



# higher education & training

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

NATIONAL CERTIFICATE

**ECONOMICS N5**

(22020095)

**23 November 2022 (X-paper)**

**09:00–12:00**

**Calculators may be used.**

**This question paper consists of 13 pages.**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**  
**REPUBLIC OF SOUTH AFRICA**  
NATIONAL CERTIFICATE  
ECONOMICS N5  
TIME: 3 HOURS  
MARKS: 200

---

NOTE: If you answer more than the required number of questions, only the required number will be marked. All work you do not want to be marked, must be clearly crossed out.

**INSTRUCTIONS AND INFORMATION**

1. Answer all the questions in SECTION A.
  2. Answer any THREE of the four questions in SECTION B.
  3. Read all the questions carefully.
  4. Number the answers according to the numbering system used in this question paper.
  5. Start each section on a new page.
  6. Use only a blue or black pen.
  7. Round off all calculations to TWO decimals.
  8. Write neatly and legibly.
-

**SECTION A**

Answer ALL the questions in SECTION A.

**QUESTION 1**

Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1–1.25) in the ANSWER BOOK.

- 1.1 The marginal product of labour indicates ...
- A which employee is the most productive.
  - B the average output produced by each employee.
  - C the additional output produced by the last employee hired.
  - D how much money the firm can make from hiring each employee.
- 1.2 The value of the marginal product is calculated by multiplying the ...
- A marginal product by the price of the product.
  - B quantity of labour by the wage rate.
  - C wage by the price of the product.
  - D total product by the wage rate.
- 1.3 Diminishing marginal returns occur because ...
- A hiring more employees means that each has less capital with which to work.
  - B it is more difficult to manage a firm as the size of the workforce and capital stock both grow.
  - C the best employees will always be hired first.
  - D hiring more employees means that they will subdivide tasks and therefore become more efficient.
- 1.4 A profit-maximising firm hires labour up to the point where the ...
- A wage times the quantity of labour equals the marginal product.
  - B price equals the wage.
  - C price equals the quantity of labour.
  - D wage equals the value of the marginal product.
- 1.5 A company finds that the value of the marginal product for the current level of employment is R53 and the wage rate is R45. Which ONE of the following is correct?
- A Too much labour is currently employed and the firm will lay off some workers.
  - B The firm should shut down and produce nothing.
  - C The firm is employing the profit-maximising quantity of labour.
  - D Too few workers are currently employed and the firm has to hire more workers.