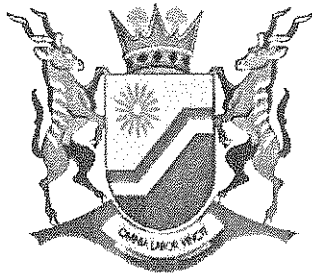




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education

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

NATIONAL
SENIOR CERTIFICATE

GRADE 12

ECONOMICS P2

SEPTEMBER 2019

MARKS: 150

TIME: 2 HOURS

This question paper consists of 13 pages

SECTION A (COMPULSORY)**QUESTION 1****30 MARKS – 20 MINUTES**

- 1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question number (1.1.1 – 1.1.8) in the ANSWER BOOK. For example (1.1.1 - C).

1.1.1 The demand curve of a/an ... firm is horizontal.

- A monopolist
- B perfect competitive
- C monopolistic
- D oligopolistic

1.1.2 The ... curve represents the supply curve of a perfect competitive firm.

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

1.1.3 Which one of the following factors may result in market failure?

- A Complete information
- B Perfect information
- C Imperfect information
- D Efficient markets

1.1.4 A monopoly maximizes revenue at a point where ...

- A $MR = MC$
- B $MR < 0$
- C $MR > 0$
- D $MR = 0$

1.1.5 The activities of visiting museums and galleries is classified as ... tourism.

- A cultural
- B eco-
- C leisure and recreation
- D domestic

1.1.6 An example of an administered price in South Africa is ...

- A clothing.
- B furniture.
- C transport.
- D petrol.

1.1.7 Tourism is a ... -intensive industry.

- A technologically
- B capital
- C labour
- D property

1.1.8 The setting of maximum permitted levels of emissions such as carbon dioxide is known as ... measures.

- A educational
- B command and control
- C perceived
- D fumes

(8 X 2) (16)

- 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 (1.2.1–1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Marginal revenue	A Business selling licenses to other businesses to pollute
1.2.2 Monopoly	B Activities that are unique and only known by local people.
1.2.3 Cartel	C South Africa's inflation target
1.2.4 Subsidy	D The income received for selling an additional unit of product
1.2.5 Indigenous Knowledge Systems	E Formal and open form of collusion
1.2.6 Stagflation	F Only a few sellers operate in this market
1.2.7 3% - 6%	G Combination of low economic growth and high prices
1.2.8 Marketable permits	H Entry into this market is completely blocked
	I A financial grant to support the production of a good

(8 x 1) (8)

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

1.3.1 The extra revenue that the firm makes above the normal profit

1.3.2 A market controlled by two businesses

1.3.3 An evaluation of the costs and benefits related to a project

1.3.4 The rate at which the SARB lends money to commercial banks

1.3.5 Tourists travel through South Africa using air, rail, road and sea transport to get to a destination

1.3.6 The ability of the environment to survive its use for economic activity

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

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

2.1 Answer the following questions.

2.1.1 Name any **TWO** forms of non-price competition. (2 x 1) (2)

2.1.2 Why do all factors of production vary in the long run? (1 x 2) (2)

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

TRANSNET MONOPOLY

South Africa has one of the longest rail networks in the world. Yet it has only resulted in disinvestment and considerable economic damage. Only two Transnet rail lines make a profit. This loss is made despite a huge demand for alternative logistics and transport options.

[Adapted from <https://www.rationalstandard.com>]

2.2.1 Except Transnet, name any other state-owned enterprise in South Africa. (1)

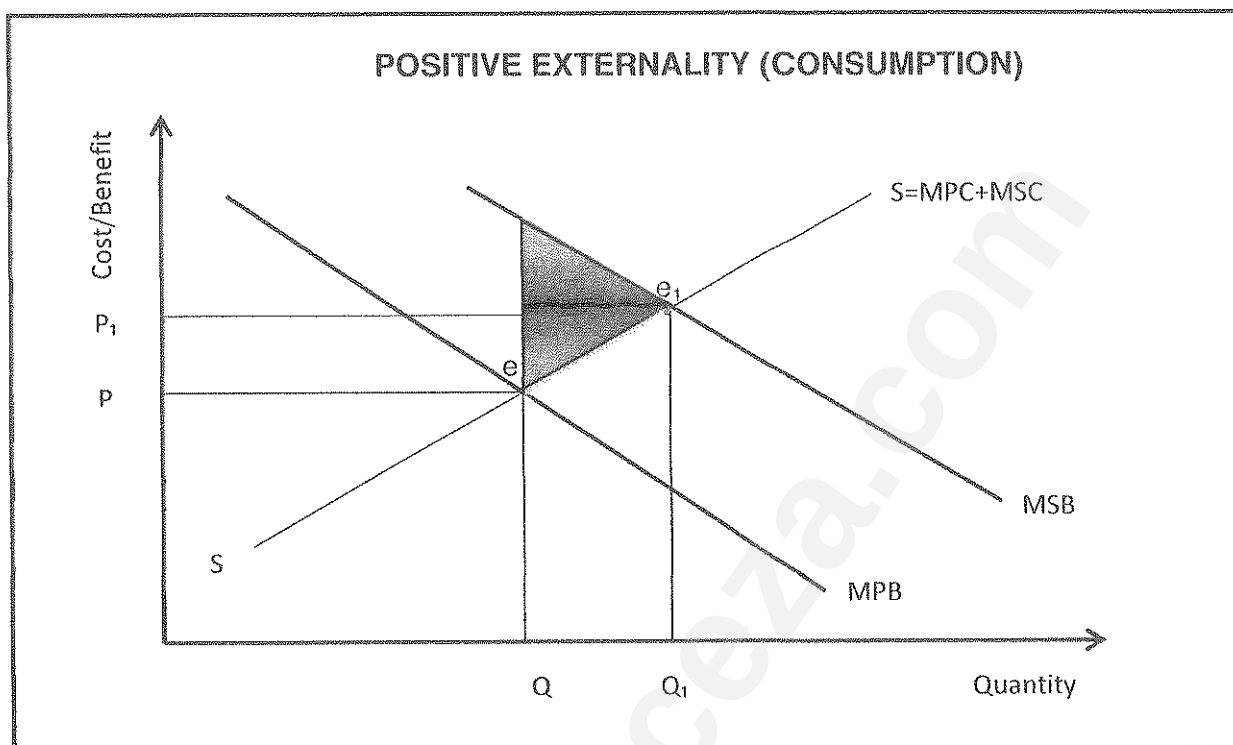
2.2.2 What type of profit does a monopolist make in the long run? (1)

2.2.3 Briefly describe the term *artificial monopoly*. (2)

2.2.4 Explain the effect on the monopolist's revenue if it charges excessively high prices for its product in the long run. (2)

2.2.5 Why is a monopoly regarded as productive inefficient? (4)

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



2.3.1 Give ONE example of private a benefit to the producer. (1)

2.3.2 What is indicated by the shaded area? (1)

2.3.3 Briefly describe the term *marginal social cost*. (2)

2.3.4 Why can education be regarded as a merit good? (2)

2.3.5 How does the above externality lead to market failure? (4)

2.4 With the aid of a graph, explain the kinked demand curve. (8)

2.5 Evaluate the impact of minimum wages in South Africa. (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name TWO criteria to measure tourism. (2 x 1) (2)

3.1.2 Why must government manage pollution levels? (1 x 2) (2)

3.2 Read the extract below and answer the questions that follow.

SOUTH AFRICA'S TOURISM PERFORMANCE FOR 2018

South African Tourism (SA Tourism) has released its latest performance statistics for 2018, which indicate a 1,7% growth compared to 2017 figure. South Africa Tourism's analysis indicates that 8,6 million international tourists have visited South Africa in 2018.

[source: <http://ewn.co.za>]

3.2.1 Name ONE reason for the growth of foreign tourism to South Africa. (1)

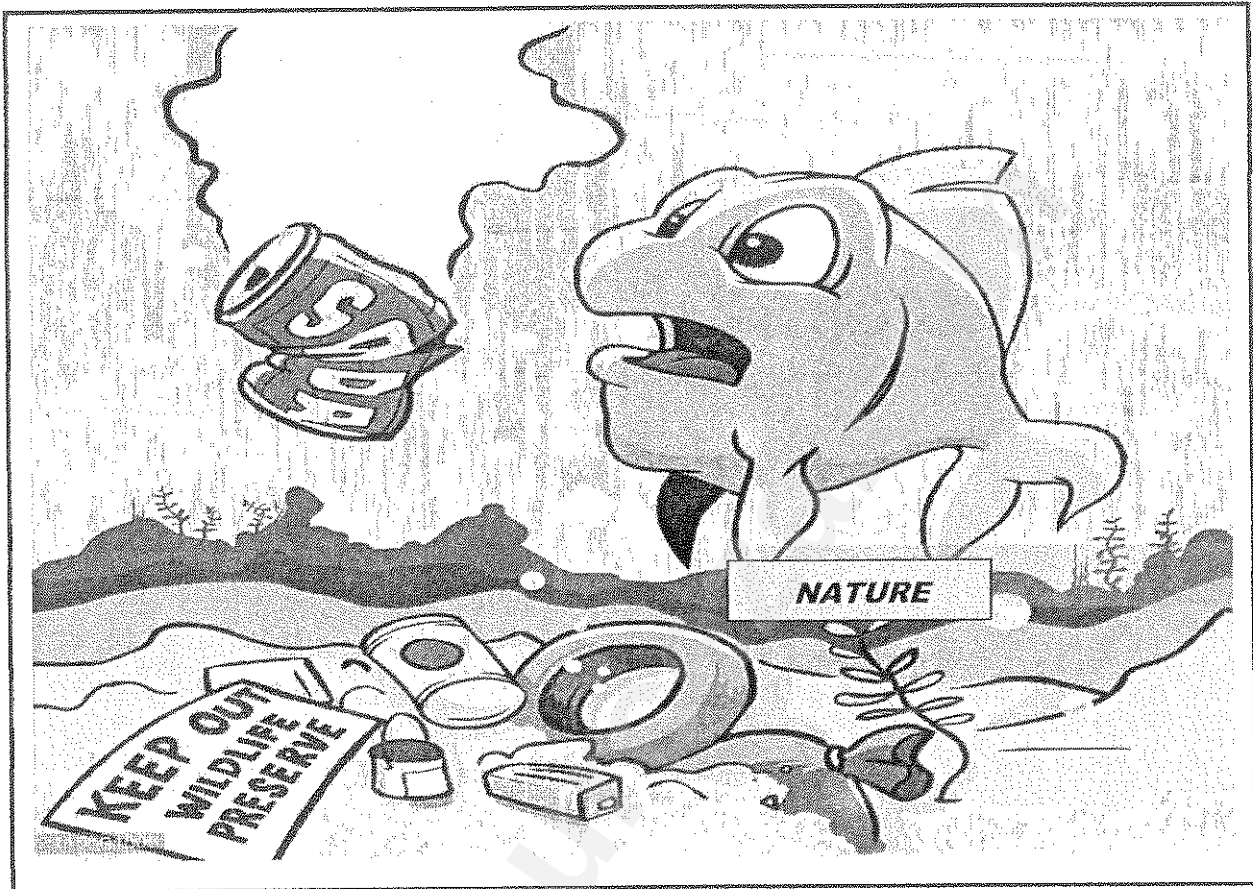
3.2.2 Name ONE world heritage site in South Africa. (1)

3.2.3 Briefly describe the term *inbound tourism*. (2)

3.2.4 Why do governments levy tax on tourism? (2)

3.2.5 How would the Sho't Left campaign impact on tourism in the South Africa? (4)

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



[Source: www.google.co.za]

- 3.3.1 What type of pollution is depicted in the cartoon? (1)
- 3.3.2 Provide a synonym for the term *environmental taxes*. (1)
- 3.3.3 Briefly describe the term *preservation*. (2)
- 3.3.4 How does self-interest impact on pollution? (2)
- 3.3.5 What effect does deforestation have on the environment? (4)
- 3.4 Discuss *granting property rights* and *environmental subsidies* as measures to ensure sustainable use of the environment. (8)
- 3.5 Evaluate the contribution of tourism to alleviate poverty in South Africa. (8)
- [40]

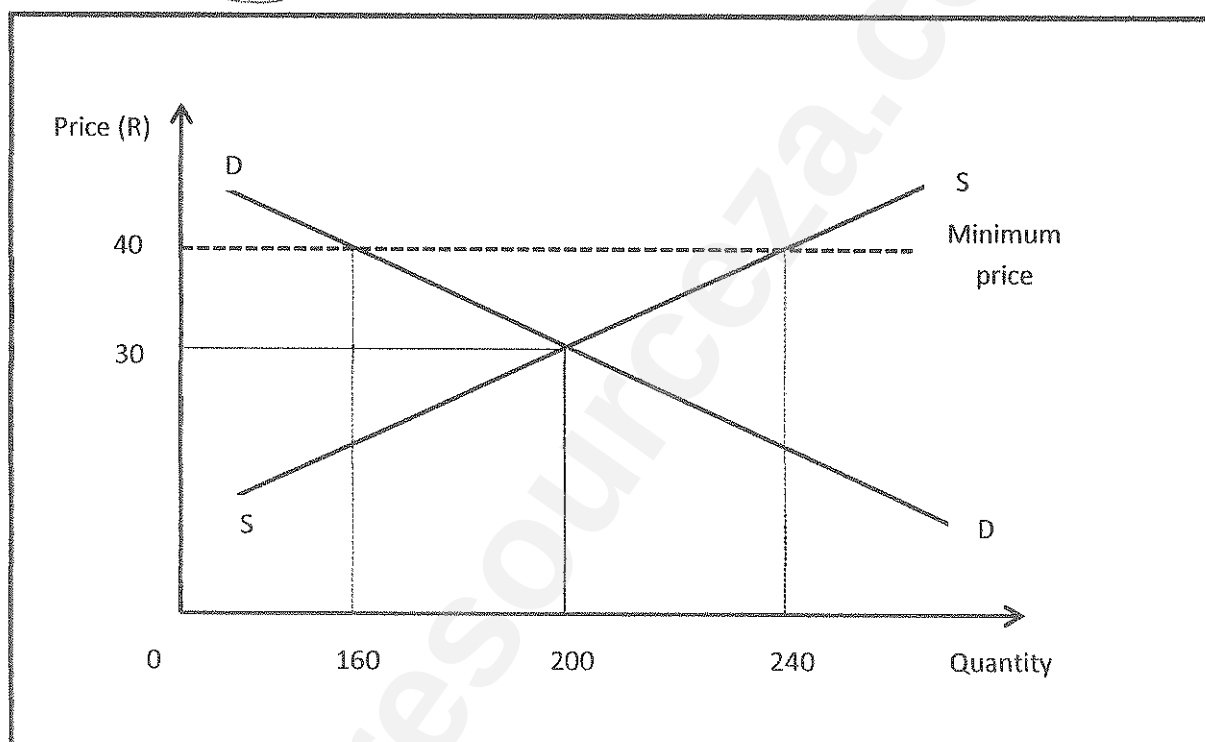
4. QUESTION 4 MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO institutions which was legislated in 1998 to regulate competition in South Africa. (2 x 1) (2)

4.1.2 Why is the demand curve for a monopoly downward-sloping? (1 x 2) (2)

4.2 ^{graph} Study the table below and answer the questions that follow.



4.2.1 Who benefit from the implementation of minimum price? (1)

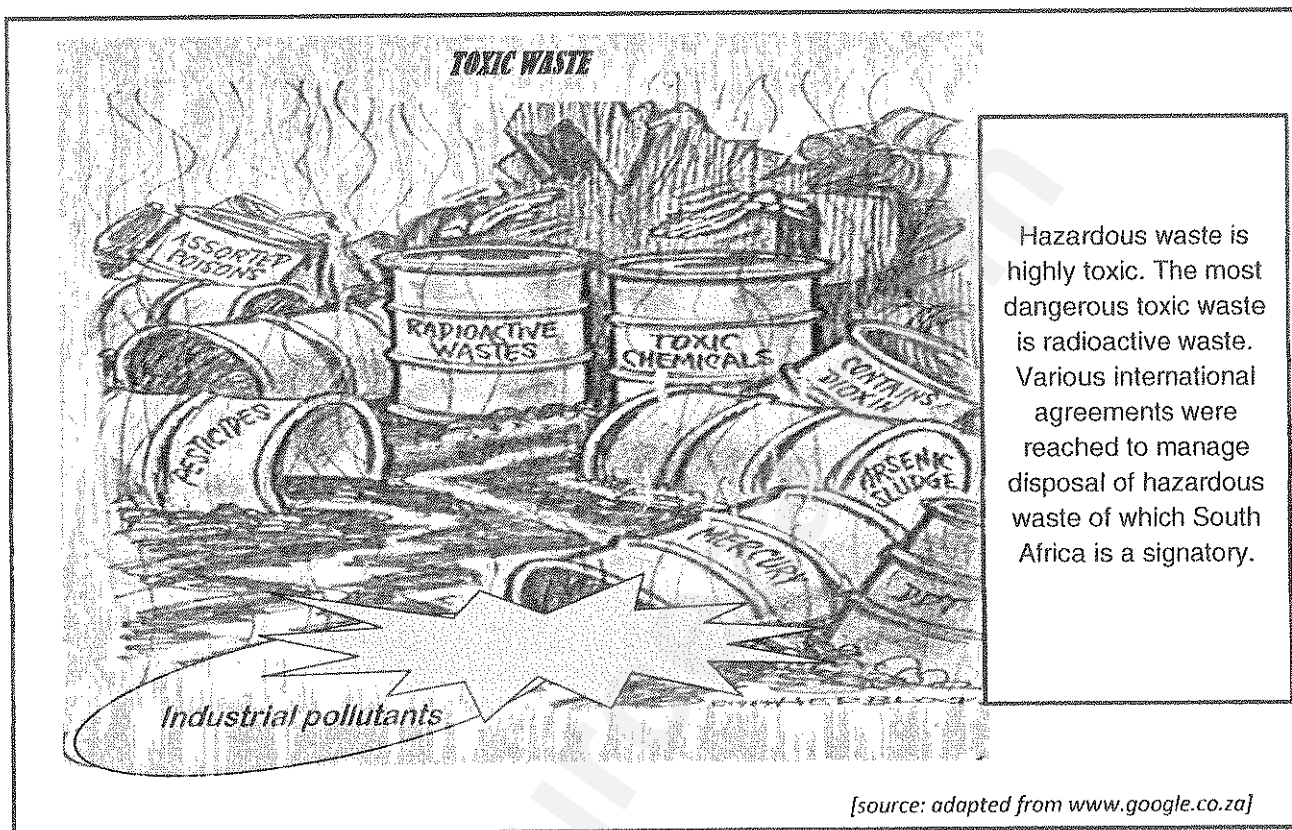
4.2.2 Name ONE product on which minimum prices are applicable. (1)

4.2.3 Briefly describe the term *minimum price*. (2)

4.2.4 Determine/calculate the surplus of goods that resulted from the implementation of minimum price. (2)

4.2.5 What are the negative effects of a minimum price on the economy? (2 x 2) (4)

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



- 4.3.1 Name an international agreement that aims to limit hazardous waste. (1)
- 4.3.2 Name ONE negative effect of chemical waste on human beings. (1)
- 4.3.3 Briefly describe the term *toxic waste*. (2)
- 4.3.4 How does the decomposition rate of toxic waste affect the environment? (2)
- 4.3.5 How can the problem of inappropriate disposal of toxic waste be solved? (4)
- 4.4 Discuss *employment* and *investment* as effects of tourism? (8)
- 4.5 Evaluate the success of the South African government interventions to discourage the consumption of demerit goods. (8)
- [40]

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF THE ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. • A good starting point would be to define the main concept related to the question topic. • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body. • Avoid mentioning what you are going to discuss in the body.	Max 2
BODY: Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss /Analyse/Compare Evaluate/Distinguish /Differentiate/Explain/	Max 26
Additional part: Give your opinion/Critically discuss/Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/Complete the given graph/ Calculate/ Deduce/Compare/ Explain/Distinguish/Interpret/Briefly debate/ How/ Suggest	Max 10
Conclusion Any higher-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned in the body. • Any opinion or value judgment on the facts discussed. • Additional support information to strengthen the discussion/analysis. • A contradictory viewpoint with motivation, if required. • Recommendations.	Max 2
TOTAL	40

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

- Compare perfect competition and the monopolistic competition in detail in terms of the following:
 - Number of businesses (6 marks)
 - Nature of the product (8 marks)
 - Entrance (6 marks)
 - Control over price (6 marks) (26)
- Why is competition in the marketplace good for the economy? (10)

[40]

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 40 MINUTES

- Discuss in detail the causes of cost push inflation. (26)
- How does the consumers' inflation expectation influence their consumption patterns? (10)

[40]

TOTAL SECTION C: 40
GRAND TOTAL : 150

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