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basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ECONOMICS P1

NOVEMBER 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 Products that consumers can use repeatedly to satisfy their needs for many years are called ... goods.
- A semi-durable
 - B non-durable
 - C perishable
 - D durable
- 1.1.2 The buying and selling of government securities to control the money supply is known as ...
- A moral suasion.
 - B cash reserve requirements.
 - C open-market transactions.
 - D interest rate changes.
- 1.1.3 Public goods that are non-excludable and non-rival in consumption are called ... goods.
- A community
 - B collective
 - C demerit
 - D merit
- 1.1.4 The balance of payments account that records transactions related to exports and imports of goods and services is known as the ... Account.
- A Financial
 - B Current
 - C Capital Transfer
 - D Reserve
- 1.1.5 A trade protocol that is meant to improve trade relationships between the United States of America and Africa is called the ...
- A European Union.
 - B Southern African Customs Union.
 - C African Growth and Opportunity Act.
 - D Multilateral Monetary Area.
- 1.1.6 A redress measure that aims to compensate citizens who lost their land due to discriminatory laws of the past is known as ...
- A land redistribution.
 - B property subsidy.
 - C land reform.
 - D land restitution.

1.1.7 The Platinum Spatial Development Initiative (SDI) focuses on ...

- A mining and agritourism.
- B forestry and agri-processing.
- C information, technology and telecommunications.
- D transport and tourism.

1.1.8 An indicator that measures the number of children who die before the age of one year is called ...

- A spending on health.
- B infant mortality rate.
- C under-five mortality rate.
- D access to sanitation.

(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	Money flow	A	a document that sets out the government's expected expenditure and income over a three-year period
1.2.2	Keynesian approach		
1.2.3	Medium-term Expenditure Framework	B	production of a wide range of goods and services
1.2.4	Unrecorded transactions	C	refers to the world's developed countries and developing countries
1.2.5	Diversification	D	focuses on using science and technology to promote and expand industrialisation
1.2.6	North-South divide		
1.2.7	National Research and Development Strategy	E	income and expenditure between the participants in the economy
1.2.8	Repo rate	F	maintains that markets are inherently unstable and economic fluctuations are caused by internal factors
		G	the price paid by commercial banks for borrowing money from the South African Reserve Bank
		H	maintains that markets are inherently stable and economic fluctuations are caused by external factors
		I	an item in the balance of payments that caters for any omissions and errors

(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 total market value of all final goods and services produced by permanent citizens of a country within a specific period
- 1.3.2 When resources are allocated in such a way that no one can be made better off without making someone else worse off
- 1.3.3 Compares a country's export prices with its import prices by means of indexes
- 1.3.4 Selling goods in a foreign market at prices that are below the cost of production in the country of origin
- 1.3.5 A tract of land that forms a passageway which allows access from one area to another to promote regional development
- 1.3.6 The number of employed persons expressed as a percentage of the economically active population (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 macroeconomic objectives of the public sector. (2 x 1) (2)

2.1.2 Why are subsidies on products subtracted when converting gross domestic product (GDP) at basic prices to GDP at market prices? (1 x 2) (2)

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

THE MORE YOU EARN, THE MORE YOU PAY RATES OF TAX FOR INDIVIDUALS	
TAXABLE INCOME (RAND)	RATE OF TAX (2021/22)
1–216 200	18% of taxable income
216 201–337 800	38 916 + 26% of taxable income above 216 200
337 801–467 500	70 532 + 31% of taxable income above 337 800
467 501–613 600	110 739 + 36% of taxable income above 467 500
613 601–782 200	163 335 + 39% of taxable income above 613 600
782 201–1 656 600	229 089 + 41% of taxable income above 782 200
1 656 601 and above	587 593 + 45% of taxable income above 1 656 600

[Source: <http://www.treasury.gov.za>]

2.2.1 Identify the marginal tax rate for a person earning between R216 201 and R337 800 per year. (1)

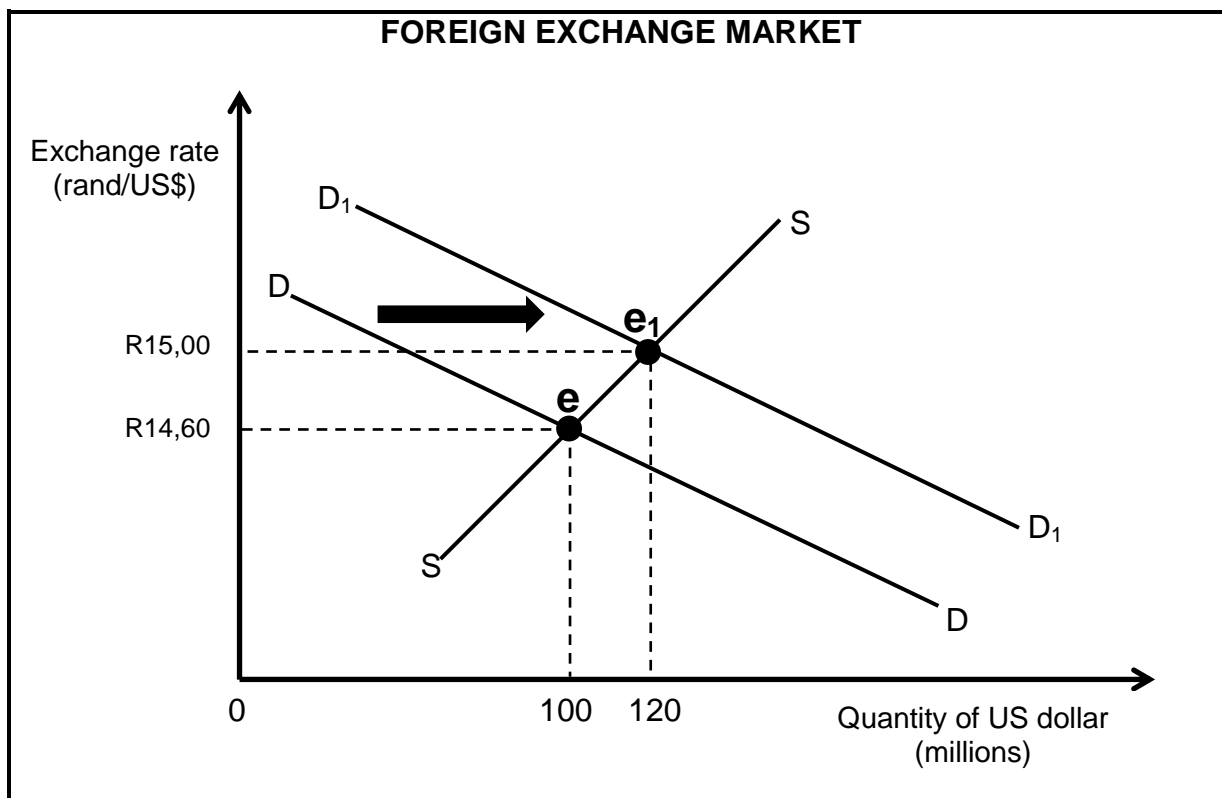
2.2.2 Name the income tax system represented by the table above. (1)

2.2.3 Briefly describe the term *fiscal policy*. (2)

2.2.4 Explain the effect of high tax rates on taxpayers in a country. (2)

2.2.5 Use the information in the table above to calculate the income tax payable if one receives an annual income of R480 000. (4)

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



- 2.3.1 Identify the original exchange rate in the graph above. (1)
- 2.3.2 Name the exchange rate system used in South Africa. (1)
- 2.3.3 Briefly describe the term *devaluation*. (2)
- 2.3.4 What is the benefit of a surplus on the current account of the balance of payments? (2)
- 2.3.5 With reference to the graph above, explain the effect of the increase in the demand for US dollar on the value of the rand. (2 x 2) (4)
- 2.4 Explain the interrelationship between *households* and *businesses* in the circular-flow model. (4 x 2) (8)
- 2.5 Analyse the problems faced by the South African government in providing public goods and services. (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 forms of economic integration. (2 x 1) (2)

3.1.2 Why do people often migrate to cities and urban areas? (1 x 2) (2)

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

[Source: www.google.com]

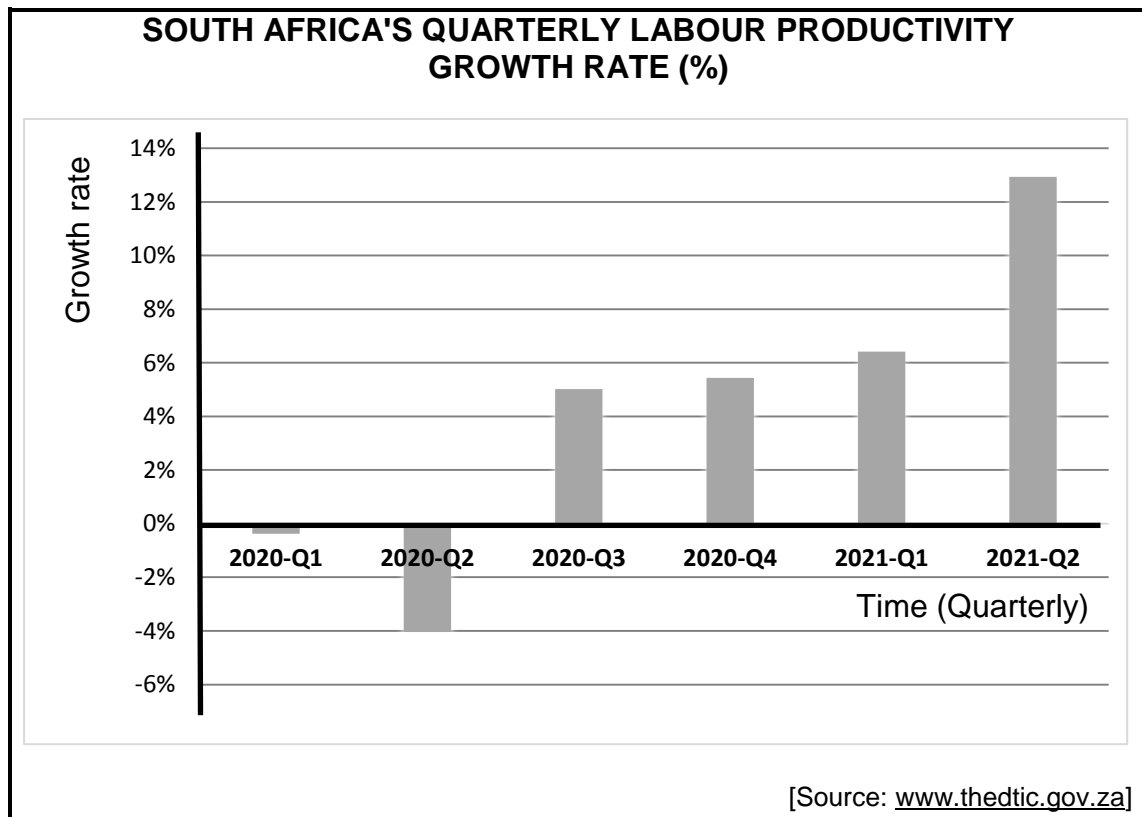
3.2.1 Identify the international trade policy depicted by the cartoon above. (1)

3.2.2 What does the abbreviation *WTO* stand for? (1)3.2.3 Briefly describe the term *import substitution*. (2)

3.2.4 Why is it necessary for infant industries to be protected? (2)

3.2.5 How can South Africa benefit from free trade? (2 x 2) (4)

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



- 3.3.1 Identify, in the graph above, the period in which South Africa experienced the highest negative growth rate. (1)
- 3.3.2 Name any ONE institution that publishes economic indicators in South Africa. (1)
- 3.3.3 Briefly describe the term *social indicator*. (2)
- 3.3.4 Explain the impact of an increase in labour productivity on businesses. (2)
- 3.3.5 How can the government improve the productivity of the South African labour force? (2 x 2) (4)
- 3.4 Briefly discuss *subsidies* and *incentives* as methods of export promotion. (2 x 4) (8)
- 3.5 Evaluate South Africa's regional development policies in terms of the international benchmark criteria. (4 x 2) (8)
- [40]**

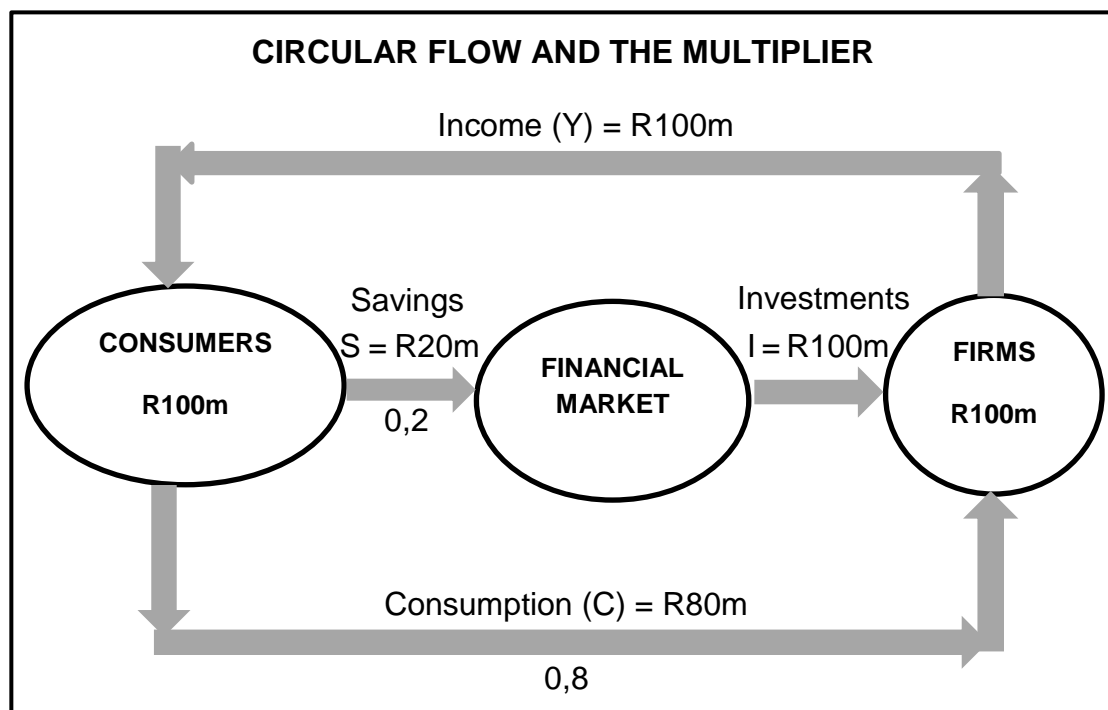
QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name any TWO effects of international trade. (2 x 1) (2)

4.1.2 How does Broad-Based Black Economic Empowerment (BBBEE) promote industrial development? (1 x 2) (2)

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



4.2.1 Identify the value of marginal propensity to save (mps) in the diagram above. (1)

4.2.2 Name the leakage that relates to the foreign sector. (1)

4.2.3 Briefly describe the term *autonomous consumption*. (2)

4.2.4 Explain the importance of savings in the economy. (2)

4.2.5 Use the marginal propensity to consume (mpc) in the diagram above to determine the value of the multiplier. Show the formula and ALL calculations. (2 x 2) (4)

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

INDUSTRIAL DEVELOPMENT IN SOUTH AFRICA

The mission of the Department of Trade, Industry and Competition (DTIC) is to promote structural transformation towards a dynamic industrial and globally competitive economy.

The critical infrastructure facilities (CIFs), among other incentives, aim to attract investment by supporting infrastructure that is deemed to be critical. The South African government is implementing the CIFs to stimulate investment growth in line with the National Industrial Policy Framework (NIPF).

[Source: www.thedtic.gov.za]

- | | | |
|-------|--|-------------|
| 4.3.1 | Identify the policy that sets out the government's approach to industrialisation. | (1) |
| 4.3.2 | Name any other incentive provided by the DTIC to promote industrial development in South Africa. | (1) |
| 4.3.3 | Briefly describe the term <i>special economic zones (SEZs)</i> . | (2) |
| 4.3.4 | How can an increase in international oil prices slow down industrial development? | (2) |
| 4.3.5 | Why is infrastructure development in previously neglected areas important? | (2 x 2) (4) |
| 4.4 | Briefly discuss <i>population growth</i> and <i>life expectancy</i> as demographic indicators. | (2 x 4) (8) |
| 4.5 | How can South Africa reduce imports in order to correct a balance of payments deficit? | (4 x 2) (8) |
| | | [40] |

TOTAL SECTION B: 80

Your answer will be assessed as follows:

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