



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

ECONOMICS N5

6 June 2024

This marking guideline consists of 7 pages.

SECTION A

QUESTION 1

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

TOTAL SECTION A: 50

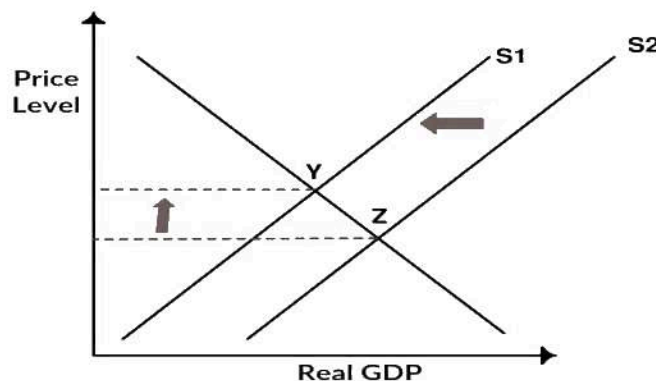
QUESTION 2

2.1	2.1.1	A- $2946328 \times \frac{100}{104,622} \checkmark\checkmark = 2816165\checkmark\checkmark$	(12)
		B- $3446999 \times \frac{100}{118,642} \checkmark\checkmark = 2905\ 378\checkmark\checkmark$	
		C- $4216518 \times \frac{100}{140,090} \checkmark\checkmark = 3009863\checkmark\checkmark$	
	2.1.2	$[(4216518 - 2689409)\checkmark\checkmark\checkmark \div 2689409] \times 100\ w\checkmark\checkmark\checkmark = 56,78\%$	(6)
	2.1.3	It means that the money received increased in value by 56,78%.	

- 2.2 2.2.1 Domestic income is the income generated by all the economic activities that occur within the boundaries of the country.✓✓ National income is the income generated by all the economic activities by residents of the country during the year.✓✓ (4)
- 2.2.2 GDP – gross domestic product (2)
- 2.3 2.3.1 The charge for the privilege of borrowing money, typically expressed as annual percentage rate.
- 2.3.2 All short-term and medium-term fixed and notification deposits and savings held by the banking sector.
- 2.3.3 A situation in which the quantity of goods or services demanded or supplied is unaffected when the price of the goods or services changes.
- 2.3.4 The value of the next highest alternative use of that resource.
- 2.3.5 The rate at which a nation's bank lends money to domestic banks. (5 × 2) (10)
- 2.4 Indicates the decline in buying power of money because of a general increase in the prices of goods and services. (2)

2.5

Cost-push inflation



Marks:

Price level (labelled)✓

Real GDP (labelled)✓

Demand line✓

Supply line (S2)✓

Supply line (S1)✓

Arrow showing movement from S2 to S1✓

Arrow showing movement from Z to Y or P1 to P2✓

Cost-push inflation occurs where the interaction of demand and supply is disturbed by cost factors.✓✓ The supply line will shift to the left (S2 to S1),✓ the price will increase (Z to Y or P1 to P2),✓ and the quantity will decrease.✓

QUESTION 3

- 3.1 3.1.1 Balance of payments — the record of all the financial transactions of a country with the rest of the world, over a given period. (2)
- 3.1.2 Export – Asia✓
Import – Asia✓ (2)
- 3.1.3 (a) Europe 25,63%✓ - 32,56%✓ = -6,93%✓✓ Trade deficit✓
(b) Americas 9,84%✓ – 10,66%✓ = -0,82%✓✓ Trade deficit✓ (10)
- 3.1.4 Floating exchange rate — a rate that can fluctuate continuously. (2)
- 3.2 3.2.1 Protection✓✓ social welfare✓✓ (4)
- 3.2.2 Shifted (2)
- 3.2.3 Marginal tax rate (2)
- 3.2.4 Average tax rate (2)
- 3.3
- Encourages industrial development by means of tariff protection
 - Encourages private enterprise by means of tax concessions
 - Reduces government spending
 - Promotes exports by means of subsidies
 - Promotes decentralisation of industries (Any 2 × 2) (4)
- 3.4 Debtors and creditors
A period of inflation usually benefits debtors to the disadvantage of creditors.✓✓ Debtors repay their debts with money that has depreciated.✓✓
The buying power of money has decreased.✓✓
- Investors
Investors investing in fixed interest-bearing debt securities are tied to a fixed income from this investment.✓✓ If the inflation rate is higher than the effective interest earned on the investment, it means a loss for the investor and this could mean that savings disappear completely.✓✓ (10)
- 3.5 Open economy — an economy of a country that is open to international trade.✓✓
Closed economy — an economy of a country that does not take part in international trade.✓✓ (4)
- 3.6
- Local government (municipalities)
 - Provincial government (nine provinces)
 - National government (6)
- [50]

QUESTION 4

- 4.1 4.1.1 Privatisation – the transfer of appropriate functions, activities or property from the public to the private sector
Deregulation – the reduction in regulation or restriction that could hinder free competition in the supply of goods or services
- 4.1.2 Nationalisation – the process whereby the state takes over the ownership and management of private enterprises
Affirmative action – ensures that suitably qualified people from designated groups have equal opportunities in the workplace.
- 4.1.3 Labour – all the work done by people, whether they are skilled or unskilled and whether they provide physical or mental work
Labour market – the place where workers and employers interact with one another
- 4.1.4 Immigration – the process of entering another country or state in order to live there
Migration – to move from one country, place or location to live or work in another
- 4.1.5 Apprenticeship – when a person learns a job or a skill by working for a fixed period for someone who is very good at the job
Workforce – the labour pool in employment
(5 × 4) (20)
- 4.2 4.2.1
 - 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 qualifications lead to employment.
 - The capacity of the economy to create more job opportunities
 - The period between the moment a person wants to find a job and the time of finding a job is a cause of fractional employment.
 - A population growth rate that is higher than the economic growth rate leads to an oversupply of labour in relation to the demand for labour.(Any 4 × 2) (8)
- 4.2.2
 - Census method
 - Difference method
 - Registration method
 - Sampling method(4 × 2) (8)
- 4.2.3 Learners will have different interpretations. (4)

4.3	4.3.1	Monetary policy		
	4.3.2	Fiscal policy		
	4.3.3	Fiscal policy		
	4.3.4	Income policy		
	4.3.5	Monetary policy		
			(5 × 2)	(10)
				[50]

QUESTION 5

5.1	• Economic growth – The annual rate of increase in total production or income in the economy • Full employment – Economic situations in which all available labour resources are being used in the most efficient way possible • Price stability – Refers to the general level of prices for goods and services in an economy • Balance of payment stability – The balance of payments concerns a country's economic link with other countries.	(4 × 2)	(8)
5.2	R100 000 + 10%✓✓ = R11 0000✓✓		(4)
5.3	• Physical capital – supply of buildings, factories, roads • Financial capital – cash deposits in the form of shares or loans • Human capital – investments in technical knowledge, skills, research ability and educational qualifications	(Any 3 × 2)	(6)
5.4	5.4.1	Creeping inflation is characterised by a moderate inflation rate over a relatively long period advancing at a reasonably even speed.	(2)
	5.4.2	• Increase in productivity • Price control • Wage policy • Stricter conditions for consumer credit • Personal saving	(5)
5.5	5.5.1	Money market	
	5.5.2	Money market	
	5.5.3	Capital market	
			(3 × 2) (6)
5.6	International trade entails trade taking place across the borders of a country.		(2)
5.7	The importance of international trade is that it corrects the imbalances of goods within a country.✓✓✓ For example, a country like South Africa is rich in minerals and it can therefore export some of them.✓✓ On the other hand, South Africa imports oil as it does not have enough to meet the needs of the country.✓✓		(7)

5.8	5.8.1	\$1 310,61	(2)
	5.8.2	\$1 098,90✓✓ \$1 310,61✓ - \$1 098,90✓ = \$211,70✓✓	(6)
	5.8.3	• To improve the international competitive position of South African manufacturers • To optimise utilisation of resources, especially the refining and processing of natural resources • To improve the performance of the manufacturing and service industries	(2)
		(Any 1 × 2)	[50]
		TOTAL SECTION B:	150
		GRAND TOTAL:	200