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basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ECONOMICS P2

2022

MARKS: 150

TIME: 2 hours

This question paper consists of 12 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. Write the question number above each answer.
5. Read the questions carefully.
6. Start EACH question on a NEW page.
7. Leave 2–3 lines between subsections of questions.
8. 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.
9. Use only black or blue ink.
10. You may use a non-programmable pocket calculator.
11. 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 answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.8) in the ANSWER BOOK, e.g. 1.1.9 D.
- 1.1.1 The revenue derived from the sale of one additional unit of a product is called ... revenue.
- A average
 - B extra
 - C total
 - D marginal
- 1.1.2 The institution that investigates restrictive business practices is the Competition ...
- A Commission.
 - B Tribunal.
 - C Appeal Court.
 - D Policy.
- 1.1.3 The cost that changes with the level of output is known as ... cost.
- A marginal
 - B variable
 - C average
 - D fixed
- 1.1.4 A market structure that is dominated by two producers is called ...
- A a perfect market.
 - B a monopoly.
 - C monopolistic competition.
 - D a duopoly.
- 1.1.5 A situation where prices rise so rapidly that people lose confidence in the value of money can be regarded as ...
- A inflation.
 - B stagflation.
 - C hyperinflation.
 - D headline inflation.
- 1.1.6 When tourists visit South African game farms, it is referred to as ... tourism.
- A eco-
 - B business
 - C cultural
 - D outbound

1.1.7 The command and control approach that focuses on the environmental impact of pollution is called ...

- A quantity standards.
- B quality standards.
- C a voluntary agreement.
- D the Rio +20 Agreement.

1.1.8 The process where trees are removed from the land and not replaced is known as ...

- A degradation.
- B erosion.
- C deforestation.
- D recycling.

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A–I) next to the question numbers (1.2.1 to 1.2.8) in the ANSWER BOOK, e.g. 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Market	A increase in salaries that results in workers paying a higher income tax rate
1.2.2 Imperfect market	B imposed on the output of goods that generates external environmental cost
1.2.3 Minimum wage	C traditions, rituals or music that are unique to a given culture or society
1.2.4 Merit goods	D firms that have control over the market price
1.2.5 Core inflation	E mechanism that brings together buyers and sellers of goods and services
1.2.6 Bracket creep	F these are undersupplied by the market but beneficial to society
1.2.7 Indigenous knowledge system	G excludes items from the CPI basket that show high price volatility
1.2.8 Green taxes	H market structure with a few firms selling heterogeneous products
	I the lowest amount that employers are required by the government to pay their workers

(8 x 1) (8)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 The period of production in which at least one of the factors of production is fixed

1.3.2 A market in which illegal goods are bought and sold

1.3.3 The cost to society that is not included in the market price

1.3.4 Tourists from other countries who come to South Africa to visit places of interest

1.3.5 Type of inflation where the aggregate demand for goods and services exceeds the aggregate supply

1.3.6 The ability of an environment to survive its use for economic activity

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

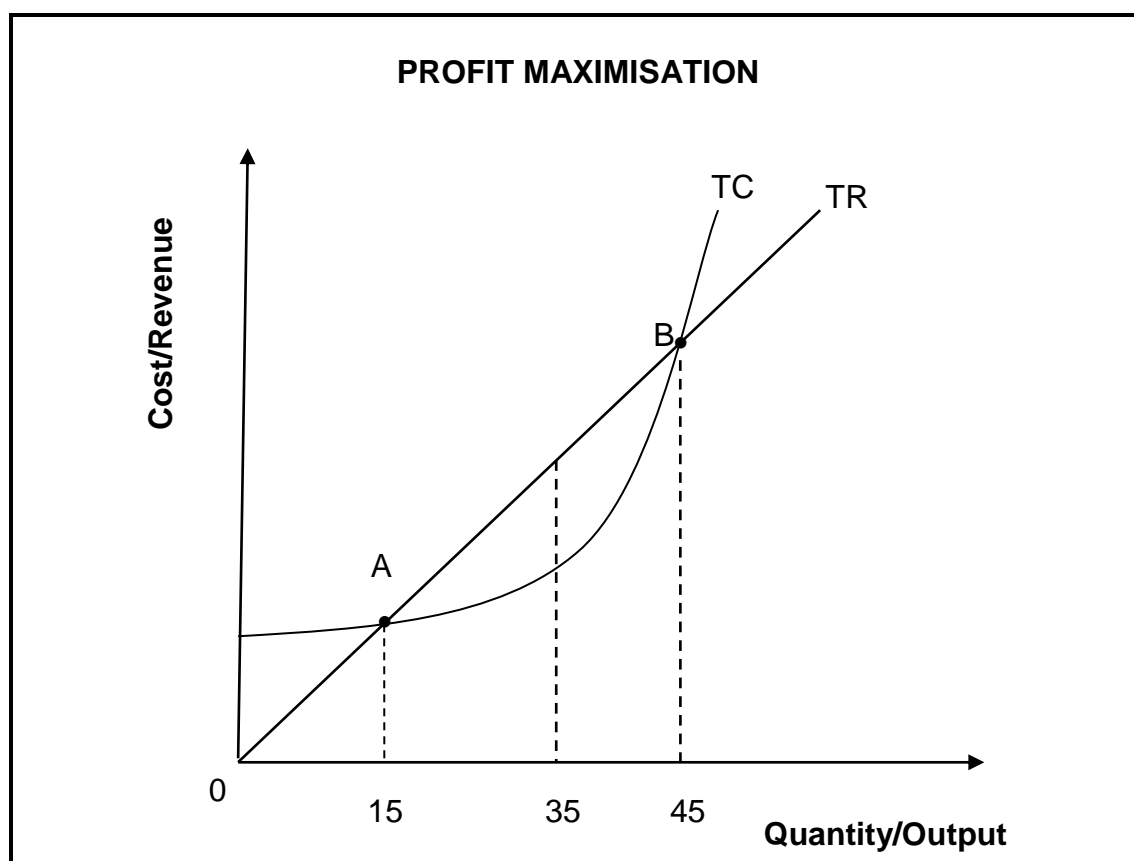
QUESTION 2: MICROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name TWO broad types of monopolies. (2 x 1) (2)

2.1.2 How would an increase in the number of firms in a perfect market impact on the prices of goods and services? (1 x 2) (2)

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



2.2.1 Which market structure is represented by the graph above? (1)

2.2.2 Name point **A** in the graph above. (1)

2.2.3 Briefly describe the term *explicit cost*. (2)

2.2.4 Why would firms incur costs even when the output is zero? (2)

2.2.5 Use the graph above to explain how profit maximisation is achieved by the firm. (2 x 2) (4)

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

COSTS AND BENEFITS OF BUILDING A BRIDGE		
PARTICULARS		AMOUNT
Benefits		
A	Reduced transport costs for individuals	R210 000
B	Opportunities for new businesses	R30 000
C	Subsidies from government	R40 000
	Total benefits (A + B + C)	R280 000
Costs		
D	Labour costs	R150 000
E	Cost of building materials and equipment	R15 000
F	Destruction of plants and animals	R50 000
	Total costs (D + E + F)	R200 000
[Adapted from http:// www.wallstreetmojo]		

- 2.3.1 Identify ONE example of an external benefit in the table above. (1)
- 2.3.2 Name the sector in which a cost benefit analysis is applied. (1)
- 2.3.3 Briefly describe the term *social costs*. (2)
- 2.3.4 How can a lack of information among entrepreneurs lead to market failure? (2)
- 2.3.5 Determine whether the project is viable or not by calculating the cost benefit ratio. Show ALL calculations. (4)
- 2.4 Briefly discuss *product differentiation* and *control over prices* in monopolistic competition. (8)
- 2.5 How would the implementation of maximum prices impact negatively on the economy? (8)
- [40]**

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO World Heritage Sites of historical and cultural importance in South Africa. (2 x 1) (2)

3.1.2 How can the granting of property rights help conserve the environment? (2)

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



3.2.1 Identify the health risk faced by the tourists in the cartoon above. (1)

3.2.2 What type of tourism is associated with 'Happy Holidays!!'? (1)

3.2.3 Briefly describe the term *transit tourist*. (2)

3.2.4 Explain the purpose of levying taxes on tourists. (2)

3.2.5 How can infrastructure development promote tourism? (2 x 2) (4)

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

The loss of biodiversity over the last few centuries

CENTURIES	POPULATION	LAND CONVERTED FOR HUMAN USE	LOSS OF SPECIES IN ECOSYSTEMS
1 800	0,9 billion	7,6%	-1,8%
2 100	12 billion	49,1%	-17%

[Adapted from www.iberdrola.com]

3.3.1 Identify the term that refers to the variety of plant and animal life in an ecosystem. (1)

3.3.2 Name ONE animal that is threatened by extinction in South Africa. (1)

3.3.3 Briefly describe the term *preservation*. (2)

3.3.4 Explain the importance of education campaigns to prevent environmental degradation. (2)

3.3.5 How is the loss of biodiversity being addressed internationally? (2 x 2) (4)

3.4 Briefly discuss the effects of tourism on *externalities* and *poverty*. (2 x 4) (8)

3.5 How can the government promote a green economy in South Africa? (8)
[40]

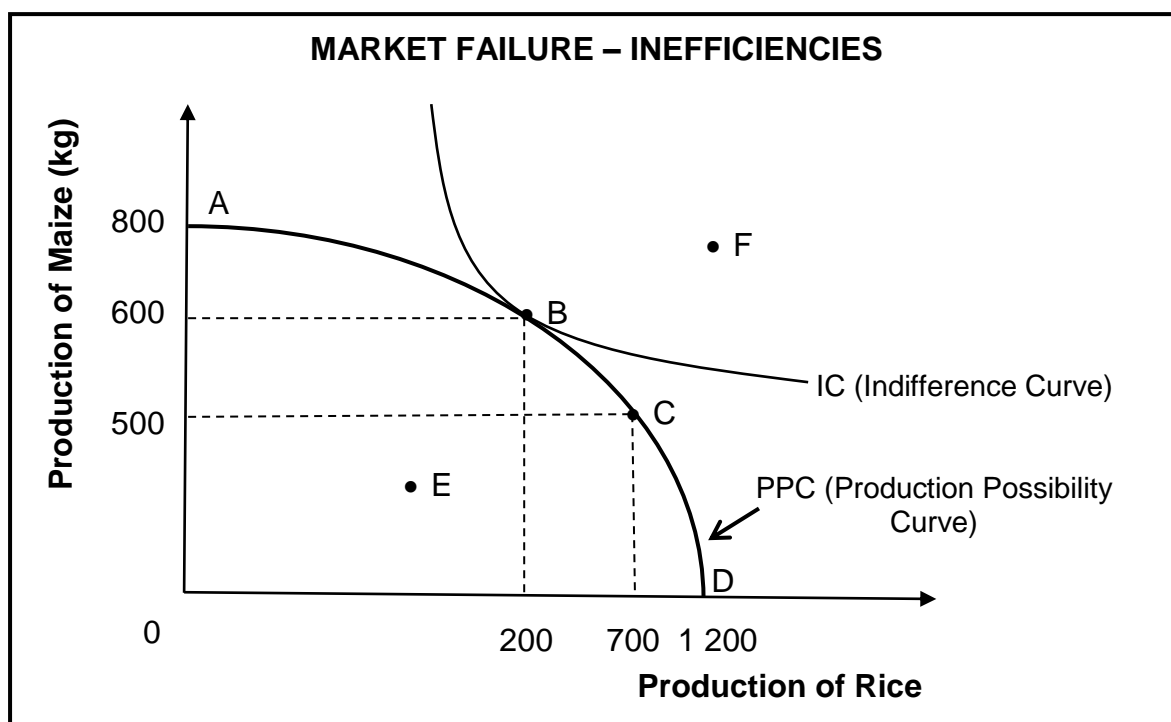
QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Give any TWO examples of monopolistic competitive markets. (2 x 1) (2)

4.1.2 How can a decrease in interest rates cause inflation? (2)

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



4.2.1 Identify the curve that relates to allocative efficiency. (1)

4.2.2 What quantity of rice will be supplied if 800 units of maize are produced? (1)

4.2.3 Briefly describe the term *market failure*. (2)

4.2.4 How can the government discourage the consumption of demerit goods? (2)

4.2.5 Why will production at point E be regarded as inefficient? (2 x 2) (4)

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



- 4.3.1 Identify the international agreement in the cartoon above that limits the production of greenhouse gases. (1)
- 4.3.2 Give ONE example of a fossil fuel. (1)
- 4.3.3 Briefly describe the term *global warming*. (2)
- 4.3.4 Explain the Basel Convention agreement to reduce environmental damage. (2)
- 4.3.5 How can producers contribute to environmental sustainability? (2 x 2) (4)
- 4.4 With the aid of a correctly labelled graph, explain economic profit in a perfect market. (8)
- 4.5 Analyse the challenges faced by the tourism industry in South Africa. (8)
- [40]**

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. <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 the introduction. • Do NOT repeat any part of the introduction in the body. • Avoid mentioning in the introduction what you are going to discuss in the body. 	Max. 2
Body Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/Draw a graph and explain/Use the graph given and explain/Complete the given graph/Assess/Debate A maximum of 8 marks may be allocated for headings/examples. Additional part: Critically discuss/Evaluate/Critically evaluate/Debate/Deduce/Compare/Distinguish/Interpret/How?/Suggest A maximum of 2 marks may be allocated for mere listing of facts.	Max. 26 Max. 10
Conclusion Any higher-order conclusion should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or valued judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40

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

- Examine oligopoly as a market structure in detail. (26 marks)
- How can the government discourage firms from engaging in anti-competitive behaviour? (10 marks)

[40]**QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES**

- Discuss in detail the measures to combat inflation. (26 marks)
- How do inflationary expectations affect the various role players in the economy? (10 marks)

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150