



eduresourcza.com

EXAMINATION NATIONAL SENIOR CERTIFICATE	
GRADE	12
DATE	NOVEMBER 2024
SUBJECT	ECONOMICS
PAPER	1
MARK TOTAL	150
DURATION (HOURS)	2
NUMBER OF PAGES	14



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT



INSTRUCTIONS AND INFORMATION

1. Answer **FOUR** questions as follows in the **ANSWER BOOK**:

SECTION A: COMPULSORY

SECTION B: Answer **TWO** of the three questions.

SECTION C: Answer **ONE** of the two questions.

2. Answer only the required number of questions. Answers in excess of the required number will **NOT** be marked.
3. Clearly indicate at the beginning of a question the number of the question chosen, for example **QUESTION 2**.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Read the questions carefully and start **EACH** question on a **NEW** page.
6. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.
7. Non-programmable pocket calculators may be used.
8. Write neatly and legibly in **BLUE** ink only.



SECTION A

QUESTION 1: COMPULSORY

30 MARKS - 20 MINUTES

1.1 MULTIPLE CHOICE QUESTIONS

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 numbers (1.1.1 to 1.1.8) in the ANSWER BOOK for example 1.1.9 C etc.

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

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

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

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

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

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

1.1.4 A physically enclosed area next to a harbour or airport where production for exports is encouraged, is known as the ...

- A spatial development initiative.
- B industrial development zone.
- C special economic zone.
- D foreign investment grant.



1.1.5 Goods and services that benefit society are called ... goods.

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

1.1.6 Economic development is measured in terms of the ... of an economy.

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

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 Economic integration where member countries agree on a common economic policy is called a(n) ...

- A free-trade area.
- B custom union.
- C economic union.
- D common market.

(8x2) (16)



1.2 MATCHING ITEMS

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

Write only the letter (A–K) next to the question numbers (1.2.1 to 1.2.8) in the ANSWER BOOK for example 1.2.9 L etc.

COLUMN A		COLUMN B	
1.2.1	Gini coefficient	A	Exchange rate system where the value of the currency is determined purely by market forces only
1.2.2	Public goods	B	The removal of laws, regulations and bylaws by government
1.2.3	Money flows	C	Charged by the Reserve Bank to other financial institutions for loanable funds
1.2.4	Exogenous explanation	D	Trade policy that tries to keep the domestic economy safe by restricting the import of goods and services
1.2.5	Free-floating	E	The movement of income and expenditure between participants in the economy
1.2.6	Repo rate	F	Measures income inequality and wealth
1.2.7	Protectionism	G	Liquid assets made available by the IMF to finance deficits on the Balance of Payments
1.2.8	Deregulation	H	Provided by government for use by all members of society
		I	The state takes ownership of privately-owned enterprises and assets
		J	Markets are inherently stable and need no government intervention
		K	Persuasion of banks by the South African Reserve Bank

(8x1) (8)



1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.6) in the ANSWER BOOK.

(ABBREVIATIONS, ACRONYMS AND EXAMPLES WILL NOT BE ACCEPTED.)

1.3.1 The initial change in spending produces a proportionately larger increase in national income.

1.3.2 An increase in the value of one currency in terms of another one due to market forces.

1.3.3 Geographically enclosed area identified for the development of specific economic activities.

1.3.4 A trade policy which promotes the replacement of imported goods with locally produced goods.

1.3.5 An increase in the productive capacity of a country.

1.3.6 The point where the economic contraction is at its lowest. (6x1) (6)

TOTAL SECTION A: [30]

SECTION B

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

QUESTION 2: MACROECONOMICS

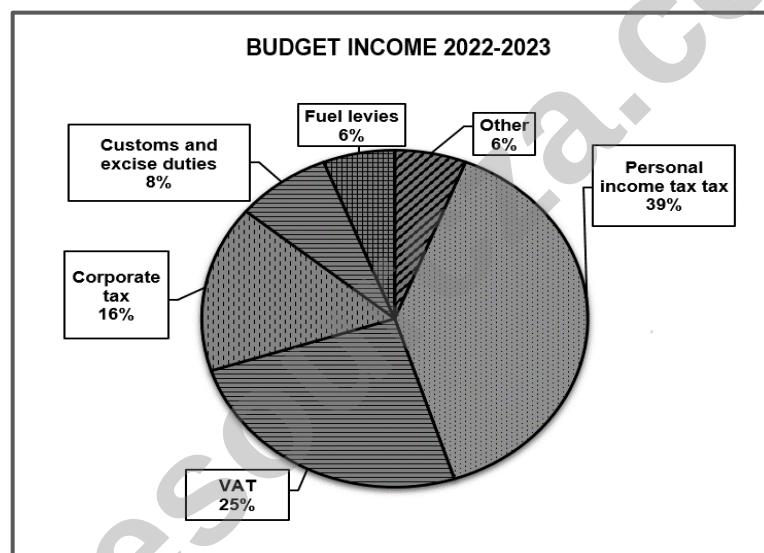
40 MARKS - 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name any TWO macroeconomic objectives of the government of South Africa. (2x1) (2)

2.1.2 How does a decrease in import prices affect the terms of trade? (1x2) (2)

2.2 Study the following graph and answer the questions that follow.



[Source adapted from: The Mail and Guardian]

2.2.1 Identify the biggest contributor to state revenue. (1)

2.2.2 Name ONE method that government can use to make brown bread more affordable for the consumer. (1)

2.2.3 Briefly describe the term *indirect tax*. (2)

2.2.4 Explain the impact of a 1% increase in VAT on government revenue. (2)

2.2.5 How can the effective use of budgets help provinces in efficient service delivery? (2x2) (4)



- 2.3 Study the following extract and answer the questions that follow.

SOUTH AFRICA IN TECHNICAL RECESSION

South Africa has officially entered a technical recession. The country's real gross domestic product has decreased by 0.7% in the second quarter of the year. A technical recession is two consecutive quarters of negative growth.

Industries experiencing a decrease in economic growth include major primary sector industries.

[Source adapted from: www.engineeringnews.co.za]

- 2.3.1 Identify the phase of the business cycle experienced according to the extract. (1)
- 2.3.2 List ONE South African industry currently experiencing a low economic growth rate. (1)
- 2.3.3 Briefly describe the term *business cycle*. (2)
- 2.3.4 Explain the impact a recession might have on the economy. (2)
- 2.3.5 How can the fiscal policy be used to stimulate a weakened economy? (2x2) (4)
- 2.4 Distinguish between *coincident* and *composite indicators* as features underpinning business cycles' forecasting. (2x4) (8)
- 2.5 Analyse the effect of changes in climatic conditions on international trade. (4x2) (8)

[40]

**QUESTION 3: ECONOMIC PURSUITS****40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO tools used to measure inflation. (2x1) (2)

3.1.2 Briefly explain ONE focus area of the Industrial Policy Action Plan (IPAP). (1x2) (2)

3.2 Study the following extract and answer the questions that follow.

LIMPOPO'S PROPOSED SEZ ATTRACTS R40BN INVESTMENT

A significant investment is already expected to be injected into the proposed Musina-Makhado's SEZ – a boost for the energy and metallurgical industries.

A consortium of Chinese investors will be investing more than R40 billion in an industrial park, which they will develop and manage in the SEZ. The park will focus on the beneficiation of minerals and agricultural endowments.

[Source adapted from: www.engineeringnews.co.za]

3.2.1 Identify the main aim of the above SEZ according to the extract. (1)

3.2.2 Name any other Special Economic Zone (SEZ) found in South Africa. (1)

3.2.3 Briefly describe the term *corridor*. (2)

3.2.4 Explain the main objective of Spatial Development Initiatives. (2)

3.2.5 Discuss the importance of developing new industries for the economy. (2x2) (4)



3.3 Study the following extract and answer the questions that follow.

There were 154 thousand more people employed in Q2:2023 than in Q1:2023			
Not Economically Active (NEA)			
Q1:2023	Employed 16.2M	Unemployed 7.9M	Discouraged work seekers 3.3M
Q2:2023	Employed 16.3 M	Unemployed 7.9M	Discouraged work seekers 3.2M
	154 000 more Employed between Q1:2023 and Q2:2023	11 000 fewer Unemployed between Q1:2023 and Q2:2023	94 000 fewer Discouraged between Q1:2023 and Q2:2023
			93 000 more Other Not Economically Active between Q1:2023 and Q2:2023

[Source: <https://www.statssa.gov.za>]

- 3.3.1 Identify the total number of employed people in Q2 of 2023. (1)
- 3.3.2 Name the institution responsible for the collection of the data in the above extract. (1)
- 3.3.3 Briefly describe the term *unemployment*. (2)
- 3.3.4 Explain the reason for the higher expanded unemployment figure compared to the official unemployment figure. (2)
- 3.3.5 How can economic growth influence production positively? (2x2) (4)
- 3.4 Discuss *economic growth* and *literacy rate* as criteria to distinguish between the countries in the North and countries in the South. (2x4) (8)
- 3.5 Evaluate the benefits of export promotion for the South African economy. (4x2) (8)

[40]



QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS

40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO types of business cycles. (2x1) (2)

4.1.2 Briefly explain how technology can contribute towards supporting small business development. (1x2) (2)

4.2 Study the following table and answer the questions that follow.

NATIONAL ACCOUNT AGGREGATES	
SOUTH AFRICA'S GROSS DOMESTIC PRODUCT 2022	
	R million
Compensation of employees	2 320 179
Net operating surplus	1 249 182
Consumption of fixed capital	676 486
Gross value added at factor cost	4 245 848
Other taxes on production	101 936
Other subsidies on production	6 492
Gross value added at basic prices	4 341 292
Taxation on products	545 558
Subsidies on products	12 961
Gross domestic product at market prices	4 873 899

[Source adapted from: South African Reserve Bank Quarterly Bulletin]

4.2.1 Identify the figure that will increase the GDP at basic prices in the above table. (1)

4.2.2 Name the effect that subsidies on production will have on GDP at basic prices. (1)

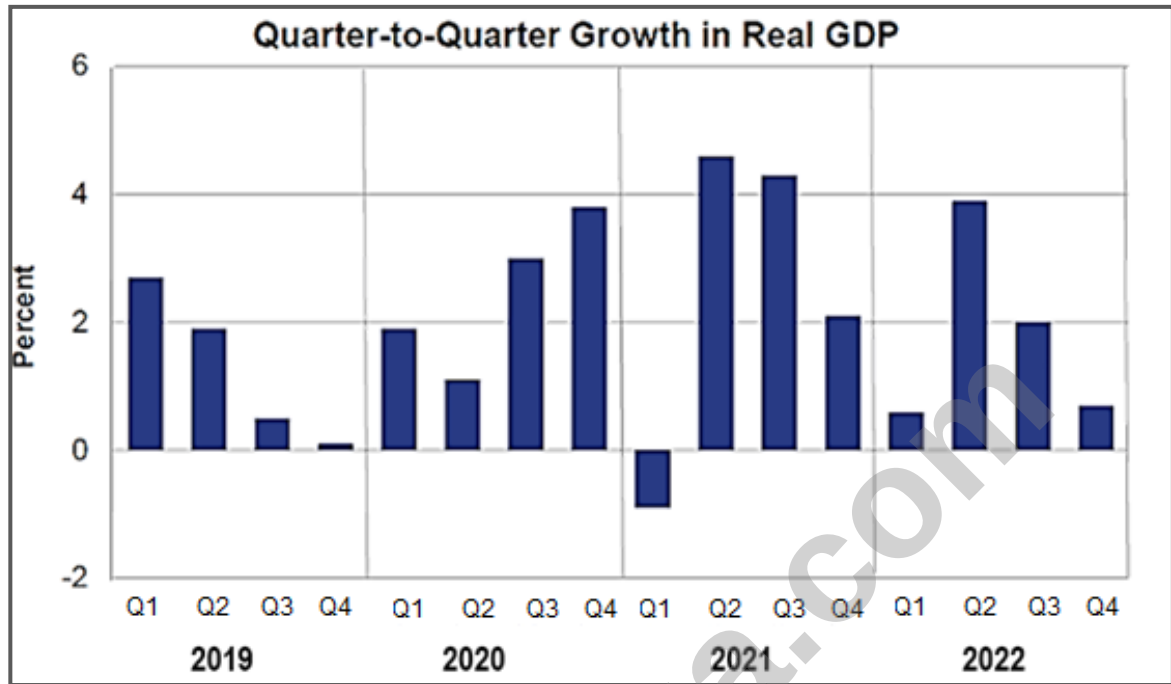
4.2.3 Briefly describe the term *consumption of fixed capital*. (2)

4.2.4 Explain the reason for the addition of taxes when calculating Gross Domestic Product at market prices. (2)

4.2.5 Discuss the benefits of subsidies on products for the economy. (2x2) (4)



4.3 Study the following graph and answer the questions that follow.



4.3.1 Identify the year in which growth in real Gross Domestic Product had a downward trend. (1)

4.3.2 In which quarter was real GDP growth at its best in 2021? (1)

4.3.3 Briefly describe the term *Gross Domestic Product*. (2)

4.3.4 Explain the use of real Gross Domestic Product in the calculation of labour productivity. (2)

4.3.5 Discuss the factors that contribute to low productivity levels in South Africa. (2x2) (4)

4.4 Differentiate between *money market* and *capital market* in the circular flow. (2x4) (8)

4.5 Evaluate the use of incentives as a means to encourage industrial development. (4x2) (8)

[40]

TOTAL SECTION B: [80]

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

- Discuss in detail the supply reasons for international trade. (26)
 - How does free trade affect the South African economy? (10)
- [40]**

OR**QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 40 MINUTES**

- Discuss in detail nutrition and health as social indicator. (26)
 - How can economic development be improved through the use of social indicators? (10)
- [40]**

TOTAL SECTION C: [40]**GRAND TOTAL: [150]**