



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

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**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2020
GRADE 11**

**ECONOMICS
PAPER 1**

TIME: 2 hours

MARKS: 150

14 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. Read the questions carefully.
5. Start EACH question on a NEW page.
6. Leave 2 – 3 lines between sub-sections of questions.
7. 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.
8. Use only black or blue ink.
9. You may use a non-programmable pocket calculator.
10. Write neatly and legibly.

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

1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A – D) next to the question number (1.1.1 to 1.1.8) in the ANSWER BOOK.

1.1.1 Resources are called ... in the production process.

- A inputs
- B outputs
- C intermediate goods
- D final goods

1.1.2 In an economy where injections exceed leakages, the ...

- A production of goods and services will decrease.
- B national income will decrease.
- C national income will increase.
- D gross value added in production will increase.

1.1.3 An economic system where individuals are free to perform activities according to their abilities is known as a ...

- A mixed economic system.
- B market economy.
- C centrally planned system.
- D socialist system.

1.1.4 South Africa's energy generation is dependant on ...

- A solar energy.
- B nuclear power.
- C coal.
- D hydro power.

1.1.5 Changes in repo rate is announced by the ...

- A President.
- B Minister of Trade and Industry.
- C Minister of Finance.
- D Governor of South African Reserve Bank.

1.1.6 Removal of unnecessary laws and regulations to improve the functioning of the economy.

- A Development
- B Deregulation
- C Nationalisation
- D Decentralisation

1.1.7 A policy that dictates the inflation target and controls the interest rate is known as ...

- A monetary policy.
- B fiscal policy.
- C industrial policy.
- D wage policy.

1.1.8 The interest rate charged by banks to their customers is called the ...

- A repo rate.
- B inflation rate.
- C economic growth rate.
- D prime rate.

(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 number (1.2.1 to 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Real GDP	A Government makes all decisions relating to production and distribution of resources.
1.2.2 Primary Sector	B Takes place when there is an increase in the country's fixed assets.
1.2.3 Centrally planned	C A general increase in prices and fall in the purchasing power of money.
1.2.4 Gross fixed capital formation	D Comprises fishing, forestry, agriculture and mining.
1.2.5 Minimum wage	E The ability of a person to provide for their needs and wants with their given income.
1.2.6 Life expectancy	F The smallest amount of remuneration that an employer is required to pay for the work performed during a given period.
1.2.7 Inflation	G The amount of goods and services that a person can buy with a nominal wage.
1.2.8 Living Standard	H The average age that a person will reach. I Measure of growth after the effect of inflation has been removed.

(8 x 1) (8)

- 1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 to 1.3.6) in the ANSWER BOOK. No **abbreviations, acronyms or examples** will be accepted.

- 1.3.1 The total value of final goods and services produced within the borders of a country in a given period.
- 1.3.2 Groups of people that are seen as worse off compared to the rest of the population in terms of access to income and non-income services that are provided by the government.
- 1.3.3 The economic sector that is responsible for distribution of goods and provision of services.
- 1.3.4 Generally accepted as a means of payment and serves as a medium of exchange.
- 1.3.5 The purpose is to return property to those who lost it as a result of racially discriminatory laws and practices.
- 1.3.6 Economic system where citizens own all production factors and government intervention is limited to maintaining law and order.

(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**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO methods used to calculate main aggregates. (2 x 1) (2)

2.1.2 What impact did the social relief grants have on households during the Covid-19 lockdown? (1 x 2) (2)

2.2 Read the following extract and answer the questions that follow.

President Cyril Ramaphosa announces R500-billion Covid-19 package for South Africa

In April of this year President Cyril Ramaphosa announced an “extraordinary coronavirus budget,” adding up to R500-billion to be injected into the economy.

The funding will come from various internal and external sources.

The R500-billion makes up 10% of the national gross domestic product (GDP).

Health will receive priority, with the poor and most vulnerable catered for in a range of measures that include an increase in the social grant and billions of rands in subsidies for business and wages. R20-billion had been set aside for the relief of hunger and social distress.

[Mail & Guardian April 21, 2020]

- 2.2.1 Which social service would be given the highest priority from this “extraordinary” coronavirus budget? (1)
- 2.2.2 Name ONE source used to fund this “extraordinary” budget. (1)
- 2.2.3 Briefly describe the term *budget*. (2)
- 2.2.4 How would wages be supported through this fund? (2)
- 2.2.5 Briefly describe the extent to which government can address economic inequity, especially during the pandemic. (2 x 2) (4)
- 2.3 Study the extract below and answer the questions that follow.

Sasol Foundation supports the provision of free online classes to learners during lockdown



Johannesburg, South Africa – The Sasol Foundation has partnered with the Department of Basic Education (DBE) and Africa Teen Geeks, to support the provision of free online classes during South Africa’s national lockdown that has been introduced in response to the global Coronavirus (Covid-19) outbreak. *Africa Teen Geeks* is an education focused, non-profit organisation.

Since the launch of the initiative, more than 45 000 Grade R to 12 learners have accessed these online lessons, with the majority reporting the courses to be engaging and stimulating.

<https://society.sasol.com/sasol-foundation-online-classes/march-2020>

- 2.3.1 Name ANY ONE form of communication technology. (1)
- 2.3.2 List ONE advantage of online teaching and learning. (1)
- 2.3.3 Briefly describe the term *infrastructure*. (2)
- 2.3.4 How effective is the use of online teaching as a solution to the loss of school days? (2)
- 2.3.5 Analyse the importance of communication in the economy. (2 x 2) (4)
- 2.4 Compare the advantages of a market economy to that of a centrally planned economy. (2 x 4) (8)
- 2.5 Evaluate the economic importance of energy as part of South Africa's infrastructure. (4 x 2) (8)
- [40]**

QUESTION 3: ECONOMIC PURSUITS

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO of South Africa's developmental endeavours. (2 x 1) (2)

3.1.2 What is the impact of the Covid-19 lockdown on money supply? (1 x 2) (2)

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

SOUTH AFRICA'S UNEMPLOYMENT RATE EXPECTED TO REACH 50%

Cape Town – The unemployment rate is expected to rise to 50% while there were 1.9 million UIF applications in the first two weeks of the national lockdown.

During May, Minister Nkosazana Dlamini Zuma briefed the National Council of Provinces (NCP) on measures to curb the spread of COVID-19.

“This is also becoming an economic crisis and demonstrates how deep the fault lines in South Africa lies. We see hunger, poverty and unemployment and the conditions in which our people live,” Dlamini Zuma said.

“The tourism sector in particular will be the hardest hit because we have closed the borders of the country and we have suspended tourism. Some of the businesses will not survive and vulnerable households have lost a lot of income,” she added.

[Cape Argus/News: By Marvin Charles May 27, 2020]

3.2.1 Name ONE reason for the expected rise in unemployment. (1)

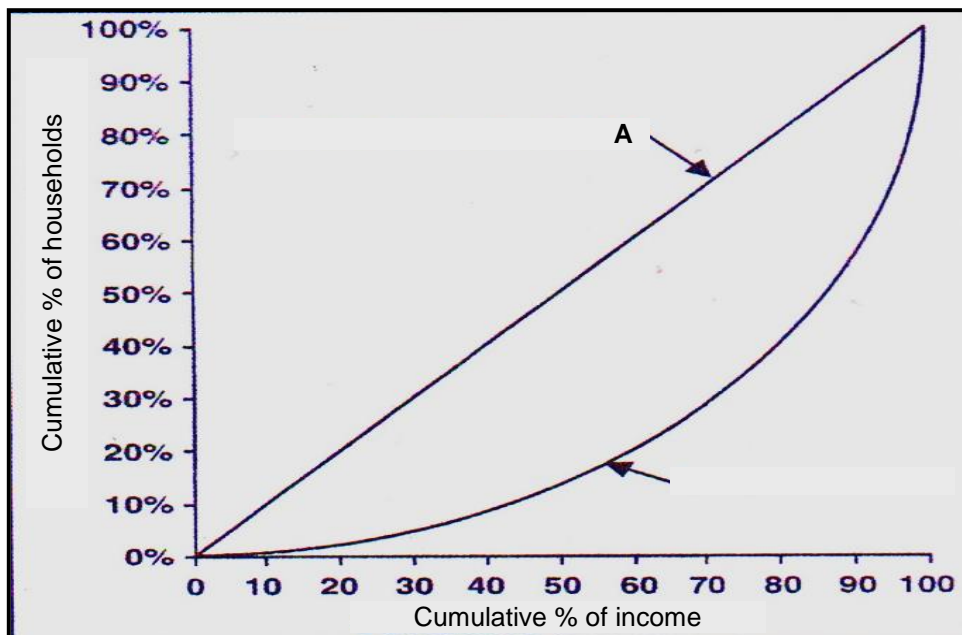
3.2.2 Which sector will be hardest hit according to the extract? (1)

3.2.3 Briefly describe the term *unemployment*. (2)

3.2.4 Explain the negative impact of unemployment on the youth. (2)

3.2.5 Discuss measures that government can use to reduce unemployment in the economy. (2 x 2) (4)

3.3 Consider the graph below and answer the questions that follow.



- 3.3.1 Which economic concept is depicted in the graph above? (1)
- 3.3.2 Provide the label for line A. (1)
- 3.3.3 Briefly describe the term *wealth*. (2)
- 3.3.4 Why does South Africa have one of the highest rates of inequality in the world? (2)
- 3.3.5 Explain the relationship between the Gini coefficient and the Lorenz curve? (4)
- 3.4 Differentiate between economic growth and economic development. (2 x 4) (8)
- 3.5 How does the South African government promote and develop indigenous knowledge systems? (4 x 2) (8)
- [40]**


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

4.1 Answer the following questions.

4.1.1 Name any TWO examples of injections. (2 x 1) (2)

4.1.2 How can technology accelerate economic development in South Africa?
(1 x 2) (2)

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



SOUTH AFRICAN INTEREST RATE

South African Reserve Bank

The South African Reserve Bank slashed its key repo rate by 50 basis points to 3.75% during its May meeting. The move follows a 100-basis points rate cut in April's emergency meeting, bringing borrowing costs to its lowest level on record, amid the coronavirus crisis. Policymakers said that monetary policy can ease financial conditions and improve the resilience of households and firms to the economic implications of the coronavirus outbreak.

[<https://tradingeconomics.com/south-africa/interest-rate>. May, 21 2020]

4.2.1 What led to the drastic cut of the repo rate? (1)

4.2.2 Name ONE risk of too much borrowing in the banking sector. (1)

4.2.3 Briefly describe the term *repo rate*. (2)

4.2.4 How will a cut in the repo rate influence producers? (2)

4.2.5 Which monetary policy measures can be used to influence the quantity of money in the economy?
(2 x 2) (4)

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

FINAL CONSUMPTION EXPENDITURE BY HOUSEHOLDS			
AT CURRENT PRICES (R millions)	2010	2015	2017
Durable goods	136 049	199 971	209 997
Semi-durable goods	133 323	203 082	231 668
Non-durable goods	625 989	962 467	1 124 170
Services	726 476	1 051 760	1 199 221
TOTAL	1 621 836	2 417 271	2 764 397

[Adapted from: Quarterly Bulletin, South African Reserve Bank – March 2018]

- 4.3.1 Give ONE example of a non-durable product. (1)
- 4.3.2 Name ANY ONE other economic participant responsible for spending? (1)
- 4.3.3 Briefly describe the term *durable goods*. (2)
- 4.3.4 Why are the figures above NOT a true reflection of GDE growth? (2)
- 4.3.5 Calculate the percentage contribution of services in the final consumption expenditure by households in 2017. SHOW ALL CALCULATIONS. (4)
- 4.4 Discuss the characteristics of a mixed economic system. (4 x 2) (8)
- 4.5 Examine the impact of high population growth on a developing economy such as South Africa. (4 x 2) (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
<p>Introduction The introduction is a lower-order response.</p> <ul style="list-style-type: none"> • A good starting point would be to determine 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: Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/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/Complete the given graph/Calculate/Deduce/Compare/Explain/Distinguish/Interpret/Briefly debate/How?/Suggest</p>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion Any higher-order conclusion should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned in the body. • Any opinion or value judgement on the facts discussed. • Additional support information to strengthen the discussion/analysis. • A contradictory viewpoint with motivation, if required. • Recommendation/Suggestions. 	<p>Max. 2</p>
<p>TOTAL</p>	<p>40</p>

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

- Discuss the economic importance of the following factors of production for the producers of goods and services:
 - Natural resources (8)
 - Labour (8)
 - Capital (10)(26 marks)
 - Outline the economic effects of Covid-19 lockdown on South African entrepreneurs. (10 marks)
- [40]**

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

- Discuss the methods used to increase economic growth in detail. (26 marks)
 - How can human and natural resources be used to ensure economic development? (10 marks)
- [40]**

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