



**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2022

ECONOMICS P2

MARKS: 150

TIME: 2 hours

This question paper consists of 12 pages.

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. Number the answers correctly according to the numbering system used in this question paper.
4. Write the question number above each answer.
5. Read the questions carefully.
6. Start EACH question on a NEW page.
7. Leave 2–3 lines between subsections of questions.
8. 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.
9. Use only black or blue ink.
10. You may use a non-programmable pocket calculator.
11. Write neatly and legibly.

SECTION A (COMPULSORY)**30 MARKS – 20 MINUTES****QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Choose the 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. D.
- 1.1.1 A ... relationship exists between the price of a good and quantity demanded of its substitute.
- A positive
 - B negative
 - C zero
 - D neutral
- 1.1.2 In South Africa, markets for bonds, shares and computer chips are examples of real-world markets that come close to being ... markets.
- A monopoly
 - B perfect
 - C oligopoly
 - D monopolistic
- 1.1.3 A period during which at least one factor of production cannot be changed is called ...
- A long run.
 - B immediate term.
 - C last time.
 - D short run.
- 1.1.4 The costs paid by a business, whether it produces or sells nothing at all are called ... costs.
- A fixed
 - B variable
 - C total
 - D average
- 1.1.5 Trade liberalisation refers to the ...
- A free movement of people.
 - B applying of trade barriers between countries.
 - C free movement of goods and services between countries.
 - D movement of capital between countries.

1.1.6 Perfectly price elastic demand is represented by a demand curve that is ...

- A vertical.
- B rectangular.
- C horizontal.
- D positively sloped.

1.1.7 Companies that produce goods or services in several countries without being concentrated in a single country are called ... companies.

- A domestic
- B national
- C international
- D multinational

1.1.8 International trade agreement disputes are mediated by the ...

- A World Trade Organisation (WTO).
- B United Nations (UN).
- C International Monetary Fund (IMF).
- D World Health Organisation (WHO).

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–I) next to the question numbers (1.2.1 to 1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Market	A production and input increase by the same percentage
1.2.2 Utility	B objective is to achieve stabilisation of greenhouse gas concentrations in the atmosphere
1.2.3 Inferior goods	C mechanism where buyers and sellers meet to negotiate prices of goods and services
1.2.4 Constant returns to scale	D $AR = AVC$
1.2.5 Shut-down point	E power to satisfy a want
1.2.6 Foreign Direct Investment	F demanded in smaller quantity when income increases
1.2.7 G20	G acquiring ownership of businesses in another country in the form of buildings and capital equipment
1.2.8 Kyoto Protocol	H strong Western economies
	I measure of income equality

(8 x 1) (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 actual price of an individual item at a certain time

1.3.2 Products that are identical in all respect

1.3.3 Value of the best alternative when making a decision

1.3.4 Future changes to rainfall and temperature

1.3.5 Replacing previously imported goods by locally produced goods

1.3.6 Costs or benefits that spill over to the third party (6 x 1) (6)

TOTAL SECTION A: 30

www.mycourses.co.za

SECTION B

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

QUESTION 2: MICROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO examples of variable costs. (2)

2.1.2 Why is the demand curve of a perfect competitor horizontally sloped? (2)

2.2 Study the information below and answer the questions that follow.

DEMAND RELATIONSHIPS – SUBSTITUTE GOODS			
Suppose there are two goods, air conditioner and cooler, which are commonly used as substitutes by the consumer. The change in their prices and quantity demanded is given in the table below.			
AIR CONDITIONER		COOLER	
PRICE (IN RAND)	QUANTITY DEMANDED	PRICE (IN RAND)	QUANTITY DEMANDED
22 000	100	13 000	200
28 000	60	13 000	500

[Source: google.com/search]

2.2.1 Name any ONE example of a pair of substitute goods. (1)

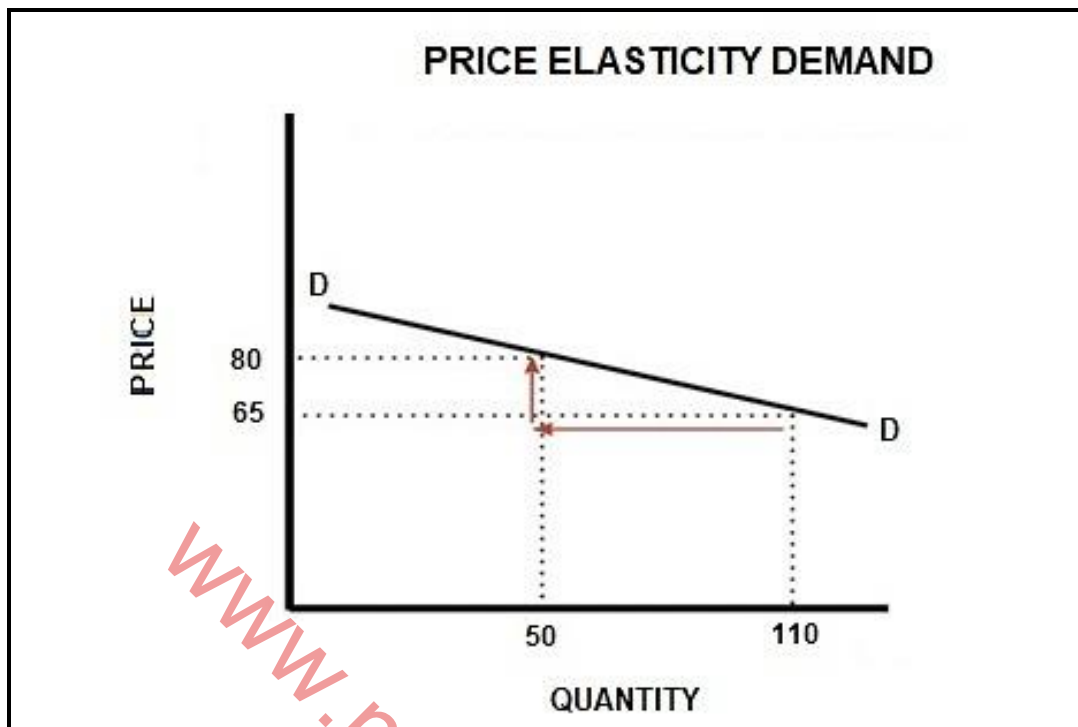
2.2.2 How is the relationship between the price and quantity of complementary goods? (1)

2.2.3 Briefly describe the concept *substitute good*. (2)

2.2.4 Briefly explain *relative price* in economics. (2)

2.2.5 Examine the relationship between the product and factor markets. (4)

2.3 Study the graph below and answer the questions that follow.



- 2.3.1 Name the type of price elasticity of demand depicted in the above graph. (2)
- 2.3.2 Identify the quantity of goods demanded when the price increases to R80. (2)
- 2.3.3 Briefly describe the concept *price elasticity of demand*. (2)
- 2.3.4 Briefly explain the *durability* of the product as a determinant of price elasticity of demand. (2)
- 2.3.5 Calculate the price elasticity of demand from the above graph. Show ALL calculations. (4)
- 2.4 Briefly explain, without the use of a graph, *cross elasticity of demand*. (8)
- 2.5 Examine the benefits of the economies of scale to the producer. (8)
- [40]**

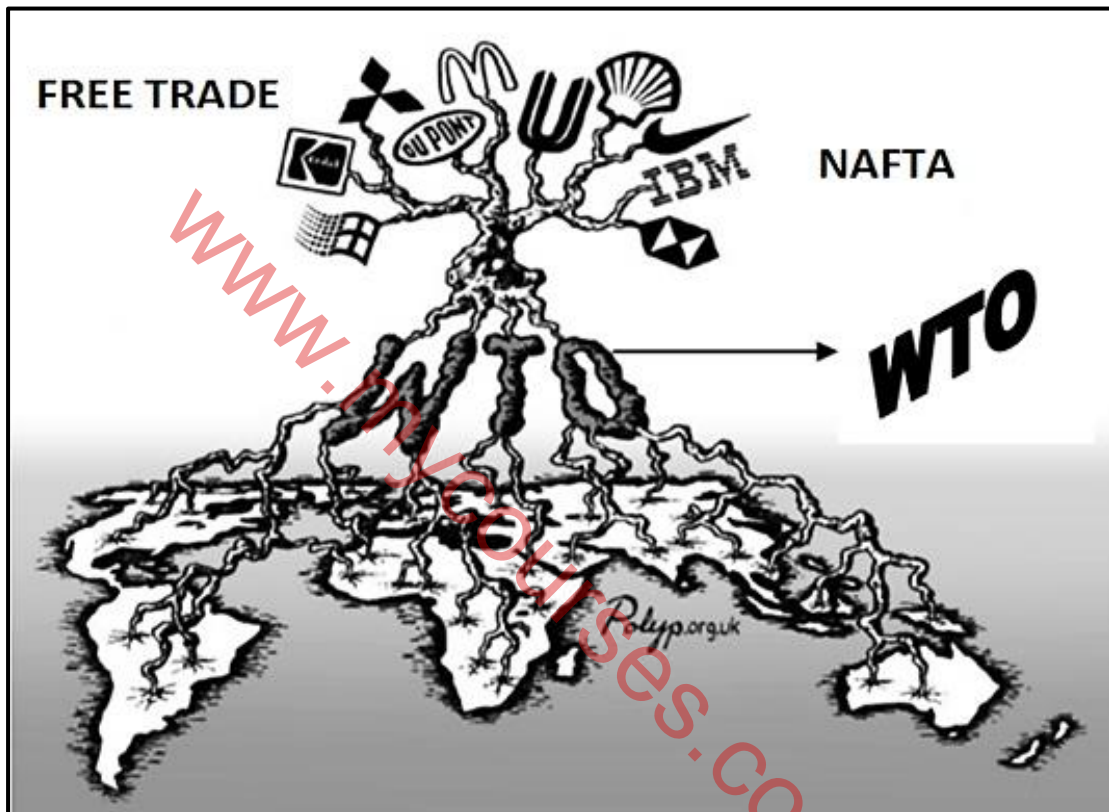
QUESTION 3: CONTEMPORARY ECONOMIC ISSUES**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO types of pollution. (2)

3.1.2 What is the negative impact of globalisation on the environment? (2)

3.2 Study the information below and answer the questions that follow.



[Source: Polyp.org.uk]

3.2.1 Where do companies like Du Pont and IBM operate? (1)

3.2.2 Write the acronym NAFTA in full. (1)

3.2.3 Briefly describe the concept *free trade*. (2)

3.2.4 Briefly explain the role of the WTO (World Trade Organisation). (2)

3.2.5 How would developed countries benefit from trading with African countries? (4)

3.3 Study the information below and answer the questions that follow.



Countries and their economies are integrated throughout the world as a result of trade and formed one global world. This is made possible by advances in technology, communication, transportation and infrastructure.

[Source: www.bartley.com]

- 3.3.1 List any ONE cause of globalisation. (1)
- 3.3.2 Name the main element of globalisation. (1)
- 3.3.3 Briefly describe the concept *globalisation*. (2)
- 3.3.4 Briefly explain *cultural changes* as a consequence of globalisation. (2)
- 3.3.5 How do countries in the South benefit from foreign direct investment? (4)
- 3.4 Tabulate any TWO differences to illustrate the North-South divide. (8)
- 3.5 Examine the negative impact of deforestation. (8)
- [40]**

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO factors that affect the demand for goods and services. (2)

4.1.2 Why is it important to protect biodiversity? (2)

4.2 Study the extract below and answer the questions that follow.

HOW WOULD PRICE ELASTICITY OF SUPPLY FOR NUCLEAR ENERGY BE?

Price elasticity of supply for energy generated from nuclear power plants is likely to be quite low, likely below 1.

One of the factors influencing price elasticity of supply is time taken to fill demand – building a new power plant takes a long time, suggesting that an increase in price cannot necessarily be met by a quick increase in quantity supplied.

[Source: <http://www.mytutor.co.za>]

4.2.1 Name the degree of price elasticity of supply that is equal to 1. (1)

4.2.2 Give the formula used to calculate price elasticity of supply. (1)

4.2.3 Briefly describe the concept *supply*. (2)

4.2.4 Briefly explain *unrelated products*. (2)

4.2.5 Why is price elasticity of supply important? (4)

4.3 Study the extract below and answer the questions that follow.

GLOBAL WARMING AND GREENHOUSE GAS EMISSION

Emission of greenhouse gases and global warming not only affects human beings and their properties, but the increased pollution of various types also affect the land and aquatic animals in negative ways.

One of the significant effects of global warming is melting of glaciers; due to this, the polar bears are deprived of their living area, and thus are on the verge of extinction.

[Source: <https://www.google.com>]

- 4.3.1 Identify ONE effect of global warming from the extract. (1)
- 4.3.2 Mention the main cause of global warming. (1)
- 4.3.3 Briefly describe the concept *global warming*. (2)
- 4.3.4 Briefly explain the importance of environmental sustainability. (2)
- 4.3.5 Examine the negative impact of hazardous waste. (4)
- 4.4 With the aid of graphs compare economic and normal profits in a perfect market. (8)
- 4.5 Evaluate the benefits of the South African economy integrating with other countries. (8)

[40]

TOTAL SECTION B: 80

SECTION C

Answer any ONE of the two questions from this section in the ANSWER BOOK.
Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. <ul style="list-style-type: none"> • A good starting point would be to define the main concept related to the question topic. • Do NOT include any part of the question in your introduction. • Do NOT repeat any part of the introduction in the body. • Avoid saying in the introduction what you are going to discuss in the body. 	Max. 2
Body Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain A maximum of 8 marks may be allocated for headings/examples. Additional part: 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 A maximum of 2 marks may be allocated for mere listing of facts.	Max. 26 Max. 10
Conclusion Any higher-order conclusion should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40

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

- Discuss in detail the characteristics of a monopoly. (26 marks)
- How does a monopolistic competitive firm survive competition in the market? (10 marks)

[40]**QUESTION 6: CONTEMPORARY ECONOMIC ISSUES****40 MARKS – 40 MINUTES**

- Discuss in detail measures used by the government to ensure sustainable development. (26 marks)
- How can consumers contribute in reducing environmental deterioration? (10 marks)

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150