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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

ECONOMICS P1

NOVEMBER 2024

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 Short-term savings and loans are traded on the ... market.
- A capital
 - B foreign exchange
 - C factor
 - D money
- 1.1.2 Job advertising space is an example of a ... indicator.
- A lagging
 - B coincident
 - C leading
 - D composite
- 1.1.3 The deficit rule states that shortages on the budget should not exceed ... of the gross domestic product (GDP).
- A 60%
 - B 3%
 - C 30%
 - D 6%
- 1.1.4 The ratio of a country's export price index to its import price index is known as the ...
- A trade balance.
 - B exchange rate.
 - C terms of trade.
 - D interest rate.
- 1.1.5 A trade policy that restricts certain imports to prevent unfair foreign competition for local industries is called ...
- A protectionism.
 - B export promotion.
 - C import substitution.
 - D free trade.
- 1.1.6 The level of a country's standard of living is measured by ...
- A real GDP.
 - B nominal GDP.
 - C national income.
 - D per capita GDP.

1.1.7 An international benchmark criterion for regional development that requires democratic decision-making and transparency is called ...

- A good governance.
- B integration.
- C partnership.
- D free-market orientation.

1.1.8 The probable number of years that a person will live after birth is known as ...

- A child mortality.
- B life expectancy.
- C under-five mortality.
- D population growth.

(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	Factor cost	A	a three-year rolling expenditure and revenue projection for the government
1.2.2	Moving average	B	a form of credit granted by the International Monetary Fund to countries that experience balance of payments deficits
1.2.3	Medium-term Expenditure Framework	C	aims to eliminate poverty and reduce inequality by 2030
1.2.4	Special Drawing Rights	D	method used to predict the unknown using facts that are known
1.2.5	Boycotts	E	attract infrastructure and investments to neglected and underdeveloped areas
1.2.6	National Development Plan	F	amount paid for the resources used to produce goods and services
1.2.7	Spatial Development Initiatives	G	method used to smooth out short-term fluctuations in time series data
1.2.8	Urbanisation	H	the process of the movement of people from rural areas to cities and towns
		I	voluntary measures taken not to trade with a certain country

(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 flow of goods, services and factors of production among the participants in the economy
- 1.3.2 A curve that illustrates the inverse relationship between unemployment and the inflation rate
- 1.3.3 The transfer of functions and ownership of entities from the private sector to the public sector
- 1.3.4 Financial support in the form of cash payments provided by the government to domestic producers
- 1.3.5 Industries that employ more labour than capital in the production process
- 1.3.6 The economic indicator used to measure the cost of living (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 methods used to calculate gross domestic product (GDP). (2 x 1) (2)

2.1.2 How can competition stimulate aggregate supply in the economy? (1 x 2) (2)

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

PUBLIC SECTOR FAILURE

In South Africa many public entities suffer from management failure. Organisations are inefficient in delivering services because they lack a skilled workforce to complete tasks successfully.

This results in services being of poor quality, such as hospitals running out of medicines. There are cases where funds are left unspent even when there is a desperate need from communities. This means that money is returned to the National Treasury at the end of the fiscal year.

[Adapted from www.wikipedia.org]

2.2.1 Identify ONE reason for public sector failure in the above extract. (1)

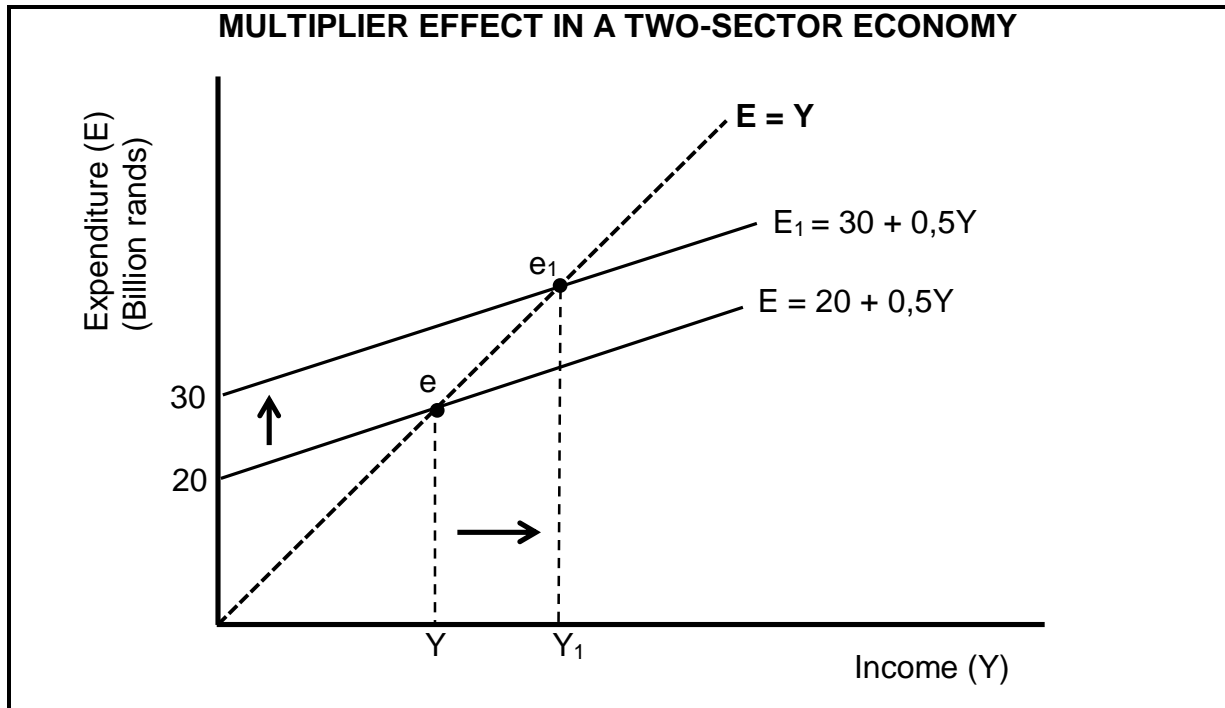
2.2.2 Name the level of the government that is responsible for providing services, such as refuse removal. (1)

2.2.3 Briefly describe the term *accountability*. (2)

2.2.4 Explain the effect of public sector failure on the allocation of resources. (2)

2.2.5 Why is it necessary for the government to impose taxes on demerit goods? (2 x 2) (4)

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



- 2.3.1 Identify the value of the marginal propensity to consume (MPC) in the graph above. (1)
- 2.3.2 Name any ONE participant in a two-sector economy. (1)
- 2.3.3 Briefly describe the term *autonomous consumption*. (2)
- 2.3.4 Explain the relationship between marginal propensity to save (MPS) and the value of the multiplier (K). (2)
- 2.3.5 Use the information in the above graph to calculate the change in national income (ΔY). Show ALL calculations. (4)
- 2.4 Discuss the exogenous (monetarists) explanations of a business cycle. (4 x 2) (8)
- 2.5 How can the macroeconomic objective of price stability positively influence the South African economy? (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 countries that are part of the Southern African Development Community (SADC). (2 x 1) (2)
- 3.1.2 How can Broad-Based Black Economic Empowerment (BBBEE) help to promote industrial development? (1 x 2) (2)

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

SOUTH AFRICA'S INDUSTRIAL DEVELOPMENT STRATEGIES

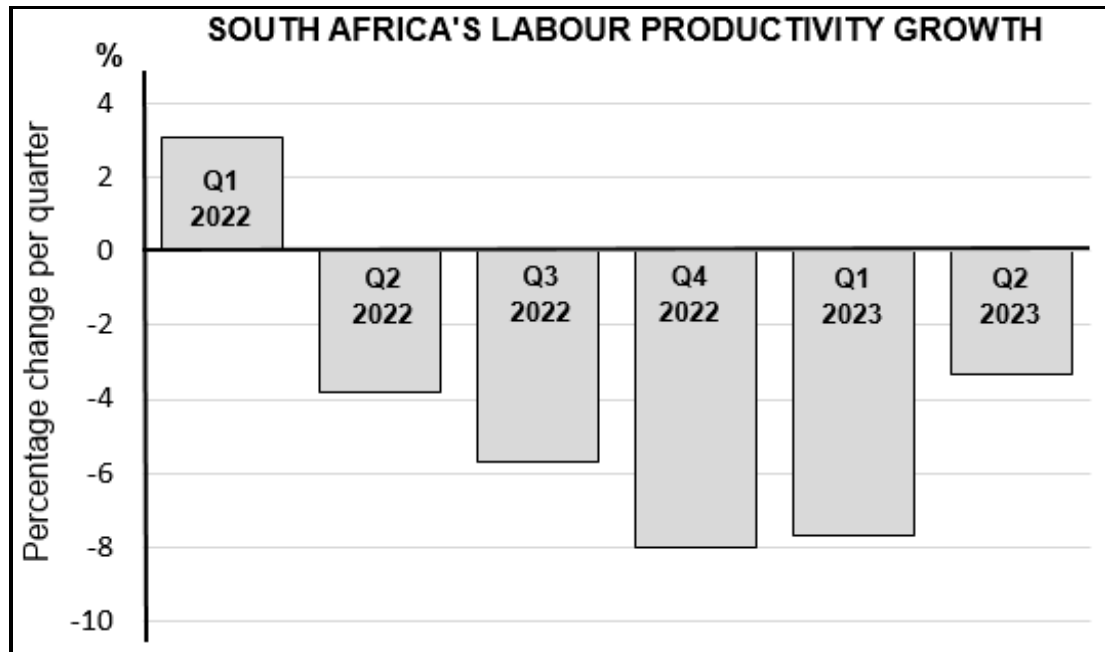
In recognising the importance of manufacturing in the economy, two strategies were developed, namely the National Research and Development Strategy (NRDS) and the Integrated Manufacturing Strategy (IMS).

South Africa has set a target of 1,5% of gross domestic product (GDP) expenditure on research and development. However, these investments decreased from 0,75% in 2018/19 to 0,60% in 2021/22.

[Adapted from OECD, September 2023]

- 3.2.1 Identify the industrial development strategy that aims to improve the competitiveness of the manufacturing sector. (1)
- 3.2.2 Name the government department that is responsible for promoting industrial development. (1)
- 3.2.3 Briefly describe the term *duty-free incentives*. (2)
- 3.2.4 Explain the importance of corridors in promoting regional development. (2)
- 3.2.5 How can South African businesses benefit from the National Research and Development Strategy (NRDS)? (2 x 2) (4)

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



[Source: www.ceicdata.com]

- 3.3.1 Identify the percentage change in South Africa's labour productivity in the fourth quarter of 2022. (1)
- 3.3.2 State ONE other economic indicator that relates to productivity. (1)
- 3.3.3 Briefly describe the term *economic indicator*. (2)
- 3.3.4 Why is access to healthcare services important to the labour force? (2)
- 3.3.5 How can a decrease in labour productivity impact the economy? (2 x 2) (4)
- 3.4 Discuss the advantages of import substitution for the South African economy. (4 x 2) (8)
- 3.5 Analyse the challenges faced by South Africa in promoting industrial development through the various policies. (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 economic indicators that relate to employment.
(2 x 1) (2)4.1.2 How can the government achieve the macroeconomic objective of economic equity in South Africa?
(1 x 2) (2)

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

BUSINESS CYCLES OF SOUTH AFRICA SINCE 1999			
Upswing	Duration in months	Downswing	Duration in months
Sept 1999 to Nov 2007	99	Dec 2007 to Aug 2009	21
Sept 2009 to Nov 2013	51	Dec 2013 to Apr 2017	41
May 2017 to June 2019	26	July 2019 to Apr 2020	10

[Adapted from SARB Quarterly Bulletin, December 2023]

4.2.1 Identify the period in which South Africa experienced the longest downswing. (1)

4.2.2 Name the turning point of a business cycle associated with the highest level of inflation. (1)

4.2.3 Briefly describe the term *amplitude*. (2)

4.2.4 Explain the importance of the trend line in the forecasting of business cycles. (2)

4.2.5 How can an economic recession influence households in the economy?
(2 x 2) (4)

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



[Adapted from www.guyparsons.com]

- | | | |
|-------|--|-------------|
| 4.3.1 | Identify a trade restriction that refers to a tax levied on imported goods. | (1) |
| 4.3.2 | Name the international organisation that promotes the removal of trade restrictions between countries. | (1) |
| 4.3.3 | Briefly describe the term <i>embargo</i> . | (2) |
| 4.3.4 | Explain the importance of protecting infant industries from foreign competition. | (2) |
| 4.3.5 | How can the economy benefit from specialising in the production of a specific product? | (2 x 2) (4) |
| 4.4 | Discuss the social indicators that relate to nutrition. | (4 x 2) (8) |
| 4.5 | How can an increase in injections contribute positively towards the South African economy? | (4 x 2) (8) |
| | | [40] |

TOTAL SECTION B: 80

