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ECONOMIC AND MANAGEMENT SCIENCES

GRADE 8

DATA-RESPONSE

TERM 1

WEEK 5

Marks: 50

Time: 60 minute

MARKING GUIDELINE

Marks Achieved: _____ / 50

Feedback to learner:

QUESTION 1

Study the bar chart regarding the National Budget's tax revenue and answer the questions that follow:



1.1.1 Which revenue contributes the most to the National Budget? Give the percentage.

Tax ✓
72.6% ✓

(2)

1.1.2 Which revenue contributes the least to the National Budget? Give the percentage.

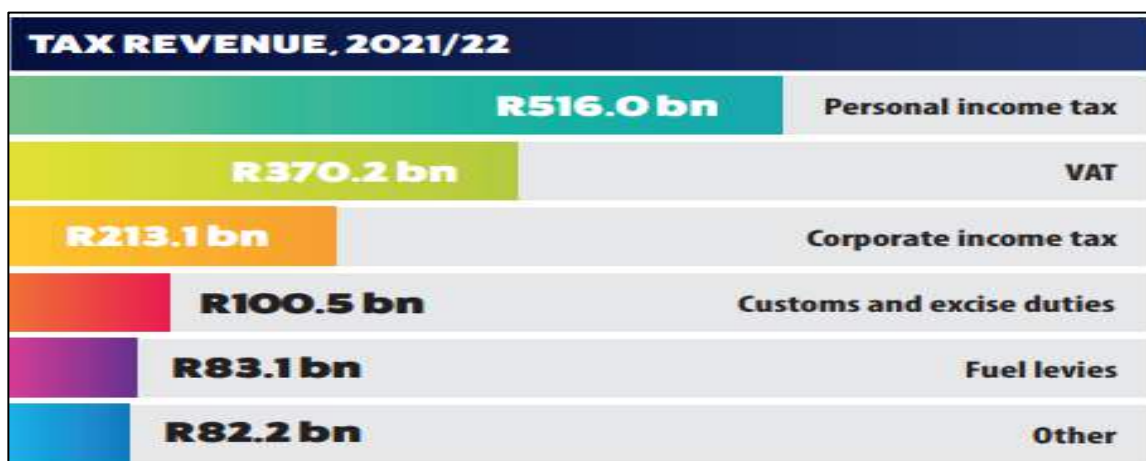
Non-tax income ✓✓

(2)

1.1.3 Give ONE example of a income that is not tax.

Rent income, rent received on investments, dividends ✓✓
(Any other correct income, only one for 2 marks)

(2)



- 1.2.1 There are different types of taxes. What type of tax is the biggest contributor to the National Budget? (2)

Personal Income Tax ✓✓

- 1.2.2 What does the abbreviation VAT stand for? (2)

Value-Added Tax ✓✓

- 1.2.3 Although VAT is levied on most goods and services, there are exceptions. List 2 products on which VAT is not charged. (2x1)

Bread ✓, **maize flour** ✓, **vegetables, fruits, sanitary products, paraffin**

(Any other correct, any 2 for 1 mark each)

1.3.1

FUEL LEVIES
INCREASES IN FUEL LEVIES The general fuel levy will increase by 15 cents per liter and the road accident fund levy will increase by 11 cents from 7 April 2021. It increases: • The general fuel levy to R3, 85 per liter of fuel and R3,70 per liter of diesel. • The road accident fund levy to R2.18 per liter, both for petrol and diesel.

What effect does a rise in fuel prices have on product prices?

The price of all products will increase because it is now more expensive to produce them. ✓✓ OR The price of all goods will increase because of the transport cost that will also increase
(Any other correct, logical answer for 2 marks)

- 1.3.2 The general fuel levy will increase by 15c per liter and the road accident fund levy by 11c. When will this increase take effect? (1)

7 April 2021 ✓

INCREASE IN TAX ON ALCOHOL AND TOBACCO

Specific excise duty on alcoholic beverages and tobacco products will increase by 8%

	INCREASES WITH:
MOUT BEER	14c per 340ml can
UNFORTIFIED WINE	26c per 750ml bottle
FORTIFIED WINE	44c per 750ml bottle
SPARKLING WINE	86c per 750ml bottle
APPLE BEER AND ALCOHOLIC FRUIT DRINKS	14c per 340ml can
STRONG BEVERAGE/DRINKS	R5,50 per 750ml bottle

1.4.1 Excise duty is also known as SINTAX✓✓

(2)

1.4.2 In your opinion, do you think it was the right decision to increase excise taxes? Motivate your answer.

(3)

Yes✓ - it is a luxury and not a necessity. Easy source of income, discourages people from using it because these products are usually detrimental to people's health. ✓✓ **OF**

No✓ - many liquor stores / producers are already struggling and if their product prices increase it may mean that they can no longer exist✓✓

(1 mark for the Yes or No and 2 marks for the motivation / reason. Any logically correct reason that supports the opinion is acceptable)

[20]

QUESTION 2

Study the diagram regarding the National Budget's tax allocation and answer the questions that follow:

CONSOLIDATED GOVERNMENT EXPENDITURE BY FUNCTION, 2020/21-2023/24					
R billion	2020/21	2021/22	2022/23	2023/24	2020/21– 2023/24
	Revised estimate	Medium-term estimates			Average growth (excl. COVID-19)
Learning and culture	387.2	402.9	411.0	416.0	2.7%
Health	247.0	248.8	245.9	245.0	2.5%
Social development	413.3	335.3	326.2	325.2	2.4%
Community development	211.5	218.8	234.0	240.7	5.6%
Economic development	191.9	207.5	210.9	217.2	5.0%
Peace and security	218.6	208.6	212.9	213.4	-0.1%
General public services	62.5	68.4	68.5	69.1	3.5%
Payments for financial assets	87.6	48.2	27.2	24.9	
Allocated expenditure	1 819.6	1 738.6	1 736.5	1 751.6	1.6%
Debt-service costs	232.9	269.7	308.0	338.6	
Contingency reserve	—	12.0	5.0	5.0	

- 2.1 Which spending program, by function, was allocated the most money in the 2021/22 budget? What do you think is the reason for that?

Function:	Learning and Culture Education and training fall under the specific function and are an important priority in our country✓✓	(2)
Reason:	Education and training fall under the specific function and are an important priority in our country✓✓ (Any other correct and logical explanation for 2 mark)	(2)

- 2.2 Identify the 2nd and 3rd largest recipients of allocations in the 2021/22 budget.

Social Development✓ and Health✓

(2)

- 2.3 For the first time in our budget, tax is allocated for a function namely “Contingency Reserve” over the next 3 years. What do you think the allocation is specifically for?

Covid-19 and inoculation programs, any contingency not normally provided for✓✓ (Any other logical and reasonable explanation)

(2)

[10]

VRAAG 3

Read the case study below and study the table on grants to be able to answer the questions that follow.

**THE GOVERNMENT
PRIORITIZES SOCIAL
EXPENDITURE TO REDUCE
POVERTY AND INEQUALITY**



SOCIAL GRANTS TO BENEFIT THE POOR

The number of beneficiaries of social grants is expected to increase by about 300 000 people over the period. However, most asset values will increase by less than inflation.

SOCIAL GRANTS	2020/21	2021/22
STATE AGE ALLOWANCE	R1 860	R1 890
STATE AGE ALLOWANCE OLDER THAN 75	R1 880	R1 910
WAR VETERANS ALLOWANCE	R1 880	R1 910
DISABILITY ALLOWANCE	R1 860	R1 890
FOSTER CARE ALLOWANCE	R1 040	R1 050
CARE DEPENDENCY ALLOWANCE	R1 860	R1 890
CHILD MAINTENANCE ALLOWANCE	R445	R460

3.1 What is the most direct way to alleviate poverty in South Africa?

The allocation of grants ✓

(1)

3.2 Name any TWO examples of social grants.

**Old age pension ✓, war veteran allowance ✓, disability allowance, foster care allowance, care dependency allowance, child maintenance allowance
(Any 2 for 1 mark each)**

(2)

3.3 By how much Rand will the next grant increase in 2021/2022 National Budget?

3.3.1.	State old age allowance: R 30 ✓ per month	(1)
3.3.2.	Foster care allowance: R 10 ✓ per month	(1)

[5]

QUESTION 4



4.1 Define the term "government".

(2)

All aspects of local, regional (or provincial) and national government.
Also known as the Public Sector ✓✓
This includes everything that is owned by the government as representatives of the people
A group of people who run the country elected by the citizens of the country
(Any other correct definition or explanation for 2 marks)

4.2 Complete the following paragraph by filling in the missing words:

(7)

South Africa is a democracy. The head of our country, Mr Ramaphosa is the **PRESIDENT** ✓ and is assisted by the Deputy President, Mr Mabuza.

The government consists of 3 levels namely the National, **PROVINCIAL** ✓ and **LOCAL** ✓ Government.

The National Government consists of 2 houses. The house responsible for drafting laws is known as the **NATIONAL COUNCIL OF PROVINCES** ✓

Mr David Makhura is the **PREMIER** ✓ of Gauteng, head of the province.

The local governments can be divided into different types of municipalities. Tshwane is an example of a **METROPOLITAN** ✓ municipality. Where people are widespread and a few small towns are merged, they are usually run by a **DISTRICT** ✓ municipality.

4.3 Indicate which level of government is responsible for the delivery of the following services:

- | | | |
|---|----------------------------|-----|
| a) Construction and maintenance of provincial roads | <u>PROVINCIAL</u> ✓ | |
| b) Clinics in a specific residential area | <u>LOCAL</u> ✓ | |
| c) Responsible for the army, police and correctional services | <u>NATIONAL</u> ✓ | (3) |

4.4 Briefly explain why the government can be classified as a consumer and producer.

(3)

- To function optimally, the government needs workers to assist in the implementation of decisions, laws and policies. These workers are provided by HOUSEHOLDS.
- This means the GOVERNMENT is a CONSUMER of labor and the HOUSEHOLDS are the PROVIDER of labor.

- The Government pays salaries or wages in exchange for labor provided by households
- The workers (they are the households) then spend the money (income) to buy a variety of goods and services such as food, water and electricity.
- When electricity is bought from the municipality, the GOVERNMENT becomes the MANUFACTURER and the HOUSEHOLDS become the CONSUMER.

(Die 3 punte word toegeken vir 3 feite. Enige logiese verduideliking waar leerder verduidelik hoe die regering die 2 rolle aanneem is aanvaarbaar) ✓✓✓

GRAND TOTAL: 50 MARKS