



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

ECONOMICS N5

3 December 2025

This marking guideline consists of 7 pages.

SECTION A

QUESTION 1

1.1	1.1.1	B	(10 × 2)	(20)
	1.1.2	C		
	1.1.3	C		
	1.1.4	D		
	1.1.5	A		
	1.1.6	D		
	1.1.7	A		
	1.1.8	A		
	1.1.9	D		
	1.1.10	C		
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	False		
	1.2.7	True		
	1.2.8	True		
	1.2.9	True		
	1.2.10	True		
1.3	1.3.1	D	(5 × 2)	(10) [50]
	1.3.2	A		
	1.3.3	B		
	1.3.4	C		
	1.3.5	E		

TOTAL SECTION A: 50

SECTION B

Mark only THREE questions in SECTION B.

QUESTION 2

- 2.1 2.1.1 Labour demand is the amount of labour that an organisation is willing to employ at a given point to produce goods or services. (2)
- 2.1.2 (a) Unemployment is a condition in which people are qualified to pursue an occupation but are unable to obtain work at the current wage.✓ It has serious economic, social, political✓ and ethical implications and has a depressing effect on the entire economy.✓
- (b) South Africa loses a lot of skilled people who emigrate or move to other countries✓ and this causes the labour supply to decrease.✓ Immigrants who move to South Africa could contribute to higher unemployment because there will be more people who cannot find jobs.✓
- (2 × 3) (6)
- 2.1.3 Immigration is the process of entering another country in order to live there,✓✓ whereas emigration is the act of leaving one's resident country with the intent to settle elsewhere. ✓✓ (2 × 2) (4)
- 2.2 2.2.1 R150 per hour × 3 hours✓ = R450 per day✓✓
R450 per day × 3 days✓ = R1350 per weekend✓✓
R1350 per weekend × 3 weekends✓ = R4050✓✓✓ (10)
- 2.2.2 (a) The extent to which the employee is trained.✓ A higher wage is paid for skilled than for unskilled labour.✓
- (b) The duration and cost of training.✓ A doctor's training course costs more than that of a teacher.✓
- (c) Wages vary according to the responsibilities of the employee.✓ The more the responsibility, the higher the pay.✓
- (3 × 2) (6)
- 2.3 2.3.1 Reconstruction and Development Programme
- 2.3.2 Employees
- 2.3.3 Frictional
- 2.3.4 People formally employed
- 2.3.5 Money
- (5 × 2) (10)

- 2.4 Food poverty line✓
- The rand level value below which individuals are unable to purchase sufficient food to provide them with an adequate diet.✓✓
- Lower-bound poverty line✓
- Includes non-food items, but requires that individuals sacrifice food in order to obtain these. ✓✓
- Upper-bound poverty line✓
- The individuals can purchase both adequate food and non-food items.✓✓
- (3 × 3) (9)
- 2.5
- Labour force
 - Capital
 - Technology
 - Natural resources
 - Entrepreneurship
- (Any 3 × 1) (3)
- [50]**

QUESTION 3

- 3.1
- | | |
|-------|-----|
| 3.1.1 | 200 |
| 3.1.2 | 520 |
| 3.1.3 | 960 |
| 3.1.4 | 200 |
| 3.1.5 | 260 |
| 3.1.6 | 320 |
- (6 × 2) (12)
- 3.2
- 3.2.1 Inflation is the decline in the buying power of money because of a general increase in the price of goods and services. (2)
- 3.2.2
- Demand-pull inflation✓ occurs when there is an exceptionally high demand for goods and services relative to a smaller supply, and prices rise.✓✓
 - Cost-push inflation✓ occurs because prices have been pushed up.✓✓
 - Structural inflation✓ occurs when the government pursues an excessively loose monetary policy.✓✓
- (3 × 3) (9)
- 3.2.3
- (a) 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 investors, and their savings could disappear completely.✓✓
- (b) A gradual rise in prices normally benefits entrepreneurs✓, as a business can pass the price increase on to the consumer,✓ so a drop in the value of money is to their advantage.✓✓
- (2 × 1)

- 3.3 Domestic income is the income generated by all the economic activities that occur within the boundaries of a country✓✓, and national income is the income generated by all the economic activities by residents of a country during a year.✓✓ (4)
- 3.4
- Entrepreneurship✓ – profit✓
 - Labour✓ – wages/salaries✓
 - Natural resources✓ – rent✓
 - Capital✓ – interest✓
- (4 × 2) (8)
- 3.5
- Transfer payments
 - Accuracy
 - Double counting
 - Services that are not included
 - Nominal and real national income
- (5)
- 3.6 A heterogeneous population is a group of different kinds of people. (2)
- [50]

QUESTION 4

- 4.1
- 4.1.1 Specific tariffs
- 4.1.2 Ad valorem tariffs
- 4.1.3 Import tariffs
- 4.1.4 Specific tariffs
- 4.1.5 Import tariffs
- (5 × 2) (10)
- 4.2
- | | |
|---------------------|----------|
| Goods exports | 25048✓✓ |
| Gold exports | 16719✓✓ |
| Less: Goods imports | -25514✓✓ |
| Balance of trade | 16253✓✓ |
- (4 × 2) (8)
- 4.3 Surplus trade balance (2)
- 4.4 Food poverty line (1)

- 4.5 Income policy✓
- This policy includes the measures or the methods whereby money is obtained from taxpayers without direct counter-performance.✓✓
- Investment policy✓
- Government expenditure has a profound influence on the general economic activity of the country.✓ An occasional expansion of expenditure can stimulate the economy.✓
- Public debts policy and control ✓
- The government is the greatest borrower of money within the financial structure of South Africa.✓ The government must compete in the money and capital market, like any other borrower.✓ (3 × 3) (9)
- 4.6
- Encourage industrial development by means of tariff protection.
 - Encourage private enterprises by means of tax concessions.
 - Reduce government spending.
 - Promote export by means of subsidies.
 - Promote decentralisation of industries.
 - Stabilise economic growth and combat inflation. (4 × 2) (8)
- 4.7
- 4.7.1 Indirect taxation
- 4.7.2 Mixed economy
- 4.7.3 Budget
- 4.7.4 Ombud or public advocate
- 4.7.5 Donation
- 4.7.6 Tax shifting
- (6 × 2) (12)
- [50]

QUESTION 5

- 5.1 The precautionary motive✓
- A person who thinks rationally about the future, provides for all contingencies, over and above the normal transaction balance.✓
 - We should also provide for unforeseen expenditure.✓
- The transactional motive✓
- A need to hold money arises because a person's payments and receipts of money do not always coincide.✓✓
- The speculative motive✓
- The speculative demand for money rests heavily on the expectations held by the individual and the community, especially with respect to prices.✓ (3 × 3) (9)

5.2	Government transaction✓		
	Financing and expenditure of the state from sources other than taxes exert a particularly strong influence on the money supply.✓✓		
	Foreign transaction✓		
	Foreign trade and international capital movement can exert a significant influence on the domestic money supply.✓✓		
	Market participants✓		
	These are the central banks, commercial banks and the public.✓✓ (3 × 3)	(3 × 3)	(9)
5.3	- Commercial bank - Finance bank - Post office - Discount houses - Insurance companies		(5)
5.4	5.4.1	A – 2689409 B – 118,642 C – 2940544 D – 131,277 E – 3009860	
			(5 × 2) (10)
	5.4.2	$3009860✓ - 2689409✓ = 320451✓$ $320451✓ / 2689409✓ = 0,119152✓$ $0,119155✓ \times 100✓ = 11,92\%✓$	(9)
5.5	- Production method - Income method - Expenditure method		(3)
5.6	5.6.1	A measure of the amount of money earned per person in a certain area	
	5.6.2	The effect of the multiplier is the expansion of a country's money supply that results from banks being able to lend.	
			(2 × 2) (4)
5.7	- Gold - Platinum - Coal - Diamonds - Iron	(Any ONE)	(1)
			[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200