GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2018

GRADE 11

ECONOMICS

PAPER 1

TIME: 2 hours

MARKS: 150

12 pages

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INSTRUCTIONS AND INFORMATION

Read the following carefully before answering the questions.

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.   Number the answers correctly according to the numbering system used in this question paper.

3.   Write the number of the question above each answer.

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.   Answer only the required number of questions. Answers in excess of the required number will NOT be marked.

9.   Use only black or blue ink.

10. Non-programmable pocket calculators may be used.

11. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1: MULTIPLE-CHOICE QUESTIONS   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 – 1.1.8) in the ANSWER BOOK.

    1.1.1   The size of the sectors of an economy is measured in terms of their contribution to the …

        A   GDP.
        B   GNI.
        C   GNP.
        D   GPS.

    1.1.2   Decision-making within the market economy is ...

        A   concentrated.
        B   decentralised.
        C   autocratic.
        D   centralised.

    1.1.3   The rate at which capital formation takes place indicates economic ...

        A   transformation.
        B   democratisation.
        C   development.
        D   equity.

    1.1.4   The telecommunications regulatory authority of South Africa is known as ...

        A   IDASA.
        B   ICASA.
        C   SABC.
        D   NAPTOSA.

    1.1.5   The Reserve Bank uses the ... policy to influence aggregate money supply.

        A   fiscal
        B   budgetary
        C   demand and supply
        D   monetary

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

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

1.1.7 The nationwide government intervention plan to create employment for the poor and vulnerable is called the ...

    A Industrial Policy Action Plan.
    B Affirmative Action.
    C Expanded Public Works Programme.
    D Black Economic Empowerment (BEE).

1.1.8 The primary objective of NEPAD is to ...

    A stop wars.
    B vote in elections.
    C eradicate poverty.
    D support protests.   (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 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Factors of production	A trade agreement between a group of emerging markets
1.2.2 Macroeconomics	B education and health
1.2.3 Market economy	C reflects the demographic and gender composition of a country
1.2.4 Transport infrastructure	
1.2.5 BRICS	D economic aggregates
1.2.6 Employment equity	E the economic system used in South Africa
1.2.7 Privatisation	F robots & train rails
1.2.8 Social indicators	G inputs into the production process
	H selling of state-owned enterprises to private owners
	I resolves basic economic problems through market forces

                          (8 x 1) (8)

1.3 Identify the concept described in each of the following statements. Write only the term next to the question number (1.3.1 – 1.3.6) in the ANSWER BOOK.

Abbreviations and acronyms will NOT be accepted.

    1.3.1 The sum total of expenditure on goods and services by residents of a country

    1.3.2 The owners of the factors of production

    1.3.3 The sector that contributes the most to the GDP in South Africa and creates many jobs

    1.3.4 The knowledge that is unique to a given culture or community

    1.3.5 The index that measures the inequality of income

    1.3.6 The price a borrower has to pay for purchasing on credit   (6 x 1) (6)

SECTION A: [30]

SECTION B

Answer any TWO of the three questions from 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 examples of *Parastatals* (SOEs).   (2 x 1)   (2)

2.1.2   What impact will an increase in interest rates have on the poor?

(1 x 2)   (2)

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

<div style="border:1px solid">

EXODUS OF COMMERCIAL FARMERS A THREAT
TO SOUTH AFRICA'S FOOD SECURITY

Agricultural experts are warning that the farming sector in South Africa is in trouble and have appealed to the government to act and to prevent commercial farmers from leaving. Currently one dairy farmer is leaving the industry every week, because they are not making money. They have become high-cost producers.

South Africa as a country is beginning to import more and more. The long-term effect is that food will be more expensive. The poor will suffer as they spend 40 – 50% of their income on food. At a time when food security is a big issue in the world, it is certainly a problem that South Africa's farmers are leaving the country.

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[Adapted from *Sunday Times* (Sipho Masondo)]

2.2.1   Give ONE example of input-costs to dairy farmers in South Africa.   (1)

2.2.2   What negative effect will the exodus of farmers have on the consumer?   (1)

2.2.3   Briefly explain the concept *commercial farming.*   (2)

2.2.4   Briefly describe the *primary sector*.   (2)

2.2.5   Why is the exodus of commercial farmers a threat to South Africa's economy?   (2 x 2)   (4)

2.3   Study the table below and answer the questions that follow:

GROSS VALUE ADDED (GVA) ACCORDING TO THE TYPE OF ECONOMIC ACTIVITY			
At current prices (Rm)	**2016**	**At constant 2010 prices (Rm)**	**2016**
Primary sector	398 770	Primary sector	291 143
Secondary sector	815 816	Secondary sector	556 935
Tertiary sector	2 654 870	Tertiary sector	1 945 596
GVA @ basic prices	**3 869 456**	**GVA @ basic prices**	**2 793 674**

[Source: *SARB Quarterly Bulletin*, March 2017]

2.3.1   Which method was used in the calculation of the gross value added (GVA) above?   (1)

2.3.2   Which year is currently used as the *base year* by the SARB?   (1)

2.3.3   Briefly explain the concept *Gross Value Added*.   (2)

2.3.4   Briefly describe the term *Gross National Product* (GNP).   (2)

2.3.5   Distinguish between GDP at *current prices* and GDP at *constant prices*.   (2 x 2)   (4)

2.4   Differentiate between *money capital* and *real capital*.   (2 x 4)   (8)

2.5   Why do many countries prefer to use the mixed economic system?   (8)

[40]

QUESTION 3: ECONOMIC PURSUITS   40 MARKS – 30 MINUTES

3.1   Answer the following questions.

3.1.1   List TWO economic indicators used to compare South Africa with the rest of Africa.   (2 x 1)   (2)

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

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

LIFE EXPECTANCY TRENDS IN AFRICA

Africa Month – our continent celebrates from Ras ben Sakka in Tunisia to Cape Agulhas in South Africa

Life expectancy surged by over 20 percent in many countries between 2000 and 2016, according to World Bank figures. Much of this is due to more affordable medication and the availability of antiretroviral drugs.

YEAR	LIFE EXPECTANCY AT BIRTH WITHOUT HIV	LIFE EXPECTANCY AT BIRTH WITH HIV
2014	65,5	52,1
2015	66,3	56,0
2016	67,9	58,7
2017	67,1	61,2

[Source: www.statssa.gov.za/Public Sector Manager – May 2017]

3.2.1   Name the type of indicator under which life expectancy is classified.   (1)

3.2.2   Give ONE reason for low life expectancy levels in Africa.   (1)

3.2.3   Explain the term *life expectancy.*   (2)

3.2.4   What impact will HIV / AIDS have on productivity levels?   (2)

3.2.5   Evaluate the factors which brought about the improvement in life expectancy from 52,1 years to 61,2 years?   (2 x 2)   (4)

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

RURAL-URBAN MIGRATION
THE RESULT OF PULL AND PUSH FACTORS

The process of urbanisation is connected to levels of development in a country in terms of housing, size of families and how people live. Although it is believed that urbanisation leads to better living conditions, it is not always the case. In many instances, it is easier for rural dwellers to meet subsistence needs.

[Source: *Google images.com*]

3.3.1 List ONE *positive effect* of rural-urban migration. (1)

3.3.2 Name ONE word for *rural-urban migration*. (1)

3.3.3 Which push factor causes *Xenophobia* in big cities? (2)

3.3.4 Why is it not always the case that urbanisation leads to better living conditions? (2)

3.3.5 What can the South African government do to prevent rural-urban migration? (2 x 2) (4)

3.4 Discuss money as a *medium of exchange* and a *store of value*. (2 x 4) (8)

3.5 Evaluate the effectiveness of education in terms of service delivery. (8)

[40]

QUESTION 4: MACROECONOMICS & ECONOMIC PURSUITS

40 MARKS– 30 MINUTES

4.1 Answer the following questions.

    4.1.1 Name TWO methods used to calculate national income aggregates.

                  (2 x 1) (2)

    4.1.2 What is the use of the Gini-coefficient?   (1 x 2) (2)

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

SA has an appetite for fast-food

Forget German cars and luxury watches, as fast-food consumption could be the most reliable indicator of prosperity for the middle class in South Africa.

Investec chief economist, Annabel Bishop, said recently that real incomes per person are *contracting*. The Gross National Income has declined, not because of inflation, but because economic activity is grinding slower. Business confidence is low and unemployment remains in the region of 25 %. Why then, is fast-food consumption still climbing?

According to Insight Survey, one of the reasons is an increase in the number of women in the labour force. This means more double-income homes and more disposable cash overall. According to BMI, South Africa is also typified by "high meat consumption" and a "strong eat-out culture", both of which are driving factors for fast-food companies.

[Source: *mg.co.za/business*]

    4.2.1 List ONE example of non-durable goods in the fast-food industry.   (1)

    4.2.2 What is contributing to the growth in fast-food consumption in South Africa?   (1)

    4.2.3 What impact will more disposable income have on production?   (2)

    4.2.4 Explain briefly the concept *GNI (Gross National Income)*.   (2)

    4.2.5 Explain TWO economic activities that are happening during a contracting phase of the economy.   (2 x 2) (4)

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

> **Land Reform – a pillar of radical economic transformation**
>
> Maleshoane Mokhochane-Moeti, a cattle and crop farmer from Wesselsbron in the Free State, said Operation Phakisa *(Hurry up in Sesotho)* is the answer towards growing the agricultural economy. She acquired land through the land redistribution programme in 2005 and this was when she fell in love with agriculture. She said that, as a black African woman, it was an honour to be part of the launch.
>
> During the launch, South Africa's Department of Agriculture, Forestry and Fisheries signed a protocol agreement with China . "The agreement will give effect to the export of South African beef to China and unlock opportunities for our black smallholder farmers to access the Chinese market."

[Source: *Public Sector Manager* – May 2017]

4.3.1 Give ONE example of crop farming. (1)

4.3.2 Which trade agreement does South Africa and China form part of? (1)

4.3.3 How could the poor benefit from land reform? (2)

4.3.4 Briefly explain the main focus area of *Operation Phakisa*. (2)

4.3.5 Differentiate between *land redistribution* and *land restitution*. (2 x 2) (4)

4.4 Explain the methods used to create *wealth through savings*. (4 x 2) (8)

4.5 How can procurement benefit the marginalised people in South Africa? (8)

[40]

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	Max.2
Body: **Main part:** Discuss in detail / in-depth discussion / Examine Discuss / Analyse / Compare / Evaluate / Distinguish / Explain Assess / Debate	Max. 26
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	Max. 10
Conclusion: Any relevant higher order conclusion that should include: - A brief summary of what has been discussed / analysed without repeating facts already mentioned in the body - An opinion or valued judgement on the facts discussed - Additional support information to strengthen the discussion / analysis - A contradictory viewpoint with motivation, if so required - Recommendations	Max. 2
TOTAL	**40**

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

- Discuss the economic importance of infrastructure in South Africa.   (26)

- How can we solve the water crisis in South Africa?   (10)

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

- Discuss in detail the characteristics of developing countries.   (26)

- Evaluate income inequality with the aid of a graph.   (10)

SECTION C: [40]

TOTAL: 150

END