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# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS P1**

**FEBRUARY/MARCH 2017**

**MARKING GUIDELINES**

**MARKS: 150**

**This marking guidelines consists of 17 pages.**

**SECTION A (COMPULSORY)****QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

- 1.1.1 A – trough ✓✓  
 1.1.2 C – trade liberalisation ✓✓  
 1.1.3 A – demand-and-supply ✓✓  
 1.1.4 A – free-trade areas ✓✓  
 1.1.5 B – monetary ✓✓  
 1.1.6 A – unskilled ✓✓  
 1.1.7 C – centralisation ✓✓  
 1.1.8 C – Southern African Development Community ✓✓ (8 x 2) (16)

**1.2 MATCHING ITEMS**

- 1.2.1 F – small initial change in spending produces a proportionally larger increase in national income ✓  
 1.2.2 H – coordinates trade and promotes locally manufactured products worldwide ✓  
 1.2.3 A – economic fluctuations affected by causes outside the market system ✓  
 1.2.4 B – does not change until after the business cycle has changed ✓  
 1.2.5 I – levied on high-income earners ✓  
 1.2.6 C – reflects the demographic and gender composition of a country ✓  
 1.2.7 E – ratio between inputs and outputs ✓  
 1.2.8 D – sets out the broad approach to industrialisation of government ✓ (8 x 1) (8)

**1.3 GIVE THE CONCEPT**

- 1.3.1 Balance of Payments ✓  
 1.3.2 Laffer curve ✓  
 1.3.3 Foreign exchange / Forex ✓  
 1.3.4 Corridor ✓  
 1.3.5 Economic indicator ✓  
 1.3.6 Leakage ✓ (6 x 1) (6)

**TOTAL SECTION A: 30**

**SECTION B**

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

**QUESTION 2: MACROECONOMICS**

2.1 Answer the following questions.

2.1.1 **Name any TWO *monetary policy* instruments.**

- Repo rate / Interest rates ✓
  - Open market transactions ✓
  - Minimum cash reserve requirements ✓
  - Moral suasion ✓
  - Exchange rate policy ✓
- (2 x 1) (2)

2.1.2 **Identify ONE benefit of *import substitution* for domestic households?**

- More job opportunities / increase in income ✓✓
  - Better choice of goods and services / Greater variety of products ✓✓
- (Accept any other correct relevant response) (1 x 2) (2)

2.2 **DATA RESPONSE**

2.2.1 **Identify ONE injection in the diagram above.**

Government expenditure / government purchases ✓ (1)

2.2.2 **Name the type of economy portrayed by the above diagram?**

Closed economy / three sector economy ✓ (1)

2.2.3 **Briefly describe the term circular flow.**

The circular-flow model of the economy is a simplification showing how the economy works and the relationship between income, production and spending in the economy as a whole ✓✓  
(Accept any other correct relevant response) (2)

2.2.4 **What is the main objective with social transfers?**

Redistribution of income/poverty alleviation/correct imbalances of the past/promote equality/close the gap between rich and poor ✓✓  
(Accept any other correct relevant response) (2)

2.2.5 **Briefly explain the importance of the factor market in the circular flow.**

- The households own the factors of production and sell the factors on the input market and receive an income (wages, rent, interest and profit) in return to use in buying goods and services ✓✓
- Businesses purchase the factors of production from the household in the factor market to be used in the production of goods and services ✓✓

(Accept any other correct relevant response) Any (2 x 2) (4)

2.3 **DATA RESPONSE**

2.3.1 **Identify the challenge faced by South Africa to succeed in the international markets from the extract above.**

'Competing in an unfair global economy' ✓ (1)

2.3.2 **Name ONE brand from the extract which is imported from Korea.**

Samsung/Hyundai ✓ (1)

2.3.3 **Briefly describe the term *protectionism*.**

Protectionism refers to government policies and regulations which are designed to benefit local producers of goods and services in their competition with imported goods, thus helping them to survive ✓✓

(Accept any other correct relevant response) (2)

2.3.4 **What measures can government take to ensure that local industries are protected?**

The government can:

- install import quotas ✓✓
- charge higher tariffs on imported goods ✓✓
- ban or restrict certain goods previously imported ✓✓
- subsidise local industries ✓✓
- enforce a local content requirement to protect employment ✓✓

(Accept any other correct relevant response) (2)

2.3.5 **In your opinion, how can local support boost the South African economy?**

By exporting -

- surplus production ✓✓
- foreign currency is earned for the country / BoP equilibrium ✓✓
- employment opportunities are created ✓✓
- increased consumption of locally produced products takes place ✓✓

(Accept any other correct relevant response)

(4)

2.4 **Distinguish between the *amplitude* and *trend line* as features underpinning forecasting.**

**Trend line**

- The trend is the general direction of the economy ✓✓
- The trend line that rises gradually will be positively sloped in the long run. This rising line indicates a growing economy ✓✓
- The trend line represent the average position of a business cycle ✓✓

**Amplitude**

- Amplitude refers to the deviation from the trend line to the trough and from the trend line to the peak of the business cycle ✓✓
- It shows the severity of each phase of the business cycle, the shorter the amplitude – indicates a mild recession ✓✓
- The larger the amplitude, the more extreme the changes that occur ✓✓
- If the peak is far from the trend line it means the underlying causes of expansion are very strong / If the peak is close to the trend line, the underlying causes are weak ✓✓

(Any 2 x 4)

(Allocate a maximum of 4 marks for mere listing of facts / examples)

(8)

2.5 **How can the establishment of more labour-intensive industries benefit South Africa?**

Establishment of more labour intensive industries will benefit South Africa by:

- providing more jobs ✓✓
- improving the utilisation of available resources ✓✓
- e.g. mining, agriculture and manufacturing industries ✓
- transferring a greater variety of knowledge and skills to the workers ✓✓
- using artisans, technicians and engineers that will lead to better economic growth ✓✓
- improving the standard of living of the citizens (economic development) ✓✓
- generating more revenue for the state via income tax ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 2 marks for mere listing of facts / examples)

(8)  
[40]

**QUESTION 3: ECONOMIC PURSUITS**

3.1 Answer the following questions.

3.1.1 **Name any TWO aspects that can be used to differentiate countries in the North-South divide.**

- Unequal standard of living ✓
  - Globalisation inequalities (challenges in globalisation) ✓
  - Environment ✓
- Any (2 x 1) (2)

3.1.2 **What is the relationship between economic *growth* and economic *development*?**

Economic growth should ensure more job opportunities and higher/income to more households thus leading to improvement to the standards of living of the people ✓✓ (1 x 2) (2)

3.2 **DATA RESPONSE**

3.2.1 **Identify ONE *growth and development* plan for South Africa from the extract above.**

National Development Plan (NDP) /  
Reconstruction and Development Programme (RDP) ✓ (1)

3.2.2 **What is the main aim of the RDP?**

The improvement of the lives of the majority of South Africans / better life for all ✓  
(Accept any other correct relevant response) (1)

3.2.3 **What message is depicted in the cartoon above, in an economic context?**

People living under conditions of poverty with an expectation of change ✓✓  
(Accept any other correct relevant response) (2)

3.2.4 **What role did the RDP play in the improvement in the lives of the people since 1994?**

The RDP:

- met the basic needs of people.
- increased infrastructure development.
- laid the foundation for sustained economic growth and job creation.
- developed human resources.
- ensured the safety and security of South Africa's citizens and the state.
- transformed the government to reflect development and people-centred nature of the democratic state.

(2)

3.2.5 **In your opinion, how can the NDP bring about a better life for all?**

- The NDP can fully transform the economic activities of the country ✓✓
- It can assist in the: transformation of the overall mind set of all the South Africans in realising that everybody will be judged according to his/her potential and ability/reduction of poverty and inequality in society ✓✓

(Accept any other correct relevant response)

(4)

3.3 **DATA RESPONSE**

3.3.1 **According to the Minister of Trade and Industry, why is it important for African economies to diversify?**

To be able to attract foreign direct investment ✓

(1)

3.3.2 **What new approach should countries follow in doing business?**

The approach should be consumption-based ✓

(1)

3.3.3 **Briefly describe the concept *common market*.**

Countries that are part of a common market enhances the free movement of labour capital and money between borders of member countries/people may work and live where they wish in a common market ✓✓

(Accept any other correct relevant response)

(2)

3.3.4 **Give ONE reason why developing countries diversify as part of their import substitution policies?**

- The industrial base of their economies need to be strengthened and expanded ✓✓
- This will make them less dependent on foreign countries and give them more control over their economies / cut out the risk of world fluctuations in prices and demand problems ✓✓
- Inexperienced manufacturers cannot compete with others, that justifies protection measures ✓✓

(Accept any other correct relevant response)

(2)

3.3.5 **How can South Africa benefit by focusing on value-added production?**

South Africa can benefit by:

- establishing export driven industries ✓✓
- creating more employment opportunities ✓✓
- improving free trade by establishing new trade partners ✓✓
- e.g. BRICS ✓

(Accept any other correct relevant answers)

(4)

3.4 **Discuss competitiveness and investment in human capital as benchmark strategies for industrial development.**

Competition

- Companies are more focused, innovative and effective if strong competition is present. ✓✓
- This improves the overall quality of the manufactured products. ✓✓
- As with technological advancement, high quality products can more easily be exported and compete on an international level. ✓✓ (Max 4)

Human capital

- The development of human capital through skills development is of critical importance, as skilled employees are more productive than untrained ones. ✓✓
- By investing in human capital, a country is assured of having long-term economic growth. ✓✓ (Max 4)

(Accept tabular format)

(Accept any other correct relevant response)

**(Allocate a maximum of 4 marks for mere listing of facts / examples)**

**(8)**

3.5 **How can the development of small businesses benefit the South African economy?**

Small businesses can benefit the South African economy by:

- Providing guidance to create employment for structurally unemployed people that might lead towards a more inclusive economy ✓✓
- Promoting entrepreneurial development among women and the youth in rural areas where unemployment is very high ✓✓
- Helping in the diversification of the economy by promoting the upliftment of a variety of skills ✓✓
- Enhancing competition most needed to benefit the consumer pricewise (Accept any other correct relevant response)

**(Allocate a maximum of 2 marks for mere listing of facts / examples)**

**(8)**  
**[40]**

**QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS**

4.1 Answer the following questions.

4.1.1 **Name TWO forms of import substitution.**

- Voluntary ✓
  - Enforced ✓
- (2 x 1) (2)

4.1.2 **What impact will an increase in the VAT rate have on the standard of living of the poor?**

It will reduce their consumption spending hence they would buy less than they did before the increase ✓✓ (1 x 2) (2)

4.2 **DATA RESPONSE**

4.2.1 **Which institution provides the above statistics?**

South African Reserve Bank (SARB) ✓ (1)

4.2.2 **Which item records transactions relating to donations and gifts to other countries?**

Current transfers ✓ (1)

4.2.3 **Briefly describe the *capital transfer account* as part of the BoP.**

It is a net amount that includes transactions and grants relating to ownership of fixed assets, debt forgiveness and the value of household and personal effects and financial claims and liabilities of migrants ✓✓  
(Accept any other correct relevant response) (2)

4.2.4 **Give ONE reason for the decline in gold exports?**

- Less reliance on gold as a value stabilising commodity ✓✓
  - Worldwide recession led to a low gold price ✓✓
  - Closing-down of gold shafts led to down-scaling of gold production ✓✓
- (Accept any other correct relevant answer) (2)

4.2.5 **Calculate the *trade balance* for 2015. Show all calculations.**

Trade Balance = Merchandise exports + Net gold exports –  
Merchandise imports

$$= R973\,778 \checkmark + R67\,662 \checkmark - R1\,075\,850 \checkmark$$

$$= \underline{-R34\,410} \checkmark$$

(1 mark for correct answer without calculations) (4)

**4.3 DATA RESPONSE**

4.3.1 **Identify ONE major challenge in the cartoon above.**

Inequality/poverty ✓ (1)

4.3.2 **Give ONE negative consequence of poverty in the cartoon above.**

Hunger/malnutrition/crime ✓ (1)

4.3.3 **What does the *Mandela Legacy* refer to?**

The Mandela Legacy tried to solve major problems of poverty, social and economic inequality and create a transparent and democratic government where universal respect for humanity exists ✓✓

(Accept any other correct relevant response) (2)

4.3.4 **Suggest ONE way in which South Africa can be freed from inequality.**

- Fair distribution of national income ✓✓
- Creation of employment opportunities ✓✓
- Have an investor-friendly legislation that will attract FDI ✓✓
- Provide education and training ✓✓
- Encourage entrepreneurship ✓✓

(Accept any other correct relevant response) (2)

4.3.5 **How can human resources be targeted to be more effective in solving the problems in the cartoon above?**

- More emphasis should be placed on education, which receives the biggest slice of budget expenditure, to benefit all involved in education ✓✓
- Major partners in the private sector should take responsibility to accommodate workers skilled on different levels and focus on manufacturing using labour intensive production methods ✓✓

(If the challenges mentioned in the cartoon are addressed, accept the candidate's response) (4)

**4.4 Briefly discuss Special Economic Zones as part of South Africa's industrial development plan.**

**Special Economic Zones (SEZ)**

- Geographically demarcated area where specific economic activities have been identified to be developed ✓✓
- These areas may enjoy incentives such as tax relief and support systems to promote industrial development ✓✓
- It creates a basis for a broader range of industrial parks ✓✓
- It also provides economic infrastructure to enable the effective clustering of value-adding and employment-enhancing manufacturers ✓✓

**The aims of SEZ's:**

- Promote rapid development by acting as a magnet for investment in key growth areas ✓✓
- Enable the development of new industrial regions through the establishment of new industrial hubs in under-developed regions and the strengthening of existing one ✓✓
- SEZ's are used for the purposes such as export promotion, enterprise development, urban renewal, rural development and domestic or regional production ✓✓

(Any 4 x 2)

**(Allocate a maximum of 4 marks for mere listing of facts / examples)**

**(8)**

**4.5 How can South Africa benefit from trading in global markets?**

South Africa can benefit from trading in global markets by:

- partaking more intensively in free trade that will fuel efficiency through elimination of extra costs and wastage ✓✓
- pursuing lower prices which will benefit the local consumer in the satisfaction of a greater variety of wants ✓✓
- accessing more goods and services produced in other countries which will increase the variety to choose from ✓✓
- assisting local producers to increase production and employ more domestic factors of production which will limit unemployment and have a positive effect on the standard of living of many South Africans ✓✓

(Accept any other correct relevant response)

**(Allocate a maximum of 2 marks for mere listing of facts / examples)**

**(8)**

**[40]**

**TOTAL SECTION B:**

**80**

**SECTION C**

Answer any ONE of the two questions in this section in the ANSWER BOOK.

Your answer will be assessed as follows:

<b>STRUCTURE OF ESSAY</b>	<b>MARK ALLOCATION</b>
<b>Introduction</b>	Max. 2
<b>Body</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/Assess/Debate	Max. 26
<b>Additional part:</b> Give own opinion/Critically discuss/Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/Complete the given graph/Calculate/Deduce/Compare/Explain/Distinguish/Interpret/Briefly debate/How?/Suggest	Max. 10
<b>Conclusion</b> Any higher-order conclusion should include: <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating facts already mentioned</li> <li>• Any opinion or valued judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion/analysis</li> <li>• A contradictory viewpoint with motivation, if required</li> <li>• Recommendations</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40</b>

**QUESTION 5: MACROECONOMICS**

The state plays a significant role in a mixed economic system and is therefore one of the largest sectors in the economy.

- Discuss the macroeconomic objectives of the state. (26)
- How successful is the implementation of South Africa's fiscal policy? (10) [40]

**INTRODUCTION**

Economic growth is required for economic development and can only occur if policy planning in the country embraces those policies that which would ensure sustainability in the economy ✓✓ (Max 2)

**MAIN PART**Price stability ✓

- Implies that prices in the economy do not change much over time ✓✓
- Price stability is the opposite of inflation ✓✓
- When prices are relatively stable and inflation is low, markets can function optimally and the government can promote economic growth and development more effectively ✓✓
- The SARB strives to keep the inflation rate within the target range of 3 to 6% ✓✓

(Max 6)

Exchange rate stability ✓

- If more money flows into the country than going out, we could have a surplus on the BOP ✓✓
  - The state promotes domestic production of surpluses to increase exports and by monitoring changes in exchange rates ✓✓
  - Fluctuations, such as the depreciation and appreciation of a currency, can create uncertainties for investors, producers and retailers ✓✓
  - South Africa uses a floating exchange rate system, which allows its exchange rate to determine its own value, based on demand and supply ✓✓
  - The South African currency has fluctuated considerably over the last two decades ✓✓
  - Over the last decade it appreciated to reach a peak of R6,36 to the US dollar by the end of 2005 ✓✓
  - Thereafter it depreciated sharply by 33% to R8,44 to the US dollar in 2010 and 2012 ✓✓
  - International reserves increased from 12,9% a decade ago to 28,67% in 2011 ✓✓
  - The SARB uses a free-floating exchange rate system ✓✓
  - Instability of exchange rates such as during the latter part of the 2000s is a great problem for businesses ✓✓
  - However, the international benchmark is whether market forces determine rates ✓✓
- (Max 6)

Full employment ✓

- Full employment means that all persons who would like to work and who are looking for work should be able to find work, or create work for themselves / where all resources are utilised efficiently ✓✓
  - Employment in the formal non-agricultural sectors of the economy increased at a low rate ✓✓
  - However, in 2009 and 2010 it turned negative because of the effect of global recession ✓✓
  - The average growth of less than one per cent over the ten years is disappointingly low ✓✓
  - The result is that the unemployment rate is increased from 15% in 1994 to 25,2% in 2012 ✓✓
  - Public sector employment increased during and after the global recession, reducing the total effect on employment ✓✓
  - The government supports education, labour-intensive businesses and the informal sector ✓✓
  - Low rates of unemployment also correlates with other socio-indicators, such as a lower crime rate and higher standard of health ✓✓
- (Max 6)

Economic equity ✓

- This is the reasonable division of income among the population ✓✓
- Redistribution of income and wealth achieves the reasonable division of income ✓✓
- Measures that the government uses to achieve that are:
  - Using the progressive income tax system, higher income groups pay higher tax rates ✓✓
  - Government uses taxes to finance social goods and services such as housing, education and primary health care ✓✓
  - Government pays cash grants such as old-age grants, disability grants, child support grants, etc. ✓✓

- Government implements policies such as BBBEE to achieve that ✓✓ (Max 6)

### Economic growth ✓

- This refers to an increase in the productive capacity of the economy of the country for a specific period of time e.g. a year / **an increase in the production of goods and services in the economy** ✓✓
- It is usually measured in terms of growth in the national output valued at market prices referred to as the gross domestic product (GDP) ✓✓
- South Africa is a developing country and in terms of the World Bank's classification it is an upper-middle income country ✓✓
- The average economic growth rate was 3.8% per year in the ten years between 2001 and 2012 ✓✓
- The government applied structural reform as the guiding principle in the fiscal policy discipline of the country ✓✓
- Structural reform means that the budget had to reflect on transformation aims of the government, e.g. on education, health and welfare ✓✓
- Under the GEAR policy, which was phased out by 2010, the budget deficit was reduced to less than 30% of the GDP in all the years before 2009 ✓✓
- This was the acceptable international benchmark for best practice ✓✓
- The government is internationally acknowledged for its fiscal discipline and this stands the country in good stead in the international community ✓✓
- **The state attempts to ensure that there is a continual improvement in the productive capacity of the economy by offering quality education and skills training** ✓✓
- **Economic growth makes it possible to improve the standard of living of people and also reduce poverty** ✓✓ (Max 6)

(26)

(Accept current statistics)

(Allocate a max of 8 marks for headings/subheadings/examples)

### **ADDITIONAL PART**

The government have the following in place to raise revenue:

- Progressive personal income tax where those higher-income earners are taxed at a higher rate ✓✓
- Wealth tax where properties like houses, offices and factory buildings in urban areas are taxed annually ✓✓
- Other redistributions that advantage the poor and low income earners ✓✓

Expenditure:

- Cash benefits provided in the form of old-age pensions, disability grants, child support grants ✓✓
- Benefits in kind which include the provision of healthcare, education and schools meals ✓✓
- Property subsidies that help the beneficiaries to acquire ownership of fixed residential property ✓✓
- Government complies in terms of expenditure and taxation in a way that enhances its chances of achieving macroeconomic objectives ✓✓
- Government invest in more infrastructure to develop the economy, e.g. the Medupi power plant for the increase in the supply of electricity, the De Hoop dam ✓✓
- The provision of housing to the impoverished and previously disadvantaged black majority ✓✓
- Provision of meals at schools for school children ✓✓ (Max 10)

(Accept any other correct relevant response)

**CONCLUSION**

Macroeconomic objectives are a desirable for the government to have for they serve as the roadmap in addressing the socio-economic circumstances in the country ✓✓  
(Max 2) **[40]**

**QUESTION 6: ECONOMIC PURSUITS**

**Economic and social indicators are used globally to compare and describe economic performances of countries.**

- **Examine the following social indicators:**
  - **Demographics**
  - **Education**
  - **Nutrition and health** (26)
- **What can the South African government do to improve the delivery of social services to its citizens?** (10) **[40]**

**INTRODUCTION**

Social indicators are measures that economists use to evaluate the performance of a country in terms of the social well-being of its citizens ✓✓  
(Max 2)

**MAIN PART**Demographics

- This deals with the characteristics of the population, such as size, race, age sex, income geographic distribution, language, education occupation religion ✓✓
- Definable issues related to human well-being over a period of time ✓✓
- Population growth ✓ The population numbered **52,98 million in 2013** ✓✓
- Growth is slowing down ✓✓
- Measuring population growth is important for delivering social services and for identifying the size of the tax base (the total number of people paying taxes) ✓✓
- Life expectancy ✓ South Africa's life expectancy rate is down from 62,8 years to **49.7 years in 2015** ✓✓
- Dependency rate ✓ the high-age dependency rate in South Africa indicates the level of dependency on those who are working ✓✓
- Human Development Index ✓ This is a socio-economic indicator of human development. Three basic aspects are considered: the standard of living, quality of health care and general standard of education ✓✓
  - It combines measures of life expectancy, school enrolment, literacy and income to allow a broader view of a country's development than does income alone ✓✓ (Max 10)

Education

- The standard of living is related to the level of education ✓✓
- Education is a key social indicator:
  - Public expenditure ✓ the percentage of the national budget that is directed towards education ✓✓
  - Secondary enrolment ✓ this shows the percentage of an age group attending high school ✓✓
  - Primary completion ✓ the percentage of an age group that has completed primary education is an indicator of the efficiency of the education system ✓✓
  - Youth literacy rate ✓ the percentage of the 15-24 age group that are literate ✓✓ (Max. 10)

Nutrition and Health

- The standard of living of the population is related to the quality of nutrition and health:
  - Nutrition
    - Child malnutrition ✓ Malnutrition is expressed in two ways – weight for age (underweight) and height for age (dwarfism) ✓✓ **Malnutrition in all its forms amounts to an intolerable burden not only national health system but on the entire cultural, social and economic fabrics of the nation** ✓✓
  - The proportion of underweight children is the most important indicator of malnutrition ✓✓
  - Overweight children ✓ there is an association between obesity of children and other diseases ✓✓
  - Health
    - Infant mortality: ✓ The number of children that will die before one year of age one way of measuring the health of a population ✓✓ **Child mortality is substantially higher in poor households** ✓✓
    - Under-five mortality ✓ the number of children that will die before the age of 5 years ✓✓

Health expenditure

- The amount of health expenditure **by the state and private sector**, as a percentage of GDP ✓✓
- **Health care has extensive positive externalities** ✓✓
- Access to safe drinking water: ✓ the percentage of a population that has reasonable access to safe drinking water ✓✓
- Access to sanitation facilities: ✓ the percentage of a population with at least adequate sanitation facilities that can prevent human, animal and insect contact ✓✓ (Max 10)

(Allocate a max of 8 marks for headings/subheadings/examples)

**(Max 26)**

**ADDITIONAL PART**

The South African government can

- provide free health services of quality at the provincial hospitals and clinics, because everyone is not able to pay for these services ✓✓
  - develop more major road infrastructure leading into economic hubs to accommodate more traffic ✓✓
  - extend school feeding schemes to more primary schools in the country where major unemployment is experienced in communities ✓✓
  - improve the provision of clean water to communities, especially when droughts are experienced ✓✓
  - increase free housing services and grants to the needy ✓✓
- (Accept any other correct relevant response) (Max. 10)

**CONCLUSION**

Social indicators are the best yardsticks in checking on the development and progression of communities as a result of government initiative to improve the lives of the society at large / **South African government annually increases its budget expenditure on health and education to improve the lives of its citizens** ✓✓ (Max. 2) **[40]**

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