



# higher education & training

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

## **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**ECONOMICS N5**

**24 November 2021**

**This marking guideline consists of 8 pages.**

**SECTION A (COMPULSORY)****QUESTION 1**

1.1	1.1.1	B		
	1.1.2	B		
	1.1.3	B		
	1.1.4	C		
	1.1.5	B		
	1.1.6	C		
	1.1.7	B		
	1.1.8	C		
	1.1.9	D		
	1.1.10	A		
			(10 × 2)	(20)
1.2	1.2.1	False		
	1.2.2	True		
	1.2.3	False		
	1.2.4	True		
	1.2.5	True		
	1.2.6	False		
	1.2.7	True		
	1.2.8	False		
	1.2.9	True		
	1.2.10	True		
			(10 × 2)	(20)
1.3	1.3.1	E		
	1.3.2	D		
	1.3.3	C		
	1.3.4	A		
	1.3.5	B		
			(5 × 2)	(10)
				<b>[50]</b>

**TOTAL SECTION A: 50**

## SECTION B

### QUESTION 2

- 2.1 2.1.1 Inflation is a sustained increase in the general price level over an extended period of time. (2)
- 2.1.2
- Demand-pull inflation: When demand is greater than supply
  - Cost-push inflation: When cost of production rises
  - Stagflation: Condition in which high rates of unemployment and of inflation occur at the same time
  - Creeping inflation: A moderate inflation rate over a relatively long period advancing at a reasonably even speed (Any 2 × 3) (6)
- 2.1.3
- Goods of that country becoming more internationally competitive increasing exports and growth
  - Increased rates of return for savers
  - Improved confidence, encouraging firms to invest and boost long-term economic growth
  - Increased disposable incomes (if nominal wage growth is constant) (4)
- 2.2 2.2.1 National income at factor cost = wages + rent + interest + profit✓  
= 5 673 + 1 934 + 4 739 + 5 892✓  
= 18 238 billion✓✓ (4)
- 2.2.2
- Investing in technology infrastructure/research
  - Encouraging new management techniques
  - Improving quality/quantity of resources
  - Promoting entrepreneurial activities
  - Subsidising training schemes
  - Subsidising research development
  - Building new infrastructure (Any 4 × 2) (8)
- 2.2.3 Domestic income is generated by all economic activities that occur within the boundaries of a country. National income is generated by all economic activities by residents of a country during a year. (2 + 2) (4)
- 2.2.4
- Compare rates of interest before borrowing.
  - Do not borrow more than you can repay.
  - Check if there are penalties for late payments.
  - Complete a cash budget to calculate affordability.
  - Do not borrow if your job is insecure. (Any 2 × 2) (4)