



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

ECONOMICS N5

1 December 2023

This marking guideline consists of 8 pages.

QUESTION 1

1.1	1.1.1	A	(10 × 2)	(20)
	1.1.2	B		
	1.1.3	A		
	1.1.4	C		
	1.1.5	B		
	1.1.6	A		
	1.1.7	D		
	1.1.8	C		
	1.1.9	C		
	1.1.10	D		
1.2	1.2.1	True	(10 × 2)	(20)
	1.2.2	True		
	1.2.3	False		
	1.2.4	False		
	1.2.5	True		
	1.2.6	False		
	1.2.7	True		
	1.2.8	False		
	1.2.9	True		
	1.2.10	True		
1.3	1.3.1	B	(5 × 2)	(10)
	1.3.2	E		
	1.3.3	D		
	1.3.4	C		
	1.3.5	A		
TOTAL SECTION A:				50

[50]

QUESTION 2

- 2.1 2.1.1 A state in which opposing forces are balanced✓✓
Where supply is equal to demand
Price = \$10✓ and quantity = 4,8 million✓ (4)
- 2.1.2 At the wage price of \$5 per hour, a shortage in labour arises.✓✓
The demand for labour is greater than the labour supply.✓✓ (4)
- 2.1.3 • The price of the final product
• The marginal income product of labour (2 × 2) (4)
- 2.2 • Trade unions must be registered with the Registrar of Trade Unions to obtain recognition under the act and to enter any legal agreements.
• Trade unions are forbidden to affiliate with or provide financial support in respect of any political party.
• Trade unions do not have to register with the Department of Labour, but are advised to do so. Registration affects the rights of unions.
• Any trade union or employers' organisation that intends to register, may not have a name or shortened form of a name that so closely resembles the name of another trade union.
• Trade unions may not provide financial assistance to persuade or help anyone to instigate a strike. (Any 4 × 2) (8)
- 2.3 • Cooperative or integrative bargaining
• Composite bargaining
• Conjunctive or distributive bargaining
• Productivity bargaining (4 × 2) (8)
- 2.4 Absolute poverty – it measures poverty in relation to the amount of money necessary to meet the basic needs,✓✓ for example clothing, food and shelter.✓

Relative poverty – it defines poverty in relation to the economic status of other members of society.✓✓ People are poor if they fall below the prevailing standards of living in a given societal context.✓ (2 × 3) (6)
- 2.5 2.5.1 It ensures that suitably qualified people from designated groups have equal opportunities in the workplace.
- 2.5.2 It is the reduction in regulations that could hinder free competition in the supply of goods and services.
- 2.5.3 It is the transfer of appropriate functions, activities or property from the public to the private sector.
- 2.5.4 It is the process whereby the state takes over the ownership and management of private enterprises. (4 × 2) (8)

2.6 Economic growth

- It concerns the increase in the real gdp per capita.
- It concentrates on things such as goods and services.

Economic development

- It is the process whereby the standard of living of the majority of people improves over time.
- It focuses on people.

(2 × 4)

(8)

[50]**QUESTION 3**

- 3.1 3.1.1 Gross domestic product; the total value of all goods and services produced within the borders of a country within a given period. (2)
- 3.1.2 Fiscal policy (2)
- 3.1.3
- It reduces government spending.
 - It promotes exports by means of subsidies.
 - It encourages industrial development by means of tariff protection.
 - It stabilises economic growth and combats inflation.
 - It encourages private enterprise by means of tax concession.
 - It promotes the decentralisation of industries. (Any 4 × 2) (8)
- 3.1.4
- Social welfare function – this function focuses on the wellbeing of the nation and is influenced by the policy of the government.✓✓ Social services include free hospitalisation, unemployment insurance, medical services and the removal of garbage.✓
 - Economic welfare function – this function focuses on maintaining internal and external security,✓✓ for example the defence force, police and prison functions.✓
 - Economic order and protection function – this function stimulates economic growth by regulating the economy,✓✓ for example by monetary control.✓ (Any relevant 3 × 3) (9)
- 3.2
- | | | |
|----------------------------------|--------------------------|------|
| Balance on current account | 7 543✓✓ | |
| + net long-term capital movement | 4 324✓✓ | |
| = basic balance | 11 867 billion ✓✓ | |
| + net short-term capital | 4 098✓✓ | |
| = capital account | 15 965 billion ✓✓ | (10) |
- 3.3 The rate at which the currency of one country is exchanged for the currency of another (2)
- 3.4 3.4.1 $\$250 \times R16,67 \checkmark \checkmark = R4\ 167,50 \checkmark \checkmark$ (4)
- 3.4.2 $\$250 \times R15 \checkmark \checkmark = R3\ 750 \checkmark \checkmark$ (8)

SUBJECT NAME

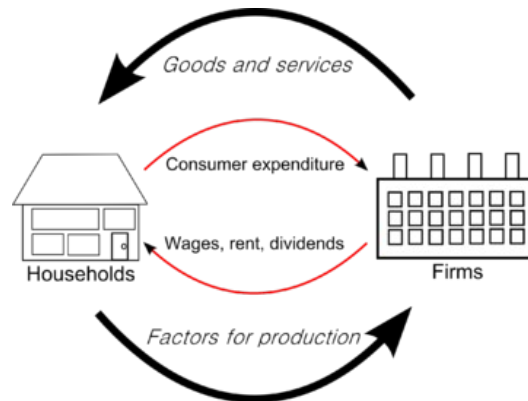
R4 167,50 - R3 750✓✓ = R417,50✓✓

- 3.5
- To decrease unemployment
 - To alleviate the dangers of dumping
 - To help prevent overspecialisation
 - To stabilise exchange rates and balance of payments
 - To stabilise wage levels and ensure high standards of living
 - To protect the country's key industry
- (Any 5 × 1) (5)
[50]

QUESTION 4

- 4.1
- 4.1.1
- Fiscal policy – it is the actions to influence an economy using taxation and government spending.✓✓
 - Monetary policy – it focuses on increasing or decreasing the money supply in a country.✓✓
- 4.1.2
- Macroeconomics – the study of economy as a whole, for example how to solve economic problems.✓✓
 - Microeconomics – economics that studies the behaviour of individuals and firms in making decisions regarding the allocation of resources.✓✓
- 4.1.3
- Income policy – it controls increases in wages, salaries, dividends and other sources of income without increasing unemployment.✓✓
 - Foreign economic policy – it explains the flow of money across countries and the effect that this has on the respective economies.✓✓
- 4.1.4
- Open economy – the economy of a country that is open to international trade.✓✓
 - Closed economy – the economy that does not take part in international trade.✓✓
- 4.1.5
- Domestic income – the income generated by all the economic activities that occur within the boundaries of a country.✓✓
 - National income – the income generated by all the economic activities by residents of a country during a year.✓✓
- (5 × 4) (20)

4.2



[Source: https://en.wikipedia.org/wiki/Circular_flow_of_income]

- Households
 - Firms
 - Correct direction of all arrows
 - Consumer expenditure
 - Factor income
- (5 × 2) (10)

- 4.3
- The size and quality of the labour force
 - The quantity and quality of capital
 - Technological development
 - The availability of natural resources
- (4 × 2) (8)

- 4.4
- Primary sector
 - Secondary sector
 - Tertiary sector
- (3)

4.5

$$\begin{aligned} \text{gdp} &= C + G + I + M - X \checkmark \\ &= 4\,387 + 4\,389 + 5\,432 + 5\,675 - 6\,532 \checkmark \checkmark \\ &= 13\,351 \checkmark \checkmark \end{aligned}$$

(5)

- 4.6
- It measures the total amount of money earned per person in a certain area.
 - It is used to evaluate the living circumstances and quality of life in different areas.
- (2 × 2) (4)

[50]

QUESTION 5

- | | | | | |
|-----|-------|--|-----------------------------|------|
| 5.1 | 5.1.1 | marginal tax rate | | |
| | 5.1.2 | economic cycle | | |
| | 5.1.3 | tertiary sector | | |
| | 5.1.4 | Skills Development Act | | |
| | 5.1.5 | speculative motive | (5 × 2) | (10) |
| 5.2 | 5.2.1 | 2020 | | (2) |
| | 5.2.2 | <ul style="list-style-type: none"> • A decline in economic activities • Workers who cannot adapt to change and keep up with technological progress may be replaced • Prospective workers do not always ensure that their training and qualification lead to employment • The capacity of the economy to create more job opportunities | (Any 2 × 2) | (4) |
| | 5.2.3 | <ul style="list-style-type: none"> • Frictional unemployment • Cyclical unemployment • Structural unemployment • Seasonal unemployment | (4 × 2) | (8) |
| | 5.2.4 | <ul style="list-style-type: none"> • An individual's standard of living declines. • There is an increase in the crime rate as people need to find a way to get money to satisfy their basic needs. • The country cannot realise its full potential in the production of goods and services. The gdp is lower, fewer consumer goods are available, there is less investments and the welfare level of the country is relatively low. • An individual's personal pride and dignity are affected. • Expensive skills and potential ability are lost because they are unused. • Some of the production factors are underused because during the production process labour is combined with other production factors. | (Any 4 × 2) | (8) |
| 5.3 | | <ul style="list-style-type: none"> • A gradual rise in price benefits an entrepreneur as business can pass price increases to consumers,✓✓ so a drop in value of money is to their advantage. If the input costs of production rise slower than the price of finished goods, the business benefits to the disadvantage of the consumer.✓✓ • Debtors repay their debts with money that has depreciated.✓✓ The face value of the commitment remains the same while the buying power of money decreases to such an extent that far less goods can be bought with the same amount of money.✓✓ | (Any relevant answer 2 × 4) | (8) |

- 5.4
- Price control
 - Personal savings
 - Increase in productivity
 - Wage policy
 - Stricter conditions for consumer credit (5)
- 5.5
- Commercial banks
 - Discounted houses
 - Finance banks
 - Post offices (5)
 - Insurance companies [50]

TOTAL SECTION B: 150
GRAND TOTAL: 200