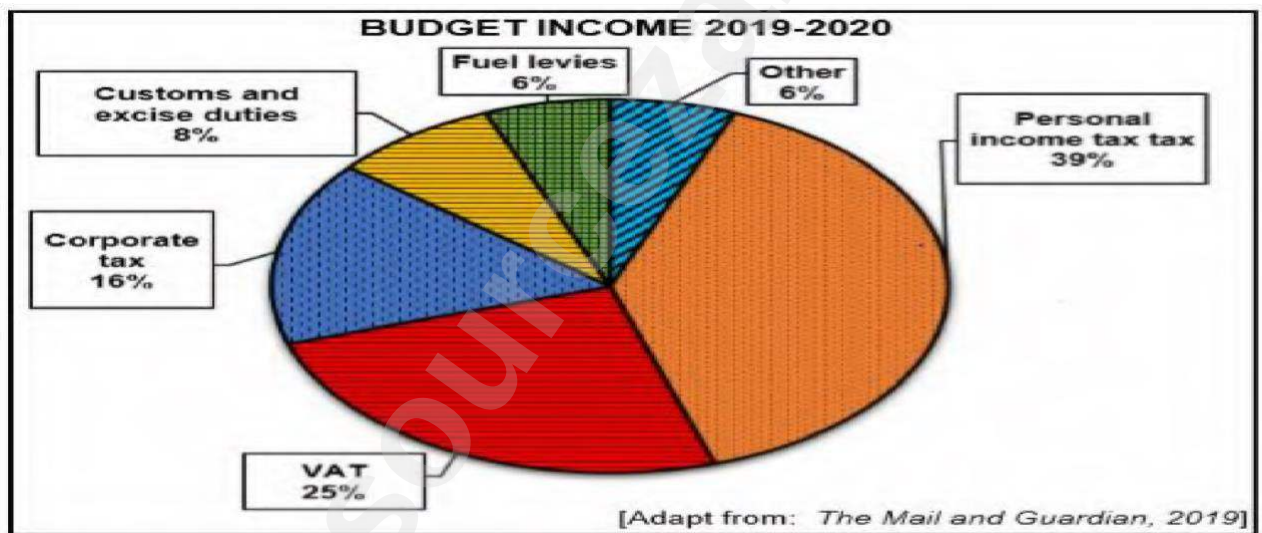
- 1.3.1 The document showing government's anticipated revenue and estimated expenditure for the coming fiscal year.
- 1.3.2 The curve that shows the relationship between tax rates and tax revenue
- 1.3.3 Goods that are harmful to society, for example cigarettes
- 1.3.4 An increase in the real gross domestic product
- 1.3.5 The main source of revenue to the state
- 1.3.6 Businesses owned wholly or partly by the state and run by a public authority.
- 1.3.7 Goods and services, like education, that benefit society as a whole.
- 1.3.8 A transfer of functions and ownership from the public sector to the private sector.
- 1.3.9 Taxes levied on the sale of goods and services.
- 1.3.10 Implies that prices do not change much over time.

(10x1)

QUESTION 2 Answer all questions

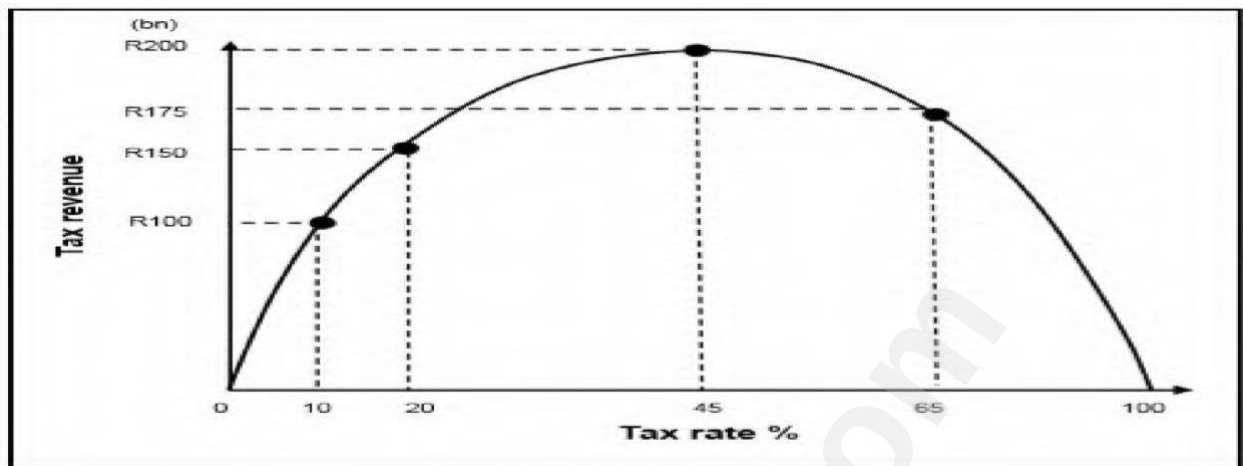
- 2.1 Name any TWO macroeconomic objectives of the state. (2)
- 2.2 Give any TWO reasons for public sector failure. (2)
- 2.3 Give any TWO examples of indirect taxes. (2)
- 2.4 Name any TWO sources of state revenue. (2)
- 2.5. Name any TWO problems of public sector provisioning (2)

1. DATA RESPONSE QUESTIONS



- 1.1. Name the biggest contributor of revenue to the State (1)
- 1.2. Identify ONE method that government can use to make brown bread more affordable for the consumer. (1)
- 1.3. Briefly describe the term indirect tax. (2)
- 1.4. What is the financial implication of a 1% increase in VAT for the government? (2)
- 1.5. How can the effective use of budgets help provinces in efficient service delivery? (2 x 2) (4)

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



- 2.1. Identify the curve in the graph above. (1)
- 2.2. At what tax rate will government revenue be maximised? (1)
- 2.3. How much revenue will the government receive if the tax rate is 100%? (2)
- 2.4. What effect will a decrease in the tax rate from 65% to 45% have on tax revenue? (2)
- 2.5. What consequences could a 1% VAT increase have on the different role players in the South African economy? (2 x 2) (4)

PART 2 High order questions

- 1 How can inefficiencies that contributed towards public sector failure be solved? (8)
- 2 How will corruption impact negatively on the efficiency of the government? (8)
- 3 Evaluate the provisioning of public goods and services in South Africa. (8)
- 4 Evaluate taxation as part of the government's strategy to grow the economy (8)
- 5 With the aid of the well labelled Laffer curve, explain the impact of the tax rate increase on state revenue (8)
- 6 How can the South African government improve the efficiency of service delivery? (8)

- 7 Evaluate the government's plan to divide Eskom in to three different units (8)
- 8 How does public sector failure affect the economy? (8)
- 9 How can South African municipalities improve efficiency in service delivery? (8)
- 10 How can taxation be used to stimulate employment in South Africa? (8)

PART 3 ESSAYS

- 1 Discuss in detail the macro economic objectives of the government. (26)
How successful is the main budget in achieving its economic goals? (10)

TOPIC 4: INTERNATIONAL TRADE

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 number.

1.1.1 Countries with fundamental balance of payment problems can apply for financial support from the

- A. International monetary fund
- B. Federal bank
- C. Reserve bank
- D. Imperial Bank

1.1.2 The purchasing or selling of equities forms part of ... investments in the balance of payments.

- A. portfolio
- B. direct
- C. current
- D. net gold

1.1.3 When a country's total imports exceeds its total exports it is referred to as a ... on the trade balance.

- A. surplus
- B. deficit
- C. equilibrium
- D. constant

1.1.4 The exchange rate system used by South Africa is called the ...exchange rate system.

- A. fixed
- B. managed floating
- C. free-floating
- D. gold standard

1.1.5 The term used to compare a country's export prices with its import prices by means of indices is called the ...

- A. balance of payments
- B. terms of trade
- C. balance of trade
- D. exchange rate

1.1.6 The financial account in the balance of payments records transactions related to ...

- A. production.
- B. merchandise exports.
- C. net gold exports.
- D. assets and liabilities

1.1.7 Economies of scale are associated with ...

- A. mass production
- B. limited output
- C. long-term average cost increases
- D. increased wastage

1.1.8 Where one country can produce more goods or services than another country within a given time period it is called ...

- A. comparative advantage
- B. absolute advantage
- C. terms of trade
- D. free trade

1.1.9 A supply reason for international trade is/are ...

- A. income levels
- B. preferences and tastes
- C. the size of the population
- D. labour resources

1.1.10 The balance of payment has ... account(s).

- A. two
- B. one
- C. three
- D. four

1.1.11 If country A is able to produce both maize and tea at a cheaper cost than countries B and C, it is said to have a/an ... advantage

- A. absolute
- B. best
- C. restrictive
- D. comparative

1.1.12 The type of investment that is known as “hot money” is ...

- A. an investment in equities
- B. an investment in real estate
- C. a trade credit
- D. a short term investment

(12x2)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A.

Write only the letter next to the question number

COLUMN A	COLUMN B
1.2.1 Terms of trade	A. An increase in the price of the currency in terms of another currency due to market forces
1.2.2 Free floating	B. deliberate decrease in the value of the currency in terms of another currency
1.2.3 Balance of payments	C. exchange rate system where the value of the currency is determined by market forces only
1.2.4 Special drawing rights	D. Buying and selling of equities/ shares
1.2.5 Devaluation	E. decrease in the value of the rand in terms of the pound due to market forces
1.2.6 Appreciation	F. price of one country's currency in terms of another country's currency
1.2.7 Portfolio investment	G. a statement of a country's transactions with the rest of the world
1.2.8 Exchange rate	H. compares a country's export prices with its import prices by means of an index
	I. Gives member countries the opportunity to obtain financial support from IMF

(8 marks)

- 1.3 Give ONE term for each of the following descriptions. Write only the correct term next the question numbers in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted

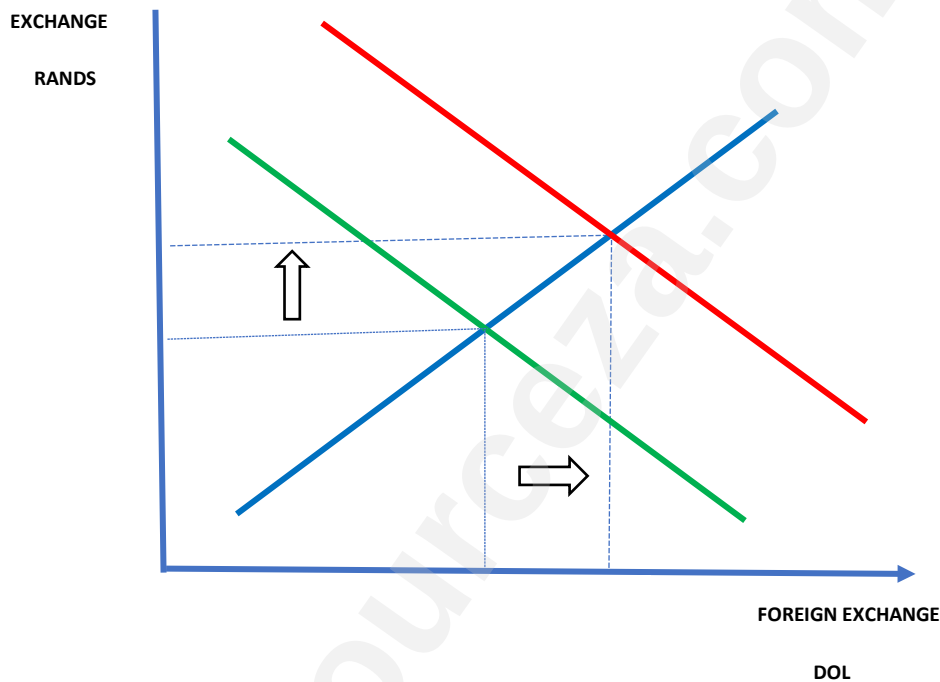
- 1.3.1 An account in the balance of payments that shows records of investments by South Africans in other countries
- 1.3.2 The authorities deliberately increase the value of the currency
- 1.3.3 Account in the balance of payments that records all international transactions relating to production, income and expenditure
- 1.3.4 A set of accounts that shows a systematic record of the trade and financial transactions between a country and the rest of the world
- 1.3.5 The market engaged in the buying and selling of foreign currencies
- 1.3.6 The value of a country's currency exchanged for another currency
- 1.3.7 Compares a country's export prices to its import prices by means of indexes
- 1.3.8 An increase in the price of a currency in terms of another currency due to market forces
- 1.3.9 The value of goods exported minus the value of goods imported
- 1.3.10 The exchange of goods and services across borders of the country
- 1.3.11 A situation where one country can produce goods or services cheaper than another country
- 1.3.12 Money received without any productive services rendered. (12)

QUESTION 2

- 2.1. Name TWO items in the financial account of the balance of payments. (2)
- 2.2. Name TWO supply reasons for international trade. (2)
- 2.3. Name TWO types of exchange rate system (2)
- 2.4. Name any TWO reasons for a demand for foreign currency, such as US dollars
- 2.5. Name any TWO demand reasons for international trade (2)
- 2.6. Name any TWO effects of international trade (2)

ACTIVITY 2

2.1. Study the graph below and answer questions that follow:



- 2.1.1 Which market is depicted by the graph above? (1)
- 2.1.2 What effect does the shift in demand have on the price of dollars? (1)
- 2.1.3 Briefly describe the term exchange rate. (2)
- 2.1.4 Explain the negative effect of a depreciation of currency in the economy. (2)
- 2.1.5 How can an increase in the demand for dollars negatively affect the South African economy? (4)
- 2.4 Discuss by means of a fully labelled graph, the effect on the value of the rand if there is a sharp increase in the number of South African tourists visiting the USA. (8)

ACTIVITY 3

3.1 Study the table below and answer the questions that follow:

FOREX		
CURRENCY	1 ZAR	INVERSE
Japanese	8 4766	R0.118
EURO	0 0685	R14.5992
British Pound	0 058	R17.2267
US Dollar	0 0748	R13.3641

3.1.1 What does ZAR above represent? (1)

3.1.2 Which currency is the most expensive for South African rand according to the table above? (1)

3.1.3 Briefly describe the term current transfers. (2)

3.1.4 Explain the primary role of foreign exchange market? (2)

3.1.5. Calculate how much would be paid in rands, if a jacket that cost 105 was bought. Show all calculations. (4)

3.2 Differentiate between a free-floating exchange rate system with a managed floating exchange rate system. (2 x4) (8)

ACTIVITY 4

4.1 Study the table below and answer the questions that follow:

SOUTH AFRICA: TERMS OF TRADE

Year	Index of import prices	Index of export prices	Terms of trade
2017	141	171	121.3
2018	153	191	124.8
2019	163	200	A
2020	179	214	119.6

[Adapted: SARB Quarterly Bulletin, December 2020]

4.1.1 Identify the index of export prices of 2018 from the graph above. (1)

4.1.2 What is the trend in the index of import prices? (1)

4.1.3 Briefly describe the term 'terms of trade'.
(2)

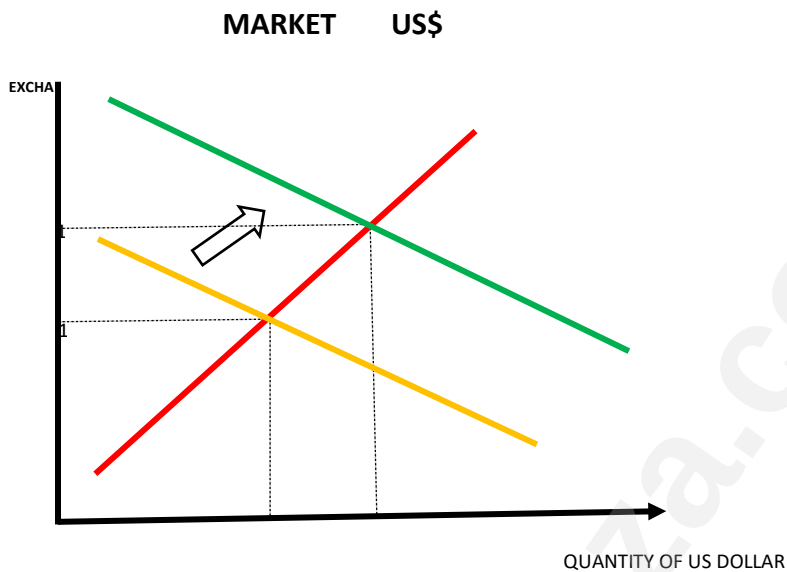
4.1.4 Briefly explain why an increase in the terms of trade will have a positive effect on the welfare of the country. (2)

4.1.5 Calculate the terms of trade for 2019 (A). Show ALL calculations. Round off your answer to ONE decimal place. (4)

4.4 How does an improvement in the terms of trade influence the balance on the current account. (8)

ACTIVITY 5

5.1 Study the graph below and answer the questions that follow:



- 5.1.1 Identify the demand curve that indicates an increase in the demand for dollars. (1)
- 5.1.2 What type of exchange rate system is currently used in South Africa? (1)
- 5.1.3 Briefly describe the term devaluation. (2)
- 5.1.4 Explain ONE factor that can influence the demand for the dollar. (2)
- 5.1.5 What is the effect on the rand when there is a decrease in the demand for dollars? (4)

ACTIVITY 6

6.1 Study the cartoon below and answer the question that follow .

EXCHANGE RATES



- 6.1.1 Identify the currency used in Japan. (1)
- 6.1.2 Which currency is commonly used when countries trade? (2)
- 6.1.3 Briefly describe the term revaluation (2)
- 6.1.4 Explain the impact of trade when countries currency depreciates. (4)
- 6.1.5 How does a country devalue its currency? (4)
- 6.4 How can the government manipulate the exchange rate? (8)

PART 2 High order questions

- 1 Assess how an increase in import prices and an increase in export prices (terms of trade) will affect the South African economy. (8)
- 2 How can the Reserve Bank reduce the deficit on the balance of payments? (8)
- 3 How can imports be targeted to reduce the deficit on the balance of trade in South Africa? (8)

3. Explain, by means of a neatly labelled graph, the effect on the value of the rand if there is a sharp increase in the number of South African tourists visiting the USA. (8)
4. How is the South African economy influenced by the effects of international trade? (8)
5. Evaluate the effectiveness of the methods used to correct the balance of payments disequilibria. (8)
6. How effective is international trade in the world economy? (8)
7. How does an improvement in the terms of trade influence the balance on the current account? (8)

PART 3 ESSAY

- Discuss in detail the reasons for international trade. (26)
- How does efficiency impact on international trade? (10)

PROTECTIONISM AND FREE TRADE

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 e.g. 1.1.6 E.
- 1.1.1 Economic integration where member countries agree on a common economic policy is called a/an
- A customs union.
 - B free trade area.
 - C economic union.
 - D common market
- 1.1.2 The international organisation that reduces tariffs and other trade barriers to liberalise trade is called the
- A World Trade Organisation.
 - B International Monetary Fund.
 - C World Bank.
 - D World Health Organisation.
- 1.1.3 One of the member countries of the BRICS Protocol is ...
- A Japan
 - B China
 - C England
 - D Italy
- 1.1.4 The practice of selling goods in a foreign country at lower prices than in the country of origin is known as ...
- A exportation.
 - B importation.
 - C dumping.
 - D protectionism
- 1.1.5 When the state uses tariffs to discourage imports it is called ...
- A export promotion.
 - B protectionism.
 - C monetary policy.
 - D Fiscal policy
- 1.1.6 Newly established firms that still need protection are called ... industries
- A competitive
 - B strategic
 - C declining
 - D infant
- 1.1.7 When import duties are imposed as a percentage of the value of goods, it is known as ... duties. the imported

- A ad
- B valorem
- C specific
- D composite
- average

1.1.8 An argument in favour of protection of local industries is...

- A unstable wage levels
- B prevention of dumping
- C fewer job opportunities
- D low standard of living

(8x2) (16)

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

COLUMN A	COLUMN B
----------	----------

1.2.1 BRICS	A trade policy that encourages the production of locally manufactured goods to be sold abroad
1.2.1 Dumping	B removal of trade barriers
1.2.3 Protectionism	C a trade agreement between a group of emerging markets
1.2.4 Export promotion	D selling goods in another country at very low prices with which the local industry cannot compete
1.2.5 Import substitution	E trade policy that tries to keep the domestic economy safe by restricting the import of goods and services
1.2.6 Trade liberalisation	F trade involves the exchange of goods or services across different countries in the world
	G trade policy that leads to an increase in local production

(8x1) (8)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers in the ANSWER BOOK. Abbreviations, Acronyms and examples will NOT be accepted

- 1.3.1 The provision of incentives to encourage local businesses to produce goods to sell to other countries
- 1.3.2 The movement of imports and exports between countries without any restrictions
- 1.3.3 When a product is sold on a foreign market at a price that is lower than the cost of production in the country of origin
- 1.3.4 A trade policy which promotes the replacement of imported goods with locally produced goods
- 1.3.5 A tariff imposed as a percentage of the value of goods imported
- 1.3.6 A tariff based on a fixed amount per unit, weight or size that is levied on imported goods
- 1.3.7 A trade policy that discourages imports to guard domestic industries from harmful foreign competition
- 1.3.8 Legislation aimed to assist the economies of African countries and to improve their relations between the regions and the United States

(8x1) (8)

QUESTION 2

- 2.1 Mention TWO methods used to promote exports (2x1) (2)

- 2.2. Name any TWO methods of import substitution. (2x1) (2)
- 2.3 Name any TWO forms of *economic integration*. (2x1) (2)

GROWTH AND DEVELOPMENT

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
e.g. 1.1.6 E.

1.1.1 The act of returning land to those whose land was taken from them during apartheid era is known as

- A land distribution
- B land restitution
- C land development
- D affirmative action

1.1.2 Economic growth is measured in terms of ---- GDP

- A per capita
- B real per capita
- C nominal
- D real

1.1.3 Economic indicators relating to prices express ----

- A real income
- B inflation
- C unemployment
- D growth

1.1.4 An international benchmark using health, level of education and income level per capita, to compare economic development in countries is called ...

- A the Human Development Index.
- B the Gross National Income per capita.
- C the North-South divide.
- D millennium goals.

1.1.5 Which strategy failed in its objective to halve poverty and unemployment by 2014?

- A New Growth Path (NGP)
- B Reconstruction and development program
- C Accelerated and Shared Growth Initiative for South Africa (AsgiSA)
- D National Development Plan (NDP)

1.1.6 An improvement in the standard of living of the country's citizens refers to ...

- A economically active population
- B economic growth
- C growth and development
- D economic development

1.1.7 Lowering the repo rate can be seen as a ... approach to economic growth.

- A demand-side
- B banking
- C fiscal
- D value-added

1.1.8 An example of a monetary policy approach used to promote economic growth and development is known as ...

- A properties subsidies.
- B open market transactions.
- C wealth taxes
- D land redistribution

1.1.9 Decreasing the repo rate can be seen as a ... approach to economic growth.

- A value added
- B supply-side
- C fiscal
- D demand side

1.1.10 The growth and development policy that aims to eliminate poverty and reduce inequality by 2030, is known as the ...

- A National Development Plan.
- B Reconstruction and Development Programme.

- C Growth, Employment and Redistribution Programme.
- D Accelerated and Shared Growth Initiative for South Africa.

1.1.11 The demand-side policy relates to ...

- A a reduction in costs.
- B improving the efficiency of inputs.
- C the influence on inflation and unemployment.
- D improving the efficiency of markets

1.1.12 Economic development is measured in terms of the ...

- A per capita gross domestic product.
- B increase in the productive capacity.
- C nominal gross domestic product.
- D money supply

1.1.13 Which government policy seeks to eliminate poverty and reduce inequality by 2030?

- A New Growth Path
- B National Development Plan
- C Expanded Public Works Programme
- D Reconstruction and Development Programme

1.1.14 Cash grants paid out to the poor form part of the ... policy.

- A monetary
- B growth
- C fiscal
- D economic

1.1.15 The North-South divide can also be referred to as the ... gap.

- A development
- B inflation
- C monetary
- D supply Nov 2017

1.1.16 Monetary policy focuses on ... and the aggregate money supply

- A income
- B interest rates
- C taxation
- D investment

1.1.17 Money paid by the government to businesses as incentives to decrease their cost of production is known as ...

- A sureties.
- B tariffs.
- C subsidies
- D taxes

1.1.18 Aggregate supply can be stimulated through a government policy of ...

- A reducing production costs.
- B limiting the efficiency of inputs.
- C lowering the productivity of factors of production
- D increasing taxes

1.1.19 Social grants to the citizens of South Africa forms part of the ... policy.

- A monetary
- B trade
- C growth
- D fiscal

1.1.20 A nationwide government intervention to create employment using labour-intensive methods is known as the ...

- A Black Economic Empowerment Programme.
- B National Skills Development Strategy.
- C Expanded Public Works Programme.
- D Joint Initiative on Priority Skills Acquisition.

1.1.21 Removal of unnecessary laws and regulations to improve the functioning of the economy is

- A deregistration
- B distribution
- C restitution
- D deregulation

1.1.21 The percentage of the population living in poverty in a country is indicated by ...

- A the Gini coefficient.
- B life expectancy.
- C per capita gross domestic product.
- D the headcount index.

(22x2) (44)

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

COLUMN A	COLUMN B
1.2.1 Prime rate	A the well-being of people determined by health, education and income
1.2.2 Human capital	B focus on the acquisition of skills
1.2.3 Globalization	C the measure of interest which banks charge on loans to their most creditworthy clients
1.2.4 North/ South divide	D the process of increased international cooperation and communication leading to international trade
1.2.5 JIPSA	E people and their skills required for production
1.2.6 Human Development Index	F the removal of laws, regulations and bylaws by government
1.2.7 Deregulation	G levied on properties according to their market value
1.2.8 Wealth tax	H improvement in the standard of living of the majority of people
	I the economic and political developmental gap between the rich and poor countries

(8x1) (8)

- 1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers in the ANSWER BOOK. Abbreviations, Acronyms and examples will NOT be accepted
- 1.3.1 An improvement in the quality of life of the majority of people
- 1.3.2 Projects to fill the infrastructure gaps and needs in terms of population growth.
- 1.3.3 The worldwide interaction of economies, with trade as a key element
- 1.3.4 Return of land to those who have lost it due to discriminatory laws of the past
- 1.3.5 The removal of unnecessary laws and other barriers to competition in the economy
- 1.3.6 The process that focuses on the improvement of people's standard of living
- 1.3.7 The Act that promotes equal job opportunities for all
- 1.3.8 The increase in the standard of living of the people over a period of time
- 1.3.9 The economic value of the labour force (9x1) (9)

QUESTION 2

- 2.1 Name any TWO strategies or initiatives to growth and development used in South Africa. (2x1) (2)
- 2.2 Name any TWO redress policies that South Africa has used since 1994. (2x1) (2)
- 2.3 Name any TWO growth strategies used in South Africa. (2x1) (2)
- 2.4 Name any TWO monetary policy instruments used by the Reserve Bank (2x1) (2)
- 2.5 Name any TWO aspects addressed by the North-South divide. (2x1) (2)
- 2.6 Give any TWO benefits of the Expanded Public Works Programme (EPWP). (2x1) (2)

PART 2

ESSAYS

- 1 Discuss the demand-side approach in promoting economic growth. (26)
Evaluate the success of the expanded public works programme to reduce poverty and unemployment. (10 marks)

- 2 Discuss the following South African growth and development strategies in detail:
 - Reconstruction and Development Programme (RDP) (6)
 - Growth, Employment and Redistribution (GEAR) (4)
 - National Skills Development Strategy (NSDS) (4)
 - The New Growth Path (NGP) (4)
 - National Development Plan (NDP) (4)
 - Broad-Based Black Economic Empowerment (BBBEE) (4)(26)

Evaluate the successes or failures of the NSDS, NGP and NDP Strategies in South Africa. (10)

REGIONAL DEVELOPMENT

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 e.g.
1.1.6 E.

1.1.1 SMMEs usually create jobs for ---- unemployed people

- A seasonally
- B frictionally
- C structurally
- D technologically

1.1.2 The component of the Department of Economic Development that provides finance to industrial development projects as well as researching and leading new industries is called the ...

- A Industrial Policy Action Plan.
- B Industrial Development Corporation.
- C Industrial Development Programme.
- D Spatial Development Programme.

1.1.3 The industrial policy that focuses on economic development in specific areas is called

- A centralisation.
- B integration.
- C decentralisation.
- D international cooperation.

1.1.4 A strategy to strengthen institutional capacity to deliver services that will facilitate development

- A Industrial Development Zone

- B Integrated Manufacturing Strategy
 - C Regional industrial development
 - D Skills Support Programme
- 1.1.5 A project where the state provides the infrastructure and businesses provide capital to establish a business venture is called a ...
- A strategic investment programme.
 - B business process service.
 - C public-private partnership.
 - D Small and Medium Enterprise Development Programme.
- 1.1.6 The Global Competitiveness Index (GCI) is compiled annually by the ...
- A Human Development Index.
 - B International Monetary Fund.
 - C World Bank.
 - D World Economic Forum
- 1.1.7 A cash incentive that aims to provide investment in the training of the South African labour force to gain new expertise, is called the ...
- A Critical Infrastructure Programme.
 - B Skills Support Programme.
 - C Custom Free Incentives.
 - D Small Business Support Programme
- 1.1.8 The Department of Trade and Industry initiative that focuses on improving competitiveness in production is called the ...
- A National Industrial Policy Framework.
 - B National Research and Development Strategy.
 - C Integrated Manufacturing Strategy.
 - D Small Business Support Programme.
- 1.1.9 A physically enclosed area next to a harbour or airport where production for exports is encouraged through incentives, is known as the ...
- A spatial development initiatives.
 - B industrial development zone.
 - C special economic zone.
 - D foreign investment grant.
- 1.1.10 A piece of land that forms a passageway that allows access from one area to another and is part of regional development is called a ...

- A corridor.
- B custom
- C freeway.
- D zone

1.1.11 Geographical areas that have a wider industrial development objective and which can be located anywhere to promote cluster development are called ...

- A corridors.
- B Special Economic Zones (SEZs).
- C manufacturing zones.
- D infrastructure

1.1.12 The institution that monitors empowerment and transformation through a code of good practice is known as the ...

- A South African Reserve Bank.
- B Industrial Development Corporation.
- C Department of Trade and Industry.
- D South African Revenue Services

1.1.13 Cost-sharing grants by government to improve roads is called the ... Programme.

- A Expanded Public Works
- B Critical Infrastructure
- C Small Business Support
- D Skills Development

1.1.14 The Industrial Development Zone (IDZ), which is found in the Eastern Cape and focuses on motor vehicle manufacturing for export is called the ... IDZ.

- A Coega
- B East London
- C Richards Bay
- D Saldanha Bay

(14x2) (28)

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

COLUMN A	COLUMN B
----------	----------

1.2.1 Industrial Development Policy	A Official strategic effort to encourage the development and growth of all or part of the economy
1.2.2 Special economic zone	
1.2.3 Corridor	B. Passageway allowing access from one area to another usually advantageous to business
1.2.4 Information and communications technology	C Demarcated geographic area in which some aspects of business environment differ from the rest of the country
1.2.5 Black Economic Empowerment	
1.2.6 Strategic Investment Program	D Cash incentive intended to encourage businesses in manufacturing, computer and development fields
1.2.7 Framework (NIPF)	E purpose-built industrial estates that are physically enclosed and link to international ports
1.2.8 Industrial development zones	F A key growth sector of the Integrated Manufacturing Strategy
1.2.9 Regional development	G The Act aimed at redressing injustices of the past to a point where the previously disadvantaged have a significant participation in the economy
1.2.10 Industrial development	H To promote a more labour-intensive industry
	I promotes job losses
	J extensive increase in organised economic activity to manufacture, mine, farm and deliver services
	K aims to reduce the centralisation of industries

(10x1) (10)

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

- 1.3.1 A geographical area in a country that promotes rapid development by acting as a magnet for investments, in targeted economic activities
- 1.3.2 The industrial development strategy that focuses on improving the competitiveness in manufacturing by considering input prices and technology.
- 1.3.3 A spatial area for regional development that forms a passageway
- 1.3.4 A strategy to strengthen the institutional capacity to deliver services that facilitate economic and social development
- 1.3.5 A regional development initiative that attracts infrastructure and business investments to neglected areas
- 1.3.6 Efforts by governments to move manufacturing and other businesses from metropolitan areas to rural areas
- 1.3.7 A track of land that forms a passageway allowing access from one area to another is called a/an
- 1.3.8 It strengthens institutional capacity and facilitates development
(8x1) (8)

QUESTION 2

- 2.1 What is the objective of skill support program in South Africa? (1x2) (2)
- 2.2 Name TWO benchmark criteria used by South Africa to evaluate The economy in terms of best practices (2x1) (2)
- 2.3 Name any TWO international benchmark criteria for regional development. (2x1) (2)
- 2.4 Name any TWO areas addressed by the Reconstruction and Development Programme. (2x1) (2)
- 2.5 Name any TWO examples of industrial development zones in South Africa. (2x1) (2)

PART 2 ESSAYS

- Discuss in detail South Africa's endeavours (initiatives) in regional development:
- How effective is South Africa's regional development policies in terms of international benchmarking?

ECONOMIC AND SOCIAL INDICATORS

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 e.g. 1.1.6 E.

1.1.1 Data collected, which relates to the composition of the population of a country is called ...

- A statistics.
- B affirmative action.
- C demographics.
- D education.

1.1.2 The number of employed persons as a percentage of the economically active population (EAP) is called the ...

- A economic growth.
- B productivity rate.
- C employment rate.
- D labour productivity.

1.1.3 An indicator generally used to measure the cost of production is known as the ... index.

- A consumer price
- B headcount
- C price D production price

1.1.4... is an example of a social indicator.

- A Education
- B Business confidence
- C Employment
- D Production

1.1.5 A social indicator associated with health is ...

- A the percentage enrolment in secondary schools.
- B the availability of electricity.
- C malnutrition.
- D infant mortality

1.1.6 Long-term deposits of the domestic sector at monetary institutions are part of the ... money supply

- A M1
- B M2
- C M3
- D M4

1.1.7 The comparison of a country's export prices with import prices by means of indexes is referred to as the ...

- A exchange rate.
- B conditions of trade.
- C terms of trade.
- D inflation rate

1.1.8 The number of years that a new-born baby is expected to live is referred to as ...

- A the mortality rate.
- B malnutrition.
- C obesity. life
- D expectancy.

1.1.9 A Gini coefficient of closer to 0 indicates that the income distribution is ...

- A highly unequal.
- B fairly equal.
- C totally equal.
- D totally unequal

1.1.10 The process whereby people move from rural areas to towns and cities is called ...

- A urbanisation.
- B immigration.
- C emigration
- D ruralisation

1.1.11 According to the United Nations' classification, South Africa falls in the ... human development index (HDI) group of countries.

- A low
- B medium
- C high
- D below

1.1.12 Demographics, as a social indicator, deals with ...

- A mortality rates.
- B nutrition.
- C housing
- D employment

1.1.13 An example of an economic indicator is ...

- A sanitation. population
- B growth. life
- C expectancy.
- D production price index

1.1.14 The number of employed persons as a percentage of the economically active population (EAP) is called the ...

- A employment rate.
- B economic growth.
- C productivity rate.
- D labour productivity

1.1.15 Issues related to human well-being over a period of time are monitored by using ... indicators.

- A growth
- B social
- C economic
- D communication

(15x1) (15)

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

COLUMN A	COLUMN B
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1.2.1 Life expectancy	A measures changes in prices of goods and services
1.2.2 Money supply	B indicator used to measure the change in the price of goods produced locally when it leaves the factory floor
1.2.3 Social indicator	C probable number of years a person will live after birth
1.2.4 Production price index	D hampers the cognitive development of children
1.2.5 Malnutrition	E Controlled by SARB
1.2.6 Terms of trade	F the ratio between export prices and import prices
1.2.7 Consumer price index	G all the persons aged between 15 and 65 years
	H education and health

(7x1) (7)

- 1.2 Give ONE term for each of the following descriptions. Write only the term next to the question numbers in the ANSWER BOOK. Abbreviations, Acronyms and examples will NOT be accepted

- 1.2.1 The policy that aims to stabilise prices by combating inflation
 - 1.2.2 The labour force between the ages of 15 and 65 that are willing and able to work
 - 1.2.3 An increase in the number of people moving from rural areas to cities
 - 1.2.4 The social indicator that relates to the size of the country's population
 - 1.2.5 The rate at which commercial banks borrow money from the South African Reserve Bank
 - 1.2.6 Compares a country's export prices to its import prices by means of indexes
 - 1.2.7 The coefficient that measures the inequality of income
 - 1.2.8 The number of years a person is expected to live
 - 1.2.9 The rate at which banks borrow money from the Reserve Bank
 - 1.2.10 The migration of people from rural areas to cities and towns
 - 1.2.11 Measures prices of locally manufactured goods at factory level
 - 1.2.12 The increase in population numbers of cities and towns
- (12x1) (12)

QUESTION 2

- 2.1 Name any TWO measures of urbanisation (2x1) (2)
- 2.2 Name any TWO international organisations that require members to standardise their indicators. (2x1) (2)
- 2.3 Name TWO indicators related to foreign trade. (2x1) (2)
- 2.4 Name TWO types of economic indicators related to price changes. (2x1) (2)
- 2.5 Give any TWO examples of productivity indicators. (2x1) (2)
- 2.6 Name TWO factors that are used to measure demographics indicators. (2x1) (2)
- 2.7 Name any TWO social indicators. (2x1) (2)

PART 2 ESSAYS

- 1 Discuss the various economic indicators in detail. (26)

How did the COVID-19 pandemic negatively influence the

South African economy? (10)

2 Discuss social indicators in detail. (26)

How successful has the South African government been in promoting economic development through the use of these social indicators? (10)

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