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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ECONOMICS P2

2023

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 18 pages.

SECTION A (COMPULSORY)**QUESTION 1****30 MARKS – 20 MINUTES****1.1 MULTIPLE-CHOICE QUESTIONS**

1.1.1 C - marginal ✓✓

1.1.2 A - advertising ✓✓

1.1.3 B - productively ✓✓

1.1.4 D - total cost ✓✓

1.1.5 B - administered ✓✓

1.1.6 A - transit ✓✓

1.1.7 D - air ✓✓

1.1.8 C - quality ✓✓

(8 x 2) (16)

1.2 MATCHING ITEMS

1.2.1 D - actual expenditure of a business such as wages and rent✓

1.2.2 I - a marketing strategy by which firms seek to increase sales through methods such as extended shopping hours ✓

1.2.3 E - set above the market equilibrium to assist the producer in making a profit ✓

1.2.4 B - incurred by consumers when they buy goods ✓

1.2.5 A - pertains to the cost of living ✓

1.2.6 H - the activity of people travelling to and staying outside their usual environment for no longer than one year ✓

1.2.7 C - a variety of plant and animal species in a particular area ✓

1.2.8 F - imposed on the output of goods that generate external costs ✓

(8 x 1) (8)

1.3 GIVE THE TERM

1.3.1 Long-run / Long-term ✓

1.3.2 Shut down ✓

1.3.3 Social benefit ✓

1.3.4 Stagflation ✓

1.3.5 Domestic tourists ✓

1.3.6 Deforestation ✓

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the three questions in this section.

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

2.1 Answer the following questions.

2.1.1 **Name TWO types of costs that are used to calculate the total costs of a firm.**

- Variable ✓
- Fixed ✓

(2 x 1) (2)

2.1.2 **How does the government address the challenge of an oversupply of demerit goods?**

Government levies taxes such as sin tax to discourage consumption of demerit goods which will reduce the quantities supplied. ✓✓

(Accept any other correct relevant response) (1 x 2) (2)

2.2 **DATA RESPONSE**

2.2.1 **Identify any ONE term from the extract that relates to price formation.**

Demand/Supply ✓ (1)

2.2.2 **Name the market structure where price fixing is common.**

Oligopoly ✓ (1)

2.2.3 **Briefly describe the term *cartel*.**

It is an organisation of firms coming together operating like a monopoly / Firms coming together to limit the quantity and fix prices. ✓✓
(Accept any other correct relevant response)

(2)

2.2.4 **Explain the role of competition commission in the economy.**

- Competition Commission investigates, controls and evaluates restrictive business practices, abuse of dominant positions and mergers in different markets. ✓✓
- Makes recommendations to the Competition Tribunal on penalties to be imposed on businesses that are found guilty ✓✓
(Accept any other correct relevant response)

(2)

2.2.5 How can low prices negatively affect the producers of goods and services?

- The producers may not be able to make sufficient revenue to cover production costs. ✓✓
 - Lower profits may result in businesses unable to pay their employees leading to retrenchments. ✓✓
 - Investors may withdraw their investment resulting in producers not having enough funds to continue doing business. ✓✓
- (Accept any other correct relevant response) (2 x 2) (4)

2.3 DATA RESPONSE**2.3.1 Identify the original market price from the above graph.**

P ✓

(1)

2.3.2 Name any ONE product on which the government can offer a subsidy to consumers.

- Brown bread ✓
- Public transport ✓
- Milk ✓
- Housing ✓
- Solar panels ✓

(Accept any other correct relevant response)

(1)

2.3.3 Briefly describe the term *market failure*.

Market failure occurs when the forces of demand and supply fail to allocate resources efficiently / Market failure exists when the best available (optimal) production output has not been achieved ✓✓

(Accept any other correct relevant response)

(2)

2.3.4 Explain the effect of subsidies on producers of goods and services.

- The subsidy helps reduce the production costs for the producers. ✓✓
- The producers will produce more goods and services and sell at lower prices ✓✓

(Accept any other correct relevant response)

(2)

2.3.5 Why are markets reluctant (unwilling) to produce public goods?

- Provision of public goods is not profitable which may discourage private businesses ✓✓
- Public goods are non-excludable and consumption cannot be confined only to those who paid for them. ✓✓
- There is no way of measuring how much a person consumes a public good and therefore, there is no basis to establish a market price. ✓✓
- High start-up capital is needed to provide public goods which private businesses may not have. ✓✓
- Public goods are non-rivalry which means that consumption by one person does not reduce consumption by another individual, hence the market cannot determine a price for these goods. ✓✓

(Accept any other correct relevant response)

(2 x 2)

(4)

2.4 Briefly discuss *immobility of factors of production and imperfect competition* as causes of market failure.

Immobility of factors of production

- Factors of production are very often immobile and take time to move from one place to another. ✓✓
- The supply of skilled labour/entrepreneurs cannot be increased because of the time it takes to be trained or educated. ✓✓
- Land and physical capital, such as factory buildings or infrastructure such as telephone lines cannot be reallocated easily. ✓✓
- Structural changes like a change from producing plastic packets to paper packets might take time for workers to adjust. ✓✓
- Technological changes may need workers to be flexible and willing to update their skills throughout their life. ✓✓

(Max 4)

Imperfect competition

- Competition in market economies is limited by the power of certain producers to prevent new businesses from entering the market. ✓✓
- Barriers to entry are created because of advertising, a lack of capital and the controlling of resources. ✓✓
- The imperfect market does not allow for price negotiations. ✓✓
- Advertising is used to promote producer dominance which encourages consumers to buy existing products. ✓✓

(Accept any other correct relevant response)

(Max 4)

(Allocate a maximum of 4 marks for a mere listing of facts/examples)

(8)

2.5 How can an exit of firms in a perfect market affect the economy?

- There will be a decrease in competition due to limited number of firms in the market. ✓✓
- Prices of goods and services are likely to increase because of a decrease in supply. ✓✓
- Unemployment levels will increase as some businesses shut-down their operations. ✓✓
- The aggregate demand for goods and services will decrease due to a decrease in employment levels. ✓✓
- The remaining businesses may enjoy economic profit due to an increase in prices. ✓✓
- Government will collect less revenue due to reduced number of firms in the economy. ✓✓
- Consumers will have less access of goods and services to choose from. ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 2 marks for a mere listing of facts/ examples)

(8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO ways of measuring inflation.

- Indexes (CPI/PPI) ✓
- Weighting (Basket of goods and services) ✓
- Inflation rate ✓ (2 x 1) (2)

3.1.2 How does tourism positively contribute to the Gross Domestic Product (GDP)?

- Tourism can directly contribute to GDP when both residents and non-residents spend on leisure and accommodation. ✓✓
- The indirect contribution to GDP occurs by purchasing from suppliers of goods and services which deal directly with tourists, ✓✓ e.g. purchasing done by cleaning services for hotels or catering. (Accept any other correct relevant response) (1 x 2) (2)

3.2 DATA RESPONSE

3.2.1 Identify the month and year when the inflation rate was above the inflation target.

Jul 2022 ✓ (1)

3.2.2 Give ONE possible reason for an increase in the inflation rate in 2022.

- Increase in international oil price/fuel price/transport costs ✓
- Increase in food prices ✓
- Electricity shortages ✓
- Russia/Ukraine war ✓ (Accept any other correct relevant response) (1)

3.2.3 Briefly describe the term *core inflation*.

It is a type of inflation that excludes items from the CPI basket with highly volatile prices and those items whose prices are affected by government intervention and policy. ✓✓ (Accept any other correct relevant response) (2)

3.2.4 Explain the reason for the South African Reserve Bank to reduce interest rates when the inflation rate is below 3%?

- To stimulate aggregate demand which will increase the level of economic activity. ✓✓
- To make borrowing cheaper which will encourage consumer spending and investments. ✓✓ (Accept any other correct relevant response) (2)

3.2.5 How does inflation psychologically influence the various participants in the economy?

- Consumers' confidence may decrease thereby reducing consumer spending and increasing savings in instruments that are inflation-linked or above inflation rate ✓✓
 - When inflation is high consumers expect prices to rise further and they start to buy more goods and services. ✓✓
 - During times of inflation labour unions wish to protect their members' real income by demanding higher wage. ✓✓
 - Businesses may increase the price of goods and services in advance to protect their profit margins. ✓
- (Accept any other correct relevant response) (2 x 2) (4)

3.3 DATA RESPONSE

3.3.1 Identify the type of tourism depicted by the above picture.

Cultural/Community tourism ✓ (1)

3.3.2 Name any ONE World Heritage Site found in South Africa.

- Richtersveld Cultural & Botanical Landscape ✓
 - iSimangaliso Wetland Park ✓
 - Cape Floral Region ✓
 - Cradle of Humankind ✓
 - Mapungubwe Cultural Landscape ✓
 - Robben Island ✓
 - Ukhahlamba/Maloti Drakensberg Park ✓
 - Vredefort Dome ✓
 - Khomani Cultural Landscape ✓
 - Barberton Makhonjwa Mountains ✓
- (1)

3.3.3 Briefly describe the term *Indigenous knowledge system (IKS)*.

Local or traditional knowledge related to a specific culture or religion. ✓✓
(Accept any other correct relevant response) (2)

3.3.4 Explain the benefit of investing in tourism infrastructure.

- More tourists will be attracted in the country as they enjoy adequate and well-maintained infrastructure. ✓✓
 - South Africa will benefit because all the infrastructure built to support tourism become an asset to the country / Local households will benefit from the infrastructure that was developed for the tourist. ✓✓
- (Accept any other correct relevant response) (2)

3.3.5 How can tourism activities create environmental stress (challenges)?

- Permanent environmental restructuring such as infrastructure development of roads, airports and accommodation can create environmental stress. ✓✓
- Waste product generation can create health hazards and affect the attractiveness of a tourist destination. ✓✓
- Tourist activities such as destruction of coral reefs, vegetation and dunes may lead to direct environmental stress. ✓✓
- Migration of people from rural to urban areas results in increased urban densities which cause stress on the environment. ✓✓
- Safari hunting may result in loss of wildlife and damage to natural sites ✓✓

(Accept any other correct relevant response)

(2 x 2)

(4)

3.4 Briefly discuss *household consumption* and *government expenditure* as causes of demand-pull inflation.

Household consumption

- A decrease in personal income tax will result in households having more disposal income to spend on goods and service. ✓✓
- Lower interest rates will result in credit becoming easily available which will lead to higher disposal level of income, thus increasing demand for goods and services. ✓✓
- Less savings will result in increased consumption of goods and services. ✓✓

Government expenditure

- Government expenditure on infrastructure requires high amount of production inputs and labour, which stimulate demand for goods and services. ✓✓
- An increase in consumption expenditure by government creates demand-pull inflation if the corresponding supply does not increase. ✓✓
- An increase in social spending programmes such as Expanded Public Works Programme (EPWP) without an increase in supply will stimulate demand-pull inflation. ✓✓

(Accept any other correct relevant response)

(2 x 4)

(8)

(Allocate a maximum of 4 marks for a mere listing of facts/ examples)

3.5 Why is tourism in developing countries important in alleviating poverty?

- It is a source of foreign exchange and job creation as tourism benefits labour-intensive industries.✓✓
 - The taxing of tourists creates the necessary funds to improve the infrastructure, education and health of the poor.✓✓
 - It employs many women which contributes to gender equality and women empowerment in developing countries
 - Locally owned small businesses benefit as they are supported by tourists especially in rural areas.✓✓
 - Tourism leads to employment diversification which reduces the vulnerability of the poor.✓✓
 - As tourism is the fastest growing industry more poor people are likely to benefit from it.✓✓
 - Tourism provides a number of jobs that require no formal training which reduces the cost to the poor.✓✓
 - The poor are able to provide tourism products that can be built from natural resources and cultural heritage.✓✓
 - The poor are able to supply formal businesses with goods which are sold to tourists for example curio shops.✓✓
 - Tourism employs a high proportion of youth under the age of 25 which can be used as a stepping stone to better opportunities.✓✓
- (Accept any other correct relevant response)

(Allocate a maximum of 2 marks for a mere listing of facts/examples)

(8)
[40]

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

4.1 Answer the following questions.

4.1.1 **Name any TWO groups of workers that benefit from minimum wages.**

- Farm workers ✓
- Domestic workers ✓
- Expanded public works programme workers ✓
- Learnership agreements workers ✓

(Accept any other correct relevant response)

(2 x 1)

(2)

4.1.2 **Why do international tourists prefer South Africa as a tourist destination?**

The country offers international tourists the following benefits:

- favourable climatic condition ✓✓
- favourable exchange rates ✓✓
- world in one country ✓✓
- the friendliness of the South African people ✓✓

(Accept any other correct relevant response)

(1 x 2)

(2)

4.2 **DATA RESPONSE**

4.2.1 **Identify the market in which the demand curve shows a downward slope.**

Market B ✓

(1)

4.2.2 **What is the nature of the products sold in a perfect market?**

Homogenous/identical ✓

(1)

4.2.3 **Briefly describe the term *average revenue*.**

The income received for selling one unit of a product. ✓✓

(Accept any other correct relevant response)

(2)

4.2.4 **Why do individual firms find it easy to enter a perfect market?**

- There are no regulations or restrictions to enter the market. ✓✓
- Sunk costs such as advertising are kept low since products are already known in the market. ✓✓
- Less capital is required to enter the market ✓✓

(Accept any other correct relevant response)

(2)

4.2.5 Calculate the marginal revenue for market B at quantity 2. Show ALL calculations

$$\begin{aligned}
 MR &= \Delta TR / \Delta Q \\
 &= (16 - 10) \checkmark / (2 - 1) \checkmark \\
 &= 6/1 \checkmark \\
 &= \underline{6} \checkmark
 \end{aligned}
 \tag{4}$$

4.3 DATA RESPONSE**4.3.1 Identify an example of ecotourism from the above extract.**

- Beautiful natural landscapes ✓
 - Game reserves ✓
- (1)

4.3.2 Give ONE reason for a decline in tourism in April 2020.

- Lockdown/Covid-19 ✓
 - Travelling restrictions ✓
- (1)

4.3.3 Briefly describe the term *leisure tourism*.

When people go on a holiday to play sports and visit friends. ✓✓
(Accept any other correct relevant response)

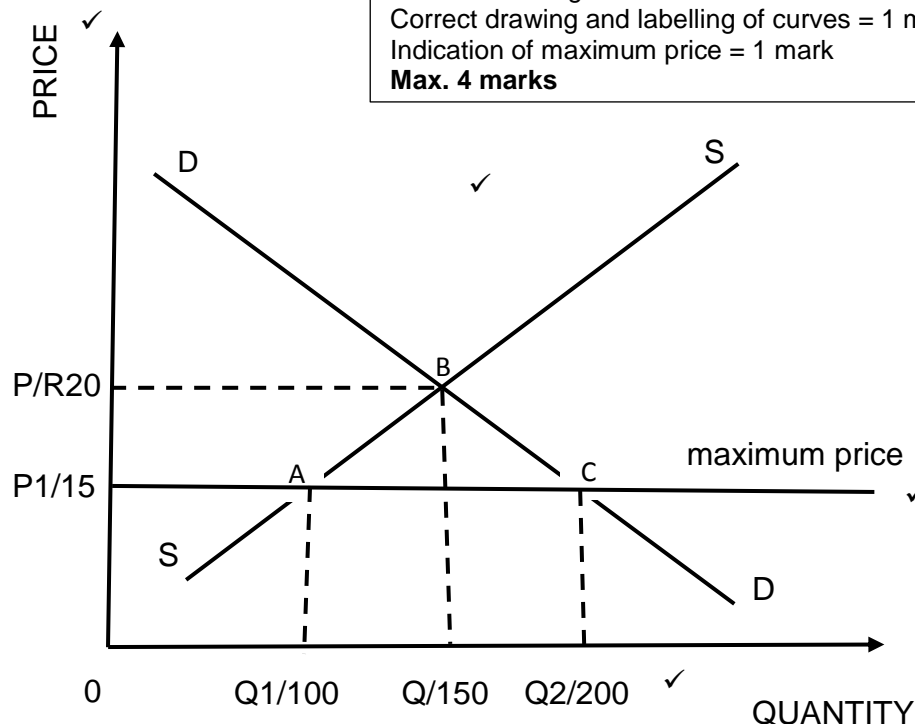
(2)
4.3.4 Why are Indigenous Knowledge System (IKS) important for tourists?

- Tourists want to understand the indigenous/local culture, history and environment. ✓✓
 - Tourists seek authentic (genuine) and unique tourist sites ✓✓
 - Tourists want to see how local people live and work ✓✓
(Accept any other correct relevant response)
- (2)

4.3.5 How does tourism solve the problem of unemployment in South Africa?**Tourism provides:**

- employment for many different kinds of skills such as tourist guides, hotel staff, etcetera. ✓✓
 - immediate employment as many job positions do not need education qualification which take long period of time to acquire. ✓✓
 - residents with the opportunity to become entrepreneurs such as selling art works. ✓✓
(Accept any other correct relevant response)
- (4)

4.4 With the aid of a correctly labelled graph, explain maximum prices as a consequence of market failure.



- The government sets a maximum price (ceiling) below the market price to make goods more affordable. ✓✓
- Maximum prices allow the poor greater access to certain goods and services. ✓✓
- Initially the market equilibrium price is P/R20 and equilibrium quantity is Q/150. ✓✓
- The government intervenes and passes a law that products cannot be sold for more than P1/R15. ✓✓
- The effect of this maximum price is that quantity supplied decreases to Q1/100 and quantity demanded increases to Q2/200. ✓✓
- Maximum prices may cause a shortage of goods in the economy, however, they improve the welfare of some consumers since goods can be purchased at reasonable prices. ✓✓
- Black markets develop because producers may want to charge higher prices than the maximum prices. ✓✓

(Accept any other correct relevant response)

(4 max)

(Allocate a maximum of 4 marks for a mere listing of facts/ examples)

(8)

4.5 How can the South African Reserve Bank (SARB) use the monetary policy to combat inflation?

- The SARB can curb inflation by increasing the repo rate which makes it expensive to borrow money. ✓✓
 - Banks pass on the increased cost of borrowing (repo rate) to their clients by increasing the interest rate. ✓✓
 - High interest rate discourages consumers from taking unnecessary credit, discouraging consumer spending. ✓✓
 - The SARB can directly decrease the supply of money by selling government securities in the open market. ✓✓
 - Commercial banks are required to hold a certain minimum cash reserve with the central bank. ✓✓
 - An increase in the cash reserve requirement limits the amount of money that banks can give out as credit and helps to curb inflation. ✓✓
 - The SARB can persuade commercial banks to act in a responsible manner when granting credit under inflationary conditions. ✓✓
 - Moral suasion helps to reduce inflation because credit will be granted to fewer consumers. ✓✓
 - The SARB can revalue the value of the currency which will result in more imported goods into the country thereby increasing aggregate supply. ✓✓
- (Accept any other correct relevant response)

(Allocate a maximum of 2 marks for a mere listing of facts/examples)**(8)
[40]****TOTAL SECTION B: 80**

SECTION C

Answer any ONE of the two questions in this section.

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

- **Examine the characteristics of monopoly in detail.** (26 marks)
- **How does the existence of monopolies cause a challenge to the various role players in the economy?** (10 marks)

INTRODUCTION

Monopoly exists where there is only one seller of a product, where the product has no close substitutes, and where barriers block entry into the market completely. ✓✓

(Accept any other correct relevant introduction) (Max. 2)

BODY**MAIN PART****Number of firms/businesses ✓**

- The monopolist is the only supplier of a product which implies that there is no competition in this market structure. ✓✓
- The monopoly also responsible for the industry's total output ✓✓ such as De Beers and Eskom. ✓

Nature of product ✓

- The product is unique and it has no close substitutes which implies that consumers' choice is limited ✓✓
- The product has relatively inelasticity demand which means that quantity demanded less responsive to price changes. ✓✓

Market entry ✓

- Market entry refers to how easy or difficult for the businesses to enter or to leave the market. ✓✓
- Market entry into a monopoly market is entirely/completely blocked. ✓✓
- The reason why other producers are unable to supply the same product as the monopolist is that there are barriers that prevent them from entering the product market, ✓✓ such as high development costs, limited size of the market, exclusive ownership of raw materials, patents, licensing, sole rights, import restrictions. ✓
- These barriers can be divided into two main groups:

Natural monopolies. ✓

- High development costs are frequently a reason for the existence of natural monopolies ✓✓
- The provision of electricity is an example of natural monopoly because building power stations and transmission lines to distribute electricity costs billions of rand. ✓✓
- Natural monopolies are frequently owned or regulated by the government and can serve the whole market at a lower price than two or more businesses together. ✓✓

Artificial monopolies. ✓

- Artificial monopolies exist due to barriers to entry are not economic in nature such a patent. ✓✓
- A patent is the legal and exclusive right of a patent holder to manufacture a product using his or her unique invention. ✓✓
- Licences protect operators against the entry of competitors and is another way in which an artificial monopoly may exist. ✓✓

- In South Africa licences are required for radio and TV broadcasting, telephone and cellular phone communication networks, and commercial production of electricity. ✓✓

Control over price ✓

- A monopolist has full control over the market price and it is regarded as a price maker. ✓✓
- Monopolist can decide on price-quantity combination, that suits it the best, on the demand curve. ✓✓
- There is always the possibility of consumer exploitation because a monopolist is the only supplier of a product. ✓✓
- A monopoly business may restrict output or supply of the product to charge higher price. ✓✓
- However, this is often limited by the market demand since monopolist does not have control over demand. ✓✓
- Consumers have limited budgets and a monopoly can therefore not demand excessive prices for its product. ✓✓
- The monopolist's product has to compete for consumers' favour (and money) with all the other products available in the economy. ✓✓

Market information ✓

- All buyers and the single seller have full knowledge about the current market conditions. ✓✓
- This implies that there is high degree of transparency in the monopoly as there is no incentive for the monopoly to hide information from consumers ✓✓

Demand curve ✓

- A monopolist is faced with a normal demand curve which slopes downwards from left to right. ✓✓
- The demand curve is relatively inelastic because the product has no close substitutes. ✓✓
- Demand curve for a monopoly is equal to its average revenue curve. ✓✓
- For every additional unit sold by a monopoly, marginal revenue is less than the price, thus marginal revenue curve lies below the demand curve. ✓✓

Economic profit/loss ✓

- A monopolist can earn an economic profit or economic loss in the short run. ✓✓
- If a monopoly is making economic loss in the short-run, it will build a new production plant that yields economic profit in the long-run. ✓✓
- If a monopoly is making economic profit in the short-run, it will expand its production scale or capacity in order to make more economic profit in the long-run. ✓✓

Decision making ✓

- A monopoly business makes decisions independently because there are no competitors ✓✓
- However, a monopoly's decisions may be influenced by government laws and regulations, ✓✓ for instance Eskom's decisions are influenced by NERSA ✓

Collusion ✓

- Collusion is irrelevant because there is one business in the market. ✓✓

Productive and allocative efficiency ✓

- A monopoly does not achieve productive efficiency because output is produced without minimising the average cost. ✓✓
- There is allocative inefficiency because the output produced by a monopoly does not correspond with the quantity demanded by consumers. ✓✓
- Monopoly produces output level where the price is above the marginal cost ✓✓
(Accept any other correct relevant response)

(Allocate a maximum of 8 marks for headings and examples) (Max. 26)

ADDITIONAL PART

The existence of monopolies may cause challenges to the various role players in the economy as follows; -

- Monopolies produce at a level where prices exceed the marginal costs thereby charging higher prices above market equilibrium. ✓✓
- Barriers to entry prevent new businesses from entering the industry thereby stifling competition and leaving consumers with limited choices. ✓✓
- Consumers are manipulated by monopolies using aggressive advertising to create false needs to dictate what consumers must buy. ✓✓
- Market failure occurs as monopolies reduce consumer surplus therefore leaving few consumers affording to buy goods and services. ✓✓
- Consumers can be made to pay a higher price for inferior quality goods as close substitutes are not available. ✓✓
- Monopolies raise the cost of living for consumers by charging high prices in an effort to maintain high profitability. ✓✓
- Government is forced to implement policies that will regulate the operation of monopolies to prevent them from exploiting their market power. ✓✓
- Lack of competition may lead to low quality and out-dated goods and services for consumers. ✓✓
- Monopolies create a shortage of goods and services in the market leading to allocative inefficiencies. ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 2 marks for mere listing of facts) (Max. 10)

CONCLUSION

A monopoly fails to achieve both productive and allocative efficiency as they do not produce at the lowest possible average cost and do not produce at optimum output level. ✓✓

(Accept any other correct higher order conclusion)

(Max. 2)

[40]

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES

- **Discuss in detail any FIVE environmental problems and the international measures taken to address these challenges. (26 marks)**
- **How can conservation and preservation help to ensure that the environment is sustained? (10 marks)**

INTRODUCTION

Environmental sustainability is the ability of the environment to survive its use for economic activities/Environmental issues are global issues such as pollution that affect the environment and natural resources. ✓✓

(Accept any other correct relevant introduction)

(Max. 2)

MAIN PART**Biodiversity loss ✓**

- The diversity of species in the world decreases rapidly due to extinction and this is an irreversible process. ✓✓
- Modern techniques such as gene transplant can help to limit the loss of species. ✓✓
- The United Nations' Convention on International Trade in Endangered Species (CITES) prohibits trade in endangered plant and animal species. ✓✓
- Monitoring and regulation of trade in endangered species is carried out using permits and quotas in South Africa. ✓✓

Chemical waste ✓

- Chemical waste is toxic and their effect on an organism can be death or infertility. ✓✓
- Chemical waste needs to be carefully managed to ensure that it does not leak in to the ground water. ✓✓
- The Stockholm Protocol bans twelve of the deadliest manufactured chemicals. ✓✓
- The Rotterdam Convention protects countries that lack adequate infrastructure to monitor the import of and export of dangerous chemicals. ✓✓

Hazardous waste ✓

- Hazardous waste is more than a chemical waste and it includes toxic metal waste such as lead. ✓✓
- Hazardous waste has a slow decomposition rate (It stays poisonous for a long time). ✓✓
- Hazardous waste can endanger all life forms and the entire ecosystem. ✓✓
- The Basel Convention on the control of Trans boundary Movement of Hazardous waste allows trade between countries that have signed the convention. ✓✓

Climate change ✓

- A build-up of certain gases such as carbon dioxide in the atmosphere causes the heat to be captured in to the atmosphere, which leads to global warming. ✓✓
- Effects of climate change include change in temperature and weather patterns which may cause destruction to plant and animal inhabitants. ✓✓
- The United Nations' Framework Convention on Climate Change (UNFCCCC) sets objectives to reduce greenhouse gases. ✓✓
- Kyoto Protocol was signed as an agreement in which greenhouse gases emission levels for developed countries were agreed upon. ✓✓

Loss of indigenous knowledge ✓

- The loss of knowledge about the natural environment may result in indigenous people losing their way of making a living. ✓✓
- Indigenous people use organic methods and natural processes in dealing with the environment, and this knowledge may be lost to the future generation. ✓✓
- Local capacity building is important as it can help indigenous people to learn more of the environment beyond their traditional life style and experiences. ✓✓
- UNESCO's management of social transformation programme (MOST) is a global effort to document local/indigenous knowledge before it is lost forever. ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 8 marks for mere listing of facts/examples)**(Accept other major environmental problems such as pollution and deforestation)****(Max. 26)****ADDITIONAL PART****Conservation and preservation can help to ensure that the environment is sustained as follows; -**

- Conservation in South Africa can ensure a sustainable environment by bringing a balance in the ecosystem as animals and plants interact. ✓✓
- Reducing the amount of greenhouse gases that reach the atmosphere thereby decreasing global warming. ✓✓
- Conservation will ensure management of natural resources to benefit future generation. ✓✓
- Using water wisely, as it is basic to plant and animal existence, various local municipalities impose restrictions on water consumption to ensure conservation. ✓✓
- Reusing, reducing and recycling will make people to use fewer resources and production of things such as plastics can decrease. ✓✓
- Setting quotas for fishing by government, to stop catches being so large that they exceed the growth of the fish population. ✓✓
- Setting quotas for cutting down trees to ensure deforestation does not exceed the rate required. ✓✓
- Ensure availability of food security and sustainability of animals and mountains to attract more tourists. ✓✓
- Natural resources can be sold to other countries to get foreign exchange which can be used to finance imports. ✓✓
- Preservation ensures environmental sustainability by protecting sites that have cultural significance by classifying them as heritage sites. ✓✓
- The government can intervene to preserve the environment by purchasing, confiscating and expropriating natural assets. ✓✓

(Accept any other correct relevant response)**(Max. 10)****(Allocate a maximum of 2 marks for mere listing of facts/examples)****CONCLUSION**

The success in protecting the environment will take a united effort from consumers, businesses and governments. ✓✓

(Accept any other correct higher order conclusion)

(Max. 2)**[40]****TOTAL SECTION C:****40****GRAND TOTAL:****150**