



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION
JUNE 2022
GRADE 11
MARKING GUIDELINES

ECONOMICS (PAPER 1)

19 pages

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

- 1.1.1 A – economic rent. ✓✓
- 1.1.2 C – national income will increase. ✓✓
- 1.1.3 A – decision-making is centralised. ✓✓
- 1.1.4 B – World Health Organisation. ✓✓
- 1.1.5 B – demerit ✓✓
- 1.1.6 C – legislative arm of the state. ✓✓
- 1.1.7 B – activities that provide the goods and services to satisfy wants. ✓✓
- 1.1.8 D – the economy. ✓✓ (8 x 2) (16)

1.2 MATCHING ITEMS

- 1.2.1 K – An increase in the productive capacity of the economy over a specific period of time ✓ (6)
- 1.2.2 A – Relating to society and the economy ✓
- 1.2.3 G – Payment made for the use of a factor of production which is limited in supply ✓
- 1.2.4 J – C+I+G ✓
- 1.2.5 B – The flow of goods and services ✓
- 1.2.6 C – Resources are allocated by government ✓
- 1.2.7 I – The minimum amount of money needed to pay for basic needs ✓
- 1.2.8 E – Ratio of output to input ✓ (8 x 1) (8)

1.3 CONCEPTS

1.3.1 Economic goods ✓

1.3.2 Market economy/Free Market system ✓

1.3.3 Parastatals/State owned entities ✓

1.3.4 Scarcity ✓

1.3.5 Informal sector ✓

1.3.6 Subsidies ✓

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MACROECONOMICS

2.1 2.1.1 **Name any TWO levels of government.**

- Local level ✓
- Provincial level ✓
- National level ✓

(Any other correct, relevant response.)

Any (2 x 1) (2)

2.1.2 **Why is the public sector important?**

- Because the public sector provides much needed public goods and services ✓✓

(Any other correct, relevant response.)

(2)

2.2 DATA RESPONSE

2.2.1 **Which method of calculating Gross Domestic Product was used above?**

Production method ✓ / GDP(P) ✓ / Value added ✓

(1)

2.2.2 **As of year 2020, which year is currently used as the base year by the SARB?**

2015 ✓

(1)

2.2.3 **Briefly explain the concept *Gross Value Added*.**

Measure of the value of goods and services produced in each stage of production. ✓✓

(Any other correct, relevant response.)

(2)

2.2.4 **What is the impact of a decline in primary sector activities on production?**

- It will have a negative impact on production as production depends on the extraction of raw materials from nature ✓✓
- Production activities will decline ✓✓

(2)

2.2.5 **Calculate the % contribution of the secondary sector to the Gross Value Added at basic price. Show your calculations.**

$$\frac{945\,944}{4\,161\,786} \times \frac{100}{1} \quad \checkmark\checkmark$$

$$= 22,73\% \quad \checkmark\checkmark \quad \text{or} \quad 23\% \quad \checkmark\checkmark$$

(4)

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

2.3.1 **Identify ONE other factor of production not mentioned in the extract above.**

Capital ✓/Natural resources (Land) ✓/Labour ✓ (1)

2.3.2 **Before which year would this extract have been written?**

2018 ✓ (1)

2.3.3 **Describe the term *entrepreneur*.**

An entrepreneur is an agent that unites all means of production for production goals. ✓✓

or

The entrepreneur organises or employs natural resources, capital and labour into a profitable business to produce useful goods and services to satisfy the needs and wants of the consumer. ✓✓

(Any other correct, relevant response.) (2)

2.3.4 **Why are educational opportunities important for entrepreneurship?**

South Africa currently has a shortage of trained/skilled workers. ✓✓

or

South Africa has an oversupply of unskilled workers and needs to educate and skill people to be semi-skilled and skilled workers. ✓✓

or

Only through education will the youth be able to actively participate in the economy. ✓✓

(Any other correct, relevant response.) (2)

2.3.5 **What is the difference between a *successful entrepreneur* and an *unsuccessful entrepreneur*?**

Successful entrepreneur	Unsuccessful entrepreneur
<ul style="list-style-type: none"> Recognises and identifies new and profitable opportunities. ✓✓ Has a clear understanding of what he/she wants to achieve. ✓✓ Persuades others to buy into their plans. ✓✓ <p>(Any other correct, relevant response.) (2)</p>	<ul style="list-style-type: none"> Uses existing or old ideas and never looks at new methods of production of products. ✓✓ No clear vision or mission for the business. ✓✓ Cannot convince people to invest in the business or buy the product. ✓✓ <p>(Any other correct, relevant response.) (2)</p>

(4)

2.4 Differentiate between *renewable* and *non-renewable* resources.**Renewable resources:**

- Are those that are replaced by natural processes. ✓✓
- Reproduce and replenish naturally without intervention, within a short/medium time span ✓✓
- E.g., weather (sunlight, rain) plants and animals ✓

Non-renewable resources:

- Such as minerals, fossil fuels and oil have to be used carefully because they do not have annual cycle of growth, but take millions of years to form ✓✓
 - Cannot replenish itself or can take a very, very long time to replenish itself ✓✓
- (Any other correct, relevant response.)

(8)

2.5 How has the South African government responded to COVID-19's social and economic impact?

- The Department of Social Welfare has provided a COVID-19 relief grant for the unemployed individuals. ✓✓
- The National Coronavirus Command Council advises the President of the Republic when there is a need for lockdown restrictions to curb the spread of COVID-19 in the country. ✓✓
- The executive cabinet set up a solidarity fund where both the public and private sectors contribute to assist the South African public. ✓✓
- The Unemployment Insurance Fund (UIF) was made available for those who lost employment due to the impact of the COVID-19 pandemic. ✓✓
- The president announced the provision of a R500 billion stimulus package. ✓✓
- The South African Reserve Bank has reduced interest rates several times and made it easier for banks to lend money. ✓✓

(Any other correct, relevant response.)

(8)

[40]

QUESTION 3: MACROECONOMICS3.1 3.1.1 **Name TWO different economic systems.**

- Centrally planned economy ✓
- Free market economy ✓
- Mixed economy ✓

Any (2 x 1) (2)

3.1.2 **Why is it impossible for South Africa to become a rich country?**

- Inflation grows faster than wages. ✓✓
 - Productivity growth has performed very poorly (slow). ✓✓
- (Any other correct, relevant response.) Any (1 x 2)

(2)

3.2 **DATA RESPONSE**3.2.1 **Identify the economic system to which “FREE STUFF” above refers.**

- Centrally planned economy ✓

(1)

3.2.2 **What is the free-market system free from, in its purest form?**

- Government/State intervention ✓

(1)

3.2.3 **Briefly describe the term *economic system*.**

- It is the method used by countries to allocate their resources. ✓✓
- (Any other correct, relevant response.)

(2)

3.2.4 **Explain the concept of an *invisible hand* in the economy.**

The invisible hand is a metaphor for the unseen forces that move the free-market economy. ✓✓

or

Through individual self-interest and freedom of production and consumption, the best interest of society, as a whole, is fulfilled. ✓✓

(Any other correct, relevant response.)

Any (1 x 2) (2)

3.2.5 Why is South Africa economy regarded as a mixed economy system?

- The government plays a role in providing collective goods and services and in regulating the market. ✓✓
- South Africa has a dual economy with a highly developed financial and industrial economy. ✓✓
- Consumers have the freedom to decide how to spend their income and what to consume. ✓✓
- The government uses sufficient monetary and fiscal policy to ensure maximum economic growth and continuous stability of prices. ✓✓
- The government's involvement in the markets entails intervention to control prices to protect consumers and workers. ✓✓

(Any other correct, relevant response.)

Any (2 x 2) (4)

3.3 DATA RESPONSE**3.3.1 Identify the industry which declined the most in the graph above.**

- Agriculture (-13,2%) ✓ (1)

3.3.2 Under which economic sector would a construction industry be found?

- Secondary sector ✓ (1)

3.3.3 Briefly describe the term *infrastructure*.

- The basic physical and organisational structures and facilities (e.g., buildings, roads, power supplies) needed for the operation of a society or enterprise. ✓✓

(Any other correct, relevant response.)

(2)

3.3.4 How will an increase in investment spending influence the economy?

- Expansion of the infrastructure development. ✓✓
- Increased employment, productivity and production. ✓✓
- Increased economic growth which will impact the economy positively. ✓✓

(Any other correct, relevant response.)

Any (1 x 2) (2)

3.3.5 Distinguish between *real investment* and *financial investment*.

- Real investment or gross fixed capital formation is spending on addition to the capital stock, e.g., machinery, structures, and inventories. ✓✓
- It is undertaken with the aim of making profits in the future. ✓✓
(Max. 2 marks)
- Financial investment is investment in shares and other financial instruments. ✓✓
- It is an asset that you put money into with the hope that it will grow or appreciate into a larger sum of money. ✓✓ (Max. 2 marks) (4)

3.4 Briefly explain the economic importance of energy as part of South Africa's infrastructure.

- Energy is crucial to the functioning of modern society. ✓✓
- Large amounts of energy are consumed by industries and households/ industries cannot operate without power. ✓✓
- The loss of power for a short time can lead to huge losses of revenue to businesses in all sectors. ✓✓
- Using technology to generate electricity from renewable sources is one of the largest growth sectors. ✓✓
- The energy sector employs a large number of people in the labour force. ✓✓
- It also earns foreign exchange by selling electricity to other countries. ✓✓
- Reliable transport or communication is not possible without electricity. ✓✓
(Accept any other relevant answer.) Any (4 x 2) (8)

3.5 Evaluate government's involvement in increasing access to economic opportunities.

The government has succeeded in increasing access to economic opportunities by:

- Removing legal restrictions that blocked the entry of blacks into the mainstream economy ✓✓
- Introducing policies to promote new opportunities for and increase the levels of participation of black people in the ownership, management, and control of economic activities – BBBEE ✓✓
- Improving the provision of infrastructure (communication, transport, and electricity) to poor areas ✓✓
- Decentralising economic activities to previously/historical/disadvantaged areas through regional development programmes ✓✓
- Providing free education to increase the qualifications of previously disadvantaged individuals ✓✓

(Any other correct, relevant response.)

(Accept arguments showing failure of government to increase access to economic opportunities.) Any (4 x 2) (8)

[40]

QUESTION 4: MACROECONOMICS

4.1 4.1.1 **Name any TWO examples of injections.**

- Exports ✓
- Government expenditure ✓
- Investment ✓

Any (2 x 1) (2)

4.1.2 **Why are intermediate goods and services excluded when calculating the value of GDP?**

- Including intermediate goods and services will lead to double counting which will increase the GDP unrealistically. ✓✓
(Any other correct, relevant response.)

(2)

4.2 **DATA RESPONSE**

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

- Government expenditure/Government purchases ✓

(1)

4.2.2 **Name the type of economy portrayed in the above diagram.**

- Closed economy/Three sector economy ✓

(1)

4.2.3 **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. ✓✓
(Any other correct, relevant response.)

(2)

4.2.4 **What is the main objective of social transfers?**

- Redistribution of income/poverty alleviation/to correct the imbalances of the past/to promote equality/to close the gap between rich and poor. ✓✓
(Any other correct, relevant response.)

Any (1 x 2) (2)

4.2.5 **Why is the factor market important in the circular flow?**

- Factor markets help the economy to grow by providing a mechanism where factors of production are traded. ✓✓
- 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 for buying goods and services. ✓✓
- Businesses purchase the factors of production from the households in the factor market to be used in the production of goods and services. ✓✓

(Any other correct, relevant response.)

Any (2 x 2) (4)

- 4.3 4.3.1 **Identify ONE other classification of final consumption expenditure by households not mentioned in the table above.**
- Non-durable goods ✓/Services ✓ (1)
- 4.3.2 **What is the trend of the value of 'other durable goods' since 2012?**
- Increasing ✓ (1)
- 4.3.3 **Describe *durable goods*.**
- Involves those goods that last for more than one year/Goods that last for a long period of time. ✓✓
(Any correct, relevant answer.) (2)
- 4.3.4 **Explain what is meant by the term *at constant prices* in the table above.**
- The value of household expenditure before inflation./The unadjusted value of household consumption expenditure. ✓✓ (2 x 1) (2)
(Any correct, relevant answer.)
- 4.3.5 **Why is the final consumption expenditure by households important in the economy?**
- Households are the most basic units in the economy since they consume goods and services while also providing factors of production. ✓✓
 - There is a strong correlation between the total national income and consumption by household. ✓✓
(Any other correct, relevant response.) (2 x 2) (4)
- 4.4 **Explain the difference between *final goods and services* and *intermediate goods and services*, in detail.**
- Final goods and services**
- Are goods and services that are bought by the ultimate user to satisfy a need or want. ✓✓
 - The buyers of these goods and services have no intention to further transform these goods and services to resell them. ✓✓
 - The final goods and services can be either consumer goods and services or capital goods such as machines. ✓✓
 - Capital goods are regarded as final goods, since they are not going to be processed further for resale. ✓✓
 - Final goods and services are bought on the product markets by the four participants in the economy. ✓✓
 - Have reached the final stage in the production process and have the characteristics of form utility. ✓✓
 - Final goods and services can be divided into durable, semi-durable and nondurable goods. ✓✓
- (Any relevant answer about final goods and services.) (Max. 4 marks)

Intermediate goods and services

- Intermediate goods and services are those goods and services that are used in the production of other goods and services. ✓✓
- In order to produce final goods and services, intermediate goods are combined and processed. ✓✓
- Include all goods and services that are not directly consumed. ✓✓
- Usually bought by manufacturers. ✓✓

(Any relevant answer about intermediate goods and services.) (Max. 4 marks)

(4 x 2) (8)

4.5 How can the final consumption expenditure by government improve the standard of living?

- Issuing of social grants closes the gap between the rich and the poor. ✓✓
- Construction of infrastructure leads to employment opportunities. ✓✓
- Provision of free education improves the literacy and numeracy rate. ✓✓
- Provision of quality health services will improve the standard of living, because people will be healthy and productive. ✓✓

(Any correct, relevant answer.)

(4 x 2) (8)

[40]

TOTAL SECTION B: 80

SECTION C

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

STRUCTURE OF ESSAY	MARK ALLOCATION
<p>Introduction:</p> <p>The introduction is a lower-order response.</p> <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. 	<p>Max. 2</p>
<p>Body:</p> <p>Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/ Explain/Assess/Debate</p> <p>Additional part: Give own opinion/Critically discuss/Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/ Calculate/Deduce/Compare/Explain/Distinguish/Interpret/Briefly debate/ How?/Suggest/Use the information and argue, debate, evaluate</p>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion:</p> <p>Any relevant higher-order conclusion that should include:</p> <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 	<p>Max. 2</p>
TOTAL	40

QUESTION 5: MACROECONOMICS

- **Discuss the economic importance of the following factors of production for the producers of goods and services:**
 - **Labour** (max. 8 marks)
 - **Capital** (max. 8 marks)
 - **Natural resources** (max. 10 marks) **(26 marks)**

- **How have the land redistribution programmes (policies) contributed towards accommodating the marginalised groups in the economy?** **(10 marks)**

INTRODUCTION

Economists often refer to the factors of production as inputs. The final product or service that is the result of the inputs is then called an output. ✓✓
(Any other correct, relevant introduction.) **(Max. 2)**

MAIN PART**THE ECONOMIC IMPORTANCE OF LABOUR**

- Production cannot take place without physical and mental effort. ✓✓
- An economy needs to increase its production in order to grow. ✓✓
- Therefore, an economy needs a suitable labour force with the right number of skilled and semi-skilled workers. ✓✓
- The shortage of skilled labour, especially technically skilled labour, is thought to be one of the most serious problems in the South African labour market today. ✓✓
- Many South African businesses are labour intensive, so labour costs make up a big part of production costs. ✓✓
- The productivity of the labour force determines the speed with which goods are produced, the quality and the cost of the output. ✓✓
- If the cost of production is too high, it will push up inflation and make the price of the goods we export uncompetitive on international markets. ✓✓
- Trade unions are often accused of forcing the price of wages without finding ways to improve the productivity of its members. ✓✓
- However, the role of trade unions is very important in encouraging employers to invest more in adult education and training. ✓✓
- Education plays an important role in the development of labour in a country. ✓✓
- If the labour force is educated, they are likely to be more productive. ✓✓
- The Skills Development Levy Act of 1998 makes provision for 1% of an employer's wage bill to be paid over to the National Revenue Fund. ✓✓
- This money is then utilised by Sector Education Training Authorities (SETA's) to upskill our labour force. ✓✓ **(Max. 8)**

THE ECONOMIC IMPORTANCE OF CAPITAL

- Economic growth is a direct result of an increase in the capital assets of a country. ✓✓
- Savings create capital and a higher investment in capital goods. ✓✓
- Savings are therefore the starting point for economic growth and progress. ✓✓
- To increase the economic growth rate of South Africa, consumer spending will have to decrease. ✓✓
- The resulting savings can then be channelled to fixed investments. ✓✓
- Financial institutions will have more money available to lend out to businesses to finance their expansion. ✓✓
- This will result in more job opportunities and less unemployment. ✓✓
- The increased income of individuals will again increase savings, and so the cycle of economic growth will continue. ✓✓
- The capital translates into machinery and equipment, which are used to produce high quality goods. ✓✓
- These goods raise the local standard of living by increasing the variety and choices that consumers have. ✓✓
- Goods can also be exported, thus earning foreign currency and reducing our reliance on imports from other countries. ✓✓
- An emerging economy like South Africa has a large demand for final consumer goods. ✓✓

(Max. 8)

ECONOMIC IMPORTANCE OF NATURAL RESOURCES

- Much of the labour force in developing countries is employed in farming. ✓✓
- Therefore, natural resources come with employment and job creation potential in the production of goods and services. ✓✓
- Production from land can be increased by the use of chemicals and fertilisers; and by conservation and tillage. ✓✓
- Land ownership is a strong incentive to improve and preserve the quality of the land. ✓✓
- Water is a very important element in agriculture and therefore important in the production of goods and services. ✓✓
- Many developing countries rely on exporting mineral resources. ✓✓
- Agricultural activities are an important part of some developing economies. ✓✓
- Some countries rely on exporting fresh fruit, wine and various types of natural food. ✓✓
- When exporting natural resources, countries stand to gain from foreign exchange. ✓✓
- Contributes towards fiscal revenue, income and poverty reduction. ✓✓

(Max. 10)

(Max. 26)

(Any other correct, relevant response.)

(Allocate a maximum of 8 marks for headings, sub-headings, examples.)

ADDITIONAL PART

- **How have the land redistribution programmes (policies) contributed towards accommodating the marginalised in the economy?**

The land redistribution programme has contributed in the following ways:

The land restitution programme: ✓

- The Act on Land Restitution allows for those people whose land was disposed of to legally claim back their land or be compensated. ✓✓
- In the case of urban claims the people are financially rewarded for their losses. ✓✓
- In situations of rural claims some land is given back to the legal owners. ✓✓

The land redistribution programme: ✓

- Involves the availability of agricultural land for farming production or for living. ✓✓
- The emphasis was on the provisioning of land for the poor, marginalised people for small-scale farming, to earn an income. ✓✓

The partnership programme (farming): ✓

- Ensures that farm workers are given certain shares (profit-sharing) options on farms. ✓✓
- The workers are also involved in joint decision-making at management level. ✓✓
- Workers also obtain permanent living rights after a certain number of years or on retirement, as well as other fringe benefits. ✓✓

The RDP housing programme: ✓

- Citizens on low income levels can also apply for the subsidised RDP housing scheme to provide shelter for their families. ✓✓
- The government then subsidises the infrastructure costs, such as solar power, prepaid meters, etc. ✓✓

(Accept any other relevant, correct answer.)

(Max. 10)

CONCLUSION

South Africa has an abundance of natural resources, and if utilised productively and developed to its full potential, our country could become a sustainable, thriving economy. ✓✓

(Max. 2)

(Accept any other correct, relevant higher order conclusion.)

[40]

QUESTION 6: MACROECONOMICS**40 MARKS – 40 MINUTES**

- **Discuss the characteristics, advantages and disadvantages of a country having a mixed economy. (26 marks)**
- **Analyse the problems that South Africa is facing with too much government involvement in the economy. (10 marks)**

INTRODUCTION

South Africa's mixed economy is a mixture of a market and a centrally planned (command) economy. This economic system combines the advantages of both economic systems. ✓✓

(Max. 2)**MAIN PART****CHARACTERISTICS**

1. Motivation: ✓

In the private sector of the mixed economy, consumers and producers are assumed to be motivated by self-interest. ✓✓

In the public sector it is assumed to be motivated by the necessity to satisfy the social needs of the community. ✓✓

2. Ownership: ✓

Consumers, producers and organisations own most of the factors of production. The state owns enterprises such as Transnet, Telkom, the Post Office, Denel, the SABC and the Rand Water Board. ✓✓

3. Competition: ✓

In the private sector, competition is maintained and a variety of goods and services are produced. ✓✓

- In SA, rivalry in the private sector is maintained and promoted by the Competitions Act. ✓✓
- The public sector provides protection, healthcare, education, social welfare and economic services. ✓✓
- Government's enterprises are monopolies. ✓✓

4. State intervention: ✓

Governments interfere in order to realise social and welfare objectives, and to improve the functioning of markets. ✓✓

ADVANTAGES

1. The private sector: ✓

Private ownership, the profit motive and competition are the forces that ensure the production of a great variety of goods and services. ✓✓

- Imports supplement domestic variety and choice. ✓✓
- Exports create employment and contribute to economic growth. ✓✓

2. The public sector: ✓

Protection, education, healthcare, social benefits and opportunities for the poor are provided. ✓✓

- The public sector handles the market failures by providing infrastructure and the creation of a solid economic framework. ✓✓

3. Optimum mix: ✓

The optimum mix would ensure an optimum standard of living for all citizens. ✓✓

- Government allows sufficient room for the private sector to pursue its market objectives. ✓✓

4. The environment and human rights: ✓

Mixed economies have better environment and human rights records than either centrally planned or market economies. ✓✓

5. Attracts foreign direct investments ✓✓

DISADVANTAGES

1. Creating poverty ✓ – because the private sector has control over land and capital, it may be able and inclined to exploit workers. ✓✓

- Through imperfect markets, the private sector can rob consumers and worsen the inequality of incomes and wealth. ✓✓
- The environment and human rights are abused. ✓✓
- Poverty grows. ✓✓

2. Crowding out the private sector ✓ because the public sector has control over the legislative process. ✓✓

- The scale of taxation and public sector enterprises become so extensive that private sector businesses are crowded out, and this leads to a decrease in economic growth and employment creation. ✓✓

3. Unemployment, inflation and fluctuating business cycles. ✓✓
4. Income is not fairly distributed. ✓✓
5. Higher taxes on fewer workers. ✓✓
6. Centralisation/Concentration of growth in cities. ✓✓

(Accept any other correct, relevant answer.)

(Maximum of 8 marks for headings, sub-headings and examples.)

(8 x 1) (8)

CONTENT: (18)

(Max. 26)

ADDITIONAL PART

Analyse the problems that South Africa is facing with too much government involvement in the economy.

- High levels of poverty require more government involvement to the poor. ✓✓
- Many service delivery protests have highlighted the need for more effort from government to address the basic needs of communities. ✓✓
- Crime levels and general lawlessness (e.g. disobeying of road rules) requires more policing. ✓✓
- Maintenance and expansion of existing infrastructure (e.g. electricity and public transport) require extensive government intervention. ✓✓
- Inequalities should be addressed by government effort through education, housing provision and redistribution programmes ✓✓ (e.g. land). ✓

(Accept any other correct, relevant response.)

(Max. 10)

CONCLUSION

- In South Africa, the state intervenes in the economy/production process as entrepreneur, organiser and lawmaker. ✓✓

(Max. 2)

(Accept any other correct, relevant, higher-order conclusion.)

[40]

TOTAL SECTION C: 40

TOTAL: 150