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**ECONOMIC & MANAGEMENT SCIENCES
TERM 1
ASSIGNMENT
MARCH 2021**

MEMORANDUM / MARKING GUIDELINES

:

QUESTION	Cognitive levels Activity Percentage of task		
	Lower Order	Middle Order	Higher Order
1	10		
2	1	10	
3	2	10	17
Departmental Requirement	30%	40%	30%
ACTUAL %	26%	40%	34%

QUESTION 1

1.1. Matching columns:

1.1.1 B✓

1.1.2 D✓

1.1.3 A✓

1.1.4 E✓

1.1.5 F✓

(5x1) (5)

1.2. Give the word/term for the following:

1.2.1. Scarcity✓

1.2.2. Surplus✓

1.2.3. Communism✓

1.2.4. Circular Flow✓

1.2.5. Goods and services market✓/Product market/Goods market

(5x1) (5)

[10]

QUESTION 2: ECONOMIC SYSTEMS

2.1. Market economy✓

Motivation: "Private individuals can choose where they want to work, own land and businesses". ✓

Note: if quotation marks are not used, then no mark can be given.

(2x1) (2)

2.2. Planned economy✓

Motivation: "The government owns the land and businesses and tells people what to produce". ✓

Note: if quotation marks are not used, then no mark can be given.

(2x1) (2)

2.3. Mixed-market economy✓

(1)

2.4. Differentiate between a planned and market economic system.

Planned economy	Market economy
The government will make the decisions about production and distribution✓✓	Individuals and private firms make decisions about production and consumption of commodities✓✓

Accept any other relevant answer.

(2x2) (4)

2.5. Discuss THREE characteristics of a mixed market economy.

- Private individuals own and control the factors of production✓✓
- Entrepreneurs decide what to produce✓✓
- Entrepreneurs decide how to produce✓✓
- Individuals decide which goods and services will be used.
- Capital comes from banks, shareholders and the government through spending of taxes.
- Government spends taxes on education, housing and clean water.
- South African economy is a mixed economy.

Accept ANY THREE

(3x2) (6) [15]

QUESTION 3: CIRCULAR FLOW

3.1. Copy and complete the table below by writing the correct answer next to the correlating number. (6x1) (6)

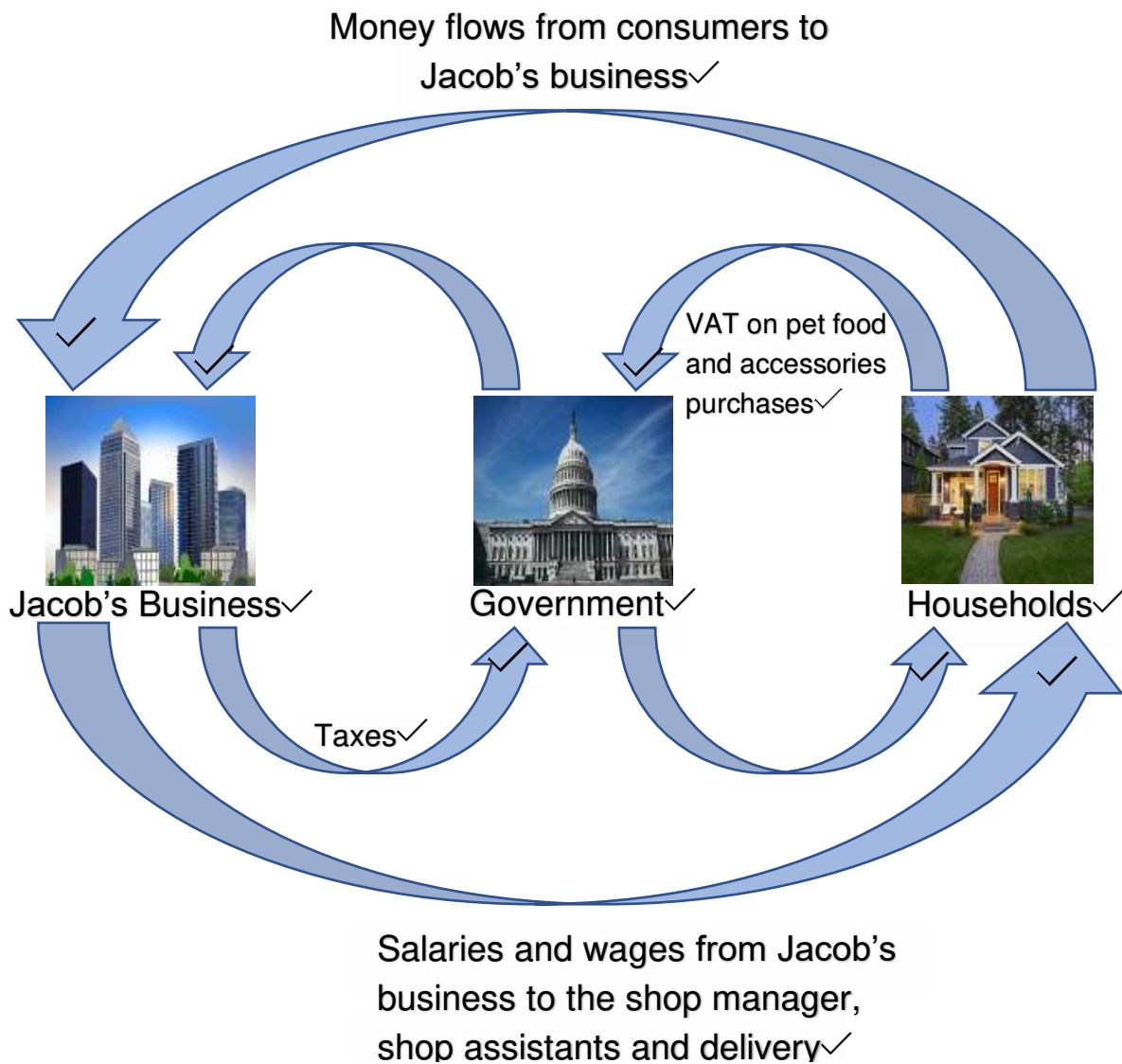
	DESCRIPTION	AVAILABILITY	REMUNERATION
Natural resources	3.1.1. Extracted from nature ✓	Non-renewable resources are limited	3.1.2. Rent ✓
3.1.3. Human resources (Labour) ✓	Physical and mental talents and skills	Determined by population size and education levels	3.1.4. Salaries and wages ✓
Financial resources	Money and assets	3.1.5. Lending rate and creditworthiness ✓	Interest
Entrepreneurial/ Administration resources	3.1.6. Willing to risk starting a new business ✓	Level of training and experience	Profit

3.2.1. Discuss how money, goods and services and factors of production flow between Jacob's Pet Shop, consumers who buy pet food and accessories from the business and the government. (4)

- Money flows from consumers to Jacob's business✓
- From Jacob's business to the shop manager, two shop assistants, and the delivery driver through salaries and wages. ✓
- From Jacob's business to the government in the form of tax✓
- From the consumers to the government in the form of VAT that consumers pay when they buy Jacob's pet food and accessories. ✓

3.2.2. Draw a diagram that shows all these flows.

(13)



Marking guideline:

- Award ONE mark for each description given.
- Award ONE mark for each arrow.

3.3 List TWO features that a closed economy will prohibit.

- Importing from and exporting to other countries✓
 - Buying and selling shares of other countries✓
 - Lending to and borrowing from other countries
 - Movement of people between countries for employment
- Accept any TWO.**

(2X1) (2)

[25]

TOTAL MARKS [50]