



Province of the
EASTERN CAPE
EDUCATION



**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2022

ECONOMICS P1

MARKS: 150

TIME: 2 hours

This question paper consists of 13 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 To avoid inaccuracy in calculating the Gross Domestic Product, only ... are included.

- A final goods and services
- B semi-finished goods and services
- C capital goods and services
- D raw materials

1.1.2 In a centrally planned economy, all problems are resolved by ...

- A the foreign sector.
- B producers
- C private individuals
- D the government

1.1.3 The secondary sector in SA, according to national accounts, comprises of the ... industry.

- A transport
- B electricity
- C retail
- D mining

1.1.4 The standard of living of a population is best described by the ...

- A per capita income.
- B low economic growth.
- C decrease in expenditure.
- D secondary education.

1.1.5 Fiat money ...

- A has intrinsic value.
- B is Kruger Rands.
- C has value only because it is generally accepted as a medium of exchange.
- D is unlawful to use.

1.1.6 In South Africa the value of money is stabilised by the ...

- A fiscal policy of the treasury.
- B monetary policy of the SARB.
- C Southern African Development policy.
- D growth, employment and redistribution policy.

1.1.7 SANRAL is responsible for the maintenance of ... in South Africa.

- A rail networks
- B national roads
- C ports and airports
- D school buildings

1.1.8 The tertiary sector plays a dominant role in all ... economies.

- A developed
- B developing
- C emerging
- D mixed

(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 1.2.8 J.

COLUMN A		COLUMN B	
1.2.1	Market price	A	services such as transport and communication
1.2.2	Social services	B	the greatest threat to workers' health in South Africa
1.2.3	Infrastructure	C	free market economy
1.2.4	Intangible	D	the current price at which an item or service may be bought or sold
1.2.5	Macroeconomics	E	a policy aimed to increase the ownership of agricultural land of black people in the economy
1.2.6	Economic regress	F	education, health and welfare
1.2.7	Land Redistribution Programme	G	services such as legal, medical and financial services
1.2.8	HIV/Aids	H	economic aggregates
		I	moving backwards to a less developed country

(8 x 1) (8)

- 1.3 Give ONE term/word for each of the following descriptions. Write only the term/word next to the question numbers (1.3.1 to 1.3.6). Abbreviations, acronyms and examples will NOT be accepted.
- 1.3.1 The amount that the worker receives each day, each week or at the end of a month
- 1.3.2 Goods that are used or destroyed in the process of being used
- 1.3.3 Occurs when the capital stock grows at the same rate as the labour force
- 1.3.4 Local knowledge that is unique to a certain culture or society
- 1.3.5 The price a borrower has to pay for purchasing on credit
- 1.3.6 GDP at basic prices, plus taxes on products, minus subsidies on products (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

QUESTION 2: MACROECONOMICS

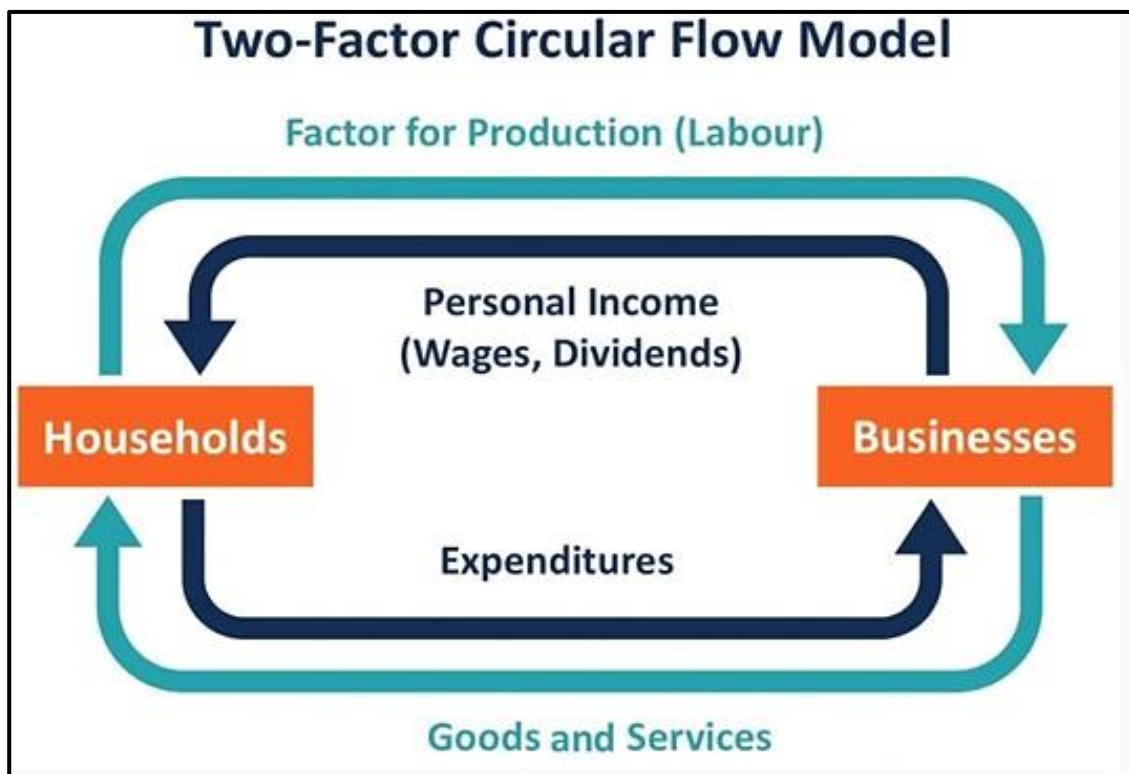
40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name any TWO groups of marginalised people in the economy. (2 x 1) (2)

2.1.2 Why are intermediate goods and services excluded when calculating the value of GDP? (1 x 2) (2)

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

[Adapted from [google images](#)]

2.2.1 Name any other participant in an open economy. (1)

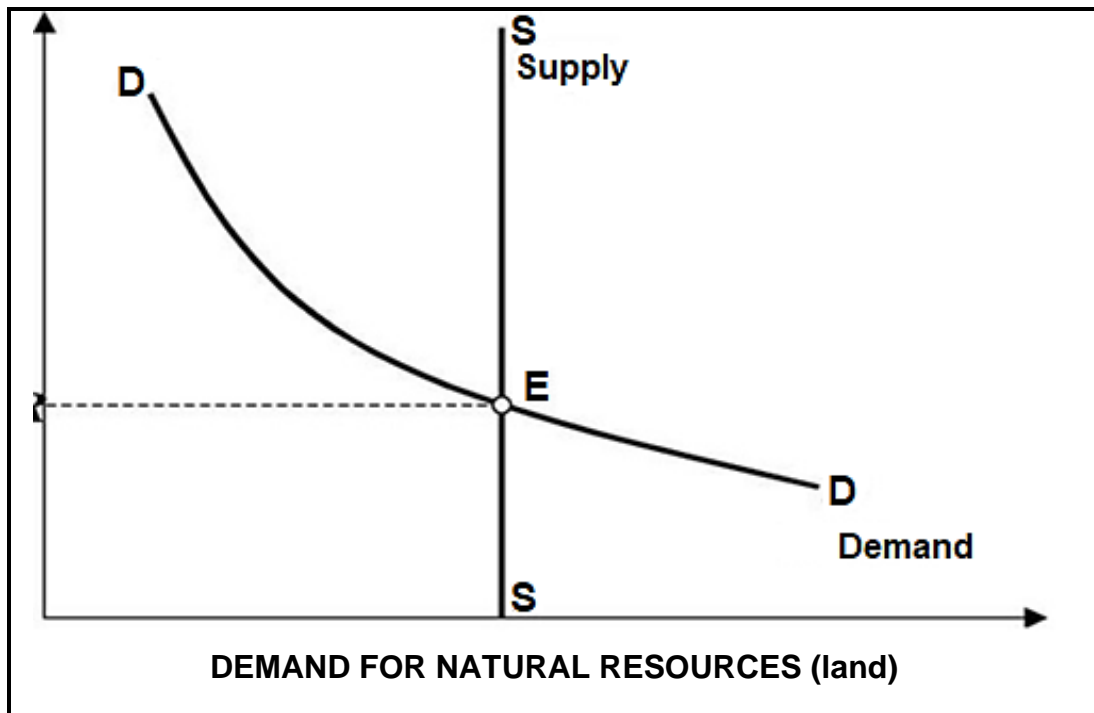
2.2.2 Indicate the flow that is represented by goods and services. (1)

2.2.3 Briefly describe the term *circular flow*. (2)

2.2.4 Explain the interaction between households and firms. (2)

2.2.5 How can the business sector contribute more positively to the economy? (2 x 2) (4)

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



[Adapted from [google images](#)]

- 2.3.1 Name an example of a non-renewable resource. (1)
- 2.3.2 What is the importance of natural resources to the economy? (1)
- 2.3.3 Briefly describe the term *natural resource*. (2)
- 2.3.4 Explain the relationship between the scarcity of land and rent. (2)
- 2.3.5 Redraw the graph in your ANSWER BOOK and show what will happen to the price of land (rent) if there is an increase in the demand for land. (2 x 2) (4)
- 2.4 Discuss the characteristics of a market economy. (4 x 2) (8)
- 2.5 How is Black Economic Empowerment ensuring community participation in South Africa? (8)

[40]

QUESTION 3: ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO components of the monetary system in South Africa. (2 x 1) (2)

3.1.2 How does wealth differ from income? (1 x 2) (2)

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

GINI COEFFICIENT IN SOUTH AFRICA 2006–2015

The Gini coefficient in South Africa was 0,65 points in 2015; with lesser inequality in income within the rural areas of the most southern country of Africa. An ideal situation is one in which incomes are perfectly distributed with the equal zero.

South Africa had the world's highest inequality in income distribution.

[Source: StatsSA]

3.2.1 Name the index that describes the percentage of the population living below the poverty-line income. (1)

3.2.2 Indicate what a Gini coefficient of one means. (1)

3.2.3 Briefly describe the term *Gini co-efficient*. (2)

3.2.4 Explain the relationship between the Lorenz curve and the Gini coefficient. (2)

3.2.5 How can the government reduce inequality in income distribution? (4)

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



CENTRAL BANKING IN SOUTH AFRICA

The Central Bank uses the monetary policy instruments to influence the level of inflation. Changes in the repo rate affect the broader economy.

National Treasury, in consultation with the central bank, sets the inflation target, which acts as a benchmark against which price stability is measured.

[Adapted from resbank.co.za]

- 3.3.1 Name any function of the South African Reserve Bank. (1)
- 3.3.2 State the inflation targeting range in South Africa. (1)
- 3.3.3 Briefly describe the term *repurchase(repo) rate*. (2)
- 3.3.4 Explain the role of the SARB when bank failure occurs. (2)
- 3.3.5 How can South Africa's monetary policy contribute to a higher economic growth rate? (2 x 2) (4)
- 3.4 Briefly discuss *medium of exchange* and *unit of account* as functions of money. (4 x 2) (8)
- 3.5 Analyse the benefits of microfinance in the economy. (8)
- [40]**

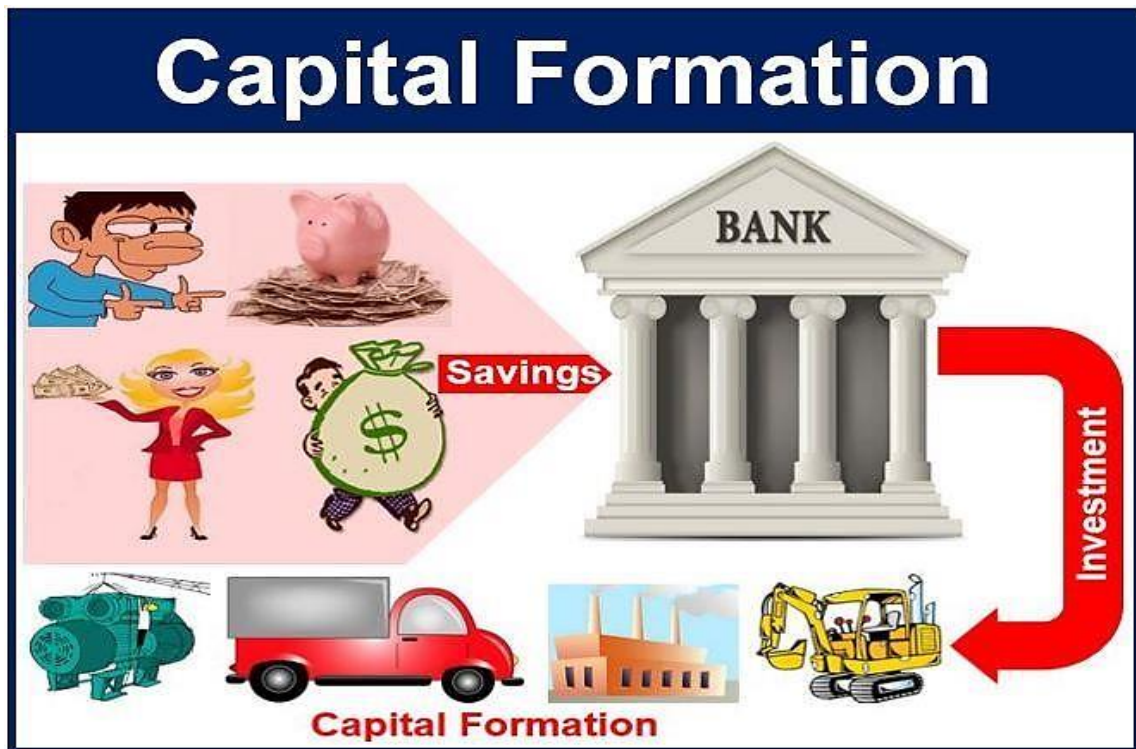
QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO sources of wealth. (2 x 1) (2)

4.1.2 How will an increase in interest rates influence consume spending? (1 x 2) (2)

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



[Source: <https://marketbusinessnews.com>]

4.2.1 Name an example of capital goods. (1)

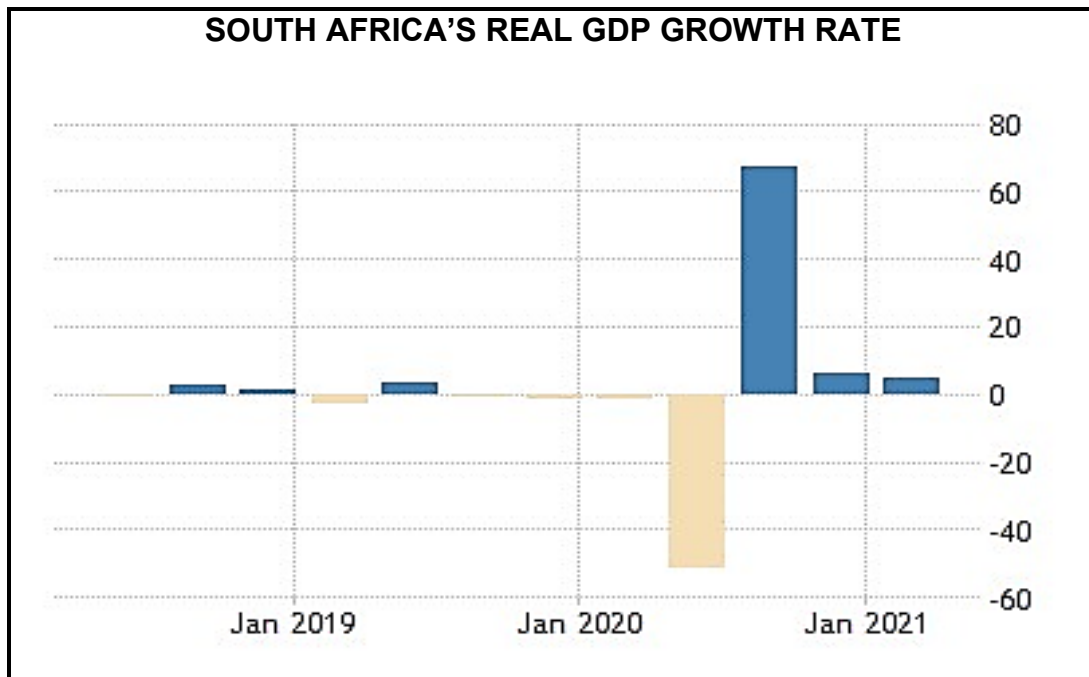
4.2.2 Indicate the remuneration for capital. (1)

4.2.3 Briefly describe the term *capital formation*. (2)

4.2.4 Outline the importance of savings for the creation of capital goods. (2)

4.2.5 Why is capital formation important to the South African economy? (4)

4.3 Study the graph and answer the questions that follow.



[Adapted from tradingeconomics.com]

- 4.3.1 Identify the period in which growth in real GDP is the lowest. (1)
- 4.3.2 Name an economic indicator that is used to measure economic growth. (1)
- 4.3.3 Briefly describe the term *economic growth*. (2)
- 4.3.4 Explain factors that can lead to increased economic growth. (2)
- 4.3.5 Why is South Africa experiencing low economic growth rate levels?
(2 x 2) (4)
- 4.4 Discuss credit cards and electronic fund transfers as means to make payments. (8)
- 4.5 Evaluate the South African's government efficiency in delivering socio-economic services (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:

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 <ul style="list-style-type: none"> • The conclusion is a wrap-up of the discussion of the topic in the body and should be treated as a higher-order response. • The conclusion can take the form of an own opinion, examples to support your discussion or a contradictory viewpoint from what has been discussed. • No aspect from either the introduction or body should be included in the body. 	Max. 2
TOTAL	40

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

- Discuss in detail the economic importance of the primary sector. (26 marks)
- Analyse the negative impact of the global pandemic (Covid-19) on the economic structure in South Africa. (10 marks)

[40]**QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 40 MINUTES**

- Discuss in detail the characteristics of developing countries. (26 marks)
- How does the National Development Plan propose to increase economic growth and development in South Africa? (10 marks)

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150