

SA's Leading Past Year

Exam Paper Portal



You have Downloaded, yet Another Great  
Resource to assist you with your Studies 😊

Thank You for Supporting SA Exam Papers

Your Leading Past Year Exam Paper Resource Portal

Visit us @ [www.saexampapers.co.za](http://www.saexampapers.co.za)



**SA EXAM  
PAPERS**



# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS P2**

**FEBRUARY/MARCH 2017**

**MARKING GUIDELINE**

**MARKS: 150**

**This marking guideline consists of 18 pages.**

**SECTION A (COMPULSORY)****QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

- 1.1.1 C – cost equals marginal revenue ✓✓
- 1.1.2 A – monopoly ✓✓
- 1.1.3 B – negatively sloped ✓✓
- 1.1.4 B – rent ✓✓
- 1.1.5 B – interest rate ✓✓
- 1.1.6 C – inbound ✓✓
- 1.1.7 A – cultural ✓✓
- 1.1.8 C – volatile ✓✓ (8 x 2) (16)

**1.2 MATCHING ITEMS**

- 1.2.1 C ✓ the additional cost when producing an extra unit
- 1.2.2 E ✓ an arrangement between businesses with the aim of limiting competition amongst them
- 1.2.3 G ✓ intervention by government to recover external cost
- 1.2.4 A ✓ the minimum earnings required to prevent an entrepreneur from leaving the business
- 1.2.5 I ✓ an increase in the general price level in a particular year
- 1.2.6 B government sets regulations which enforce environmental standards
- 1.2.7 H ✓ shows the relative importance of an item in a basket of goods and services that are used to calculate inflation
- 1.2.8 D ✓ dumping waste on the earth's surface (8 x 1) (8)

**1.3 IDENTIFY THE CONCEPT**

- 1.3.1 Duopoly ✓
- 1.3.2 Homogeneous ✓
- 1.3.3 Natural ✓
- 1.3.4 Hyperinflation ✓
- 1.3.5 Preservation ✓
- 1.3.6 Infrastructure / public goods ✓ (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**

- 2.1      2.1.1      **Name TWO kinds of inefficiencies that can exist in the imperfect market.**
- Productive/technical inefficiencies ✓
  - Allocative inefficiencies ✓
- (2 x 1)      (2)
- 2.1.2      **What would happen if firms in an oligopolistic market compete on prices?**
- It can lead to a price war which will lower profits which might lead to certain firms leaving the market in the long run ✓✓  
(Accept any other correct relevant response)
- (1 x 2)      (2)
- 2.1      **Data response**
- 2.2.1      **What is the selling price for the monopolist?**
- Selling price is R60 ✓
- (1)
- 2.2.2      **Does the equilibrium position above represent a short run or a long run?**
- Short run ✓
- (1)
- 2.2.3      **Why will a monopolist always make economic profit in the long run?**
- It is possible to manipulate prices to ensure a profit because there is no competitors ✓✓
  - There is a deliberate decline in produce – less than the market demand, therefore higher prices are charged ✓✓
  - Sell a unique product without any competition ✓✓
- (Accept any other correct relevant response)
- (2)
- 2.2.4      **What is the requirement for this monopoly be classified as an artificial monopoly?**
- If entry is restricted by factors such as legal requirement e.g. licencing, patents and copyrights ✓✓  
(Accept any other correct relevant answer)
- (2)

**2.2.5 Calculate the total profit this monopolist is making. Show all calculations.**

- Total Profit = Total revenue – Total Cost  
=  $(60 \times 50) - (30 \times 50)$  ✓  
=  $3\,000 - 1\,500$  ✓  
=  $1\,500$  ✓✓

**OR**

- Total Profit = Unit profit x quantity  
=  $(60-30)$  ✓ x  $50$  ✓  
=  $R1\,500$  ✓✓

Max 2 marks if only the correct answer is given.

If the formula is given, a mark can be awarded if the calculations are incorrect. (4)

**2.3 Data Response****2.3.1 Which cause for market failure is illustrated above?**

Incomplete information/lack of information ✓✓

(2)

**2.3.2 Briefly describe the concept *market failure*.**

The best available (optimal) production outcome has not been achieved / misallocation of resources ✓✓  
(Accept any other correct relevant response)

(2)

**2.3.3 How can labour as a factor of production become more mobile?**

Training/attaining skills/increased wages/travelling facilities or infrastructure/technology ✓✓  
(Accept any other correct relevant response)

(2)

**2.3.4 How does the South African government attempt to solve the problem of income inequality?**

The government can attempt to solve the problem of income inequality by:

- implementing a progressive tax system which has reduced the income gap between income earners ✓✓
- levying indirect taxes on consumption (e.g. VAT), while certain basic items that the poor often consumes, were excluded ✓✓
- providing free primary health care in provincial hospitals and clinics ✓✓
- making provision for those who cannot afford to pay by offering a free basic education ✓✓
- making transfer payments and subsidies payable to the poor and previously disadvantaged ✓✓
- implementing minimum wages ✓✓
- implement job creation programmes ✓✓
- implementing BBBEE and labour laws ✓✓

(Accept any other correct relevant response)

(Any 2 x 2)

(4)

**2.4****Compare monopolistic competition with perfect competition.**

- Under monopolistic competition less will be produced at a higher price than the perfect competitor ✓✓
- The perfect competitor produces at the minimum point on the LAC curve, whereas this is not the case under monopolistic competition ✓✓
- Both the perfect competitor and monopolistic competitor will make a normal profit in the long run ✓✓
- It is easier for the perfect competitor to enter the market, compared to the monopolistic competition ✓✓

(Accept any other correct relevant answer)

(Accept tabular format)

(Accept comparison in terms of other characteristics)

(4 x 2)

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

(8)

**2.5 Explain why governments sometimes proceed with a project even if the private costs exceed the private benefits in a Cost-Benefit Analysis?**

Governments might proceed with a project when:

- the primary objective is to provide public goods and services. ✓✓
- social costs and social benefits are also taken into account when deciding on a project. ✓✓
- a service is vital to the existence of the community. ✓✓
- when a need for infrastructure is necessary but might not have any benefits in terms of profit, e.g. the building of a community centre or a bridge ✓✓
- funding of these projects are mainly financed through tax revenue and does not impoverish any individual as such. ✓✓
- this infrastructure adds to the welfare of the community at large and is non-excludable to anyone using it. ✓✓

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

(8)  
**[40]**

**QUESTION 3: CONTEMPORARY ECONOMIC ISSUES**3.1 3.1.1 **Name TWO causes of cost push inflation.**

- Higher Wages ✓
- Increase in input costs ✓
- Increase in price of imports ✓
- Exchange rate depreciation ✓
- High profit margins ✓
- Low productivity ✓
- Limited natural resources ✓
- Increase in interest rates ✓
- Supply shock ✓
- Natural disasters ✓

(Any 2 x 1) (2)

3.1.2 **What effect will green tax have on the production output of a business that generates a negative externality?**

The levying of taxes will reduce the output of those products ✓✓  
 (Accept any other correct relevant response) (1 x 2) (2)

3.2 **Data response**3.2 3.2.1 **Identify TWO markets in the table that contributed the most to tourism in South Africa during 2015?**

- Africa land ✓
- Europe ✓

(2 x 1) (2)

3.2.2 **Suggest possible reasons that have led to a general decline in international tourism in 2015?**

- Dampening of the world economy (Recession) ✓✓
- Legislation governing international traveling e.g. VISA regulation ✓✓
- Increase in crime in some areas (Safety issues) ✓✓
- Poor electricity supply / poor infrastructure ✓✓

(Accept any other correct relevant response) (Any 2 x 2) (4)

3.2.3 **Calculate the percentage decline in total tourist arrivals in South Africa between 2014 and 2015. Show all calculations.**

$$\frac{143\,172}{2\,435\,341} \times \frac{100}{1} = 5,8 / 5,9 / 6 \% \checkmark \checkmark$$

Allocate 2 marks for the correct answer. (4)



**3.3 Data response****3.3.1 What is the effect of the emission of greenhouse gases on the environment?**

It can lead to increased temperatures/global warming/climate change ✓✓

(Accept any other correct relevant response)

(2)

**3.3.2 What is the message conveyed by the cartoon?**

Despite numerous summits on environmental issues, climate change is still a problem ✓✓

(Accept any other correct relevant response)

(2)

**3.3.3 Name the international agreement that was formed to deal with global warming and climate change.**

Kyoto Protocol ✓✓

(2)

**3.3.4 How can the world stop the global warming trend?**

- Reduce the emission of greenhouse gases into the atmosphere by using environmentally friendly technology such as solar energy ✓✓
- Planting of trees that produces oxygen which is important for cleaner air ✓✓

(Accept any other correct relevant response)

(2 x 2)

(4)

**3.4 Differentiate between *Production Price Index* and *Consumer Price Index*.**

<b><u>Production price index</u></b>	<b><u>Consumer price index</u></b>
<ul style="list-style-type: none"> <li>• Measures the cost of production✓</li> <li>• Basket consist of goods only✓</li> <li>• Include capital and intermediate goods✓</li> <li>• Prices exclude VAT✓</li> <li>• It excludes interest rates✓</li> <li>• Prices of imported goods are shown explicitly✓</li> </ul>	<ul style="list-style-type: none"> <li>• Measures cost of living✓</li> <li>• Basket consists of consumer goods and services✓</li> <li>• Capital and intermediate goods are excluded✓</li> <li>• Prices include VAT✓</li> <li>• Interest rates are included✓</li> <li>• Prices of imported goods are not shown explicitly✓</li> </ul>

(2 x 4)

(8)

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

**3.5 Why is South Africa regarded as a major air polluter in the world?**

- Industries such as SASOL and ESKOM (Medupi) burn a larger quantity of coal and this produces CO<sub>2</sub> into the atmosphere / The country has the world's largest single CO<sub>2</sub> emitter which is at SASOL in Secunda ✓✓
- Mining activities such as extraction and refining creates a large amount of air pollution ✓✓
- South Africa is the biggest CO<sub>2</sub> polluter in Africa (40%) and rated the world's 13th largest producer of greenhouse gases. Top 6 in the developing world for Greenhouse gasses ✓✓
- The use of non-environmentally friendly energy sources ✓✓  
(Accept reference to the candidate's local environment)  
(Accept any other correct relevant response)  
(Allocate a maximum of 2 marks for mere listing of facts / examples)

(8)  
**[40]**

**QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES**4.1 4.1.1 **Name TWO methods of non-price competition.**

- Advertising ✓
- Loyalty points ✓
- After sales services ✓
- Packaging ✓
- Branding ✓
- Door-to-door sales ✓

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

4.1.2 **How can a decline in savings influence the economy negatively?**

When people save less, they often spend more ✓ which can lead to higher prices. ✓

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

4.2 **Data response**4.2.1 **Identify any TWO sectors in South Africa where minimum wages are applied in the extract above.**

- Civil Engineering ✓
- Contract Cleaning services ✓
- Domestic Workers ✓
- Farm Workers ✓
- Forestry ✓
- Hospitality ✓
- Leadership Allowance ✓
- Private Security ✓
- Wholesale and Retail ✓
- Taxi ✓
- Bargaining Council Minimum Wages ✓

(Any 2 x 1) (2)

4.2.2 **Briefly describe the term *minimum wage*.**

It is the minimum remuneration a worker should earn legally per hour, day or week for work done ✓✓

(Accept any other correct relevant response) (2)

4.2.3 **What is the advantage of having a national minimum wage instead of a minimum wage per sector?**

- Prevent discrimination among workers in the different sectors ✓✓
- That national minimum wage could be higher which will improve the standard of living ✓✓

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

**4.2.4 Refer to the above graph and explain the implication of the R3 500 minimum wage imposed by the government.**

- The wage rate will be higher than the market rate of R2 500 ✓✓
- At this rate more people will avail themselves, therefore the supply of labour will increase from 200 to 300 ✓✓
- On the other side, the demand for labour will decrease from 200 to 100 ✓✓
- This will create an oversupply of workers, supply exceeds demand / unemployment will increase ✓✓

(Accept any other correct relevant response) (2 x 2) (4)

**4.3 Data response**

**4.3.1 What, according to the extract, is the effect of inflation on money?**

It reduces the value of money ✓✓ (2)

**4.3.2 Briefly describe the term *stagflation*.**

Stagflation can be described as low economic growth, high unemployment and high rates of inflation ✓✓ (2)

**4.3.3 Explain the effect of an increase in interest rates on inflation.**

An increase in interest rates makes buying on credit more expensive. This often results in a decrease in aggregate demand which will lead to a lower inflation rate ✓✓  
(Accept other correct relevant response) (2)

**4.3.4 What are the negative effects of inflation on economic growth?**

- High inflation creates uncertainty of the economic environment and reflects negatively on production ✓✓
- Uncertainty discourages investment which in turn leads to reduced economic growth ✓✓
- Reduced growth has a knock on effect on all sectors of the economy which can lead to a recession ✓✓
- May lead to unemployment ✓✓

(Accept any other correct relevant response) (Any 2 x 2) (4)

**4.4 Explain the roles played by any TWO key institutions that monitor competition in South Africa.**

- Competition Commission ✓
  - Investigate restrictive business practices ✓✓
  - Grant permission in cases of mergers and take-overs ✓✓
  - Makes recommendations about penalties for businesses that it finds guilty of uncompetitive behaviour ✓✓
- Competition Tribunal ✓
  - Accept or reject recommendations made by the Competition Commission ✓✓
  - Has jurisdiction throughout the Republic ✓✓
  - It is a tribunal of record and independent from the other competition institutions ✓✓
  - Grant exemption, authorise or prohibit large mergers, adjudicate if misconduct takes place ✓✓
- Competition Appeal Court ✓
  - Make final rulings on disputed matters/Considers appeals made against decisions made by the Competition Tribunal ✓✓
  - Has a status similar to High Court ✓✓
  - It has jurisdiction throughout the Republic and is a Court of Record ✓✓

(Accept any other correct relevant response)

(2 x 4)

(8)

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

**4.5 To what extent is inflation targeting beneficial to the economy?**

- It helps to keep prices at a lower level ✓✓
- It increases people's expectation that prices will be stable in the medium term ✓✓
- It is useful in controlling demand pull inflation because the concept is simple and easy to understand ✓✓
- It enhances producers' confidence in the economy as it enable them to make investments knowing that inflation will be under control ✓✓
- It reduces uncertainty and promotes sound planning in public and private sectors ✓✓
- It provides a yardstick that serves to discipline monetary policy and improves the accountability of the central bank ✓✓

(Accept any other correct relevant response)

(4 x 2)

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

(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
<b>Introduction</b>	Max. 2
<b>Body</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/Assess/Debate  <b>Additional part:</b> Give own opinion/Critically discuss/Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/Complete the given graph/Calculate/Deduce/Compare/Explain/Distinguish/Interpret/Briefly debate/How?/Suggest	Max. 26           Max. 10
<b>Conclusion</b> Any higher-order conclusion should include: <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating facts already mentioned</li> <li>• Any opinion or valued judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion/analysis</li> <li>• A contradictory viewpoint with motivation, if required</li> <li>• Recommendations</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40</b>

**QUESTION 5: MICROECONOMICS**

In a perfect market the industry influences the behaviour of an individual business to a certain extent.

- With the aid of graphs, explain the following about an individual business under conditions of perfect competition:
  - The effect on price if the individual producer increases or decreases his output (supply)
  - The derivation of the supply curve from cost curves for the individual producer (26)
- Without using a graph, explain why the price of a product under perfect competition will be equal to the lowest point on the long-run average cost curve. (10)

**[40]**

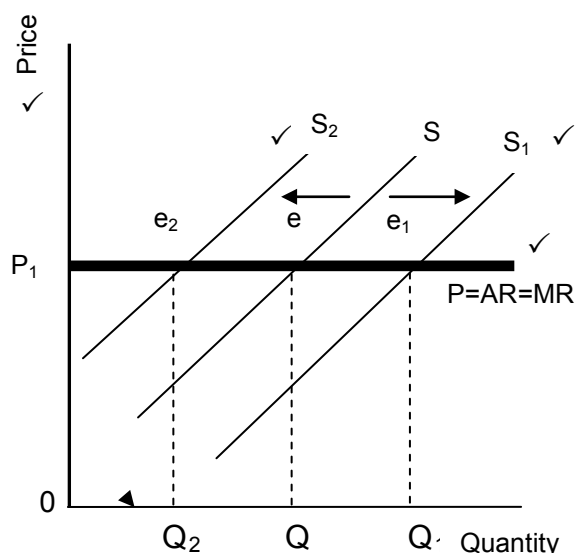
**INTRODUCTION**

Perfect competition is a market structure where the market price is determined by the interaction between demand and supply. ✓✓ (Max 2)

**MAIN PART**

**The effect on price if the individual producer increases or decreases his output (supply)**

Mark allocation for individual producer	
Horizontal demand curve	1 mark
Labelling of axes	1 mark
Increase in supply curve	1 mark
Decrease in supply curve	1 mark
$e_1$	1 mark
$e_2$	1 mark
<b>Max 6</b>	

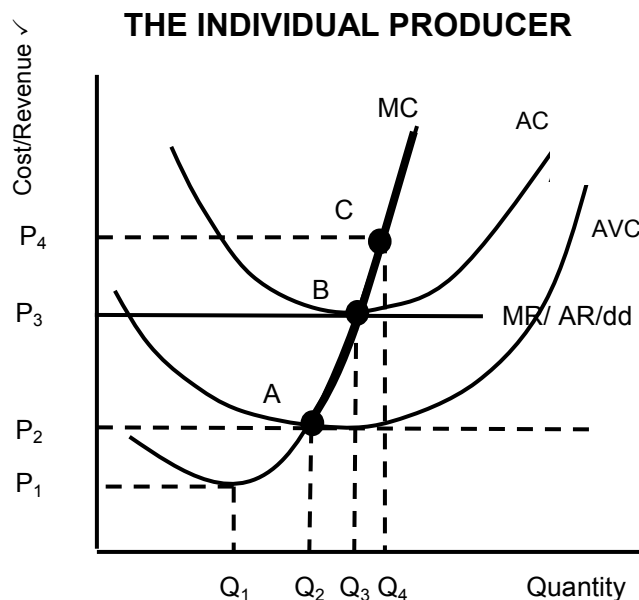


- The demand curve for the individual business is a horizontal line because he is a price taker ✓✓
- If the individual producer increases its supply, the supply curve will shift to the right from SS to  $S_1S_1$  ✓✓
- At this point the equilibrium quantity has increased from Q to  $Q_1$ , but the equilibrium price has remained at  $P_1$  ✓✓
- If the individual producer decreases its supply, the supply curve will shift from SS to  $S_2S_2$  ✓✓
- The equilibrium quantity has decreased but the equilibrium price has remained constant at  $P_1$  ✓✓
- The individual producer is not able to influence the equilibrium or market price by manipulating its supply ✓✓

(Graphs max 6 marks and discussion max 8 marks)  
(Max 14)

**The derivation of the supply curve from cost curves for the individual producer**

<b>Mark allocation for individual producer</b>	
Horizontal demand curve	1 mark
Labelling of axes	1 mark
Indicating shutdown point	1 mark
Indicating break-even point	1 mark
Indicating profit position	1 mark
Indicating supply curve	1 mark
<b>Max 6</b>	



- The individual supply is derived by taking different market prices and determining how much the business should produce at each price ✓✓
  - The individual firm maximizes profit where the marginal revenue (MR) is equal to marginal cost (MC) - Point B ✓✓
  - Provided that the average income (AR) is enough to cover the average variable cost (AVC) ✓✓
  - Average variable costs comprise costs like labour cost, material costs and fuel and electricity costs ✓✓
  - Under perfect conditions, the producer will produce where  $P=MR=MC$ , if  $AR=P>AVC$  ✓✓
  - Thus we derive that the supply curve of the firm is the section of the MC curve above the intersection with the AVC curve ✓✓
  - The supply curve therefore is ABC on the graph ✓✓
  - At  $P_1$ , no production will take place ✓✓
  - At  $P_2$ , the  $AR=AVC$ , the firm will consider shutting down ✓✓
  - At  $P_3$ , the  $AR=AC$ , the breakeven point, where normal profits are made ✓✓
  - At  $P_4$ , where  $AR > AC$  - at this point abnormal (economic profits) are made ✓✓
- (Graphs max 6 marks and discussion max 8 marks)

(Max 14)

Max body (26)



**ADDITIONAL PART**

**Without using a graph, explain why the price of a product under perfect competition will be equal to the lowest point on the long-run average cost curve.**  
**(10)**

- If the firm is making economic profit, it could adapt its production capacity by building a bigger production plant ✓✓
  - The industry can expand because new businesses could enter the market ✓✓
  - The increased production will push the market supply curve to the right thus lowering the market price ✓✓
  - Economic profits will eventually disappear due to falling average revenue ✓✓
  - Long run equilibrium is achieved where the lowest point of the AC curve is tangent to the Demand/AR curve.(Which is the price) ✓✓
  - If the business is making an economic loss then firms will leave the business or cut back on production ✓✓
  - This will shift the market supply curve to the left thus increasing prices ✓✓
  - Economic loss will eventually disappear due to increasing average revenue ✓✓
  - This price will eventually be equal to the minimum point on the LAC curve i.e. Normal profit ✓✓
  - Large scale production makes lower unit cost possible as a result of specialisation, and improved technology ✓✓
- (Max 10)

**CONCLUSION**

The supply curve of the firm under perfect competition is the section of the MC curve above the intersection with the AVC curve ✓✓

(Accept any other correct relevant conclusion)

(Max. 2)

**[40]**

**QUESTION 6: CONTEMPORARY ECONOMIC ISSUES**

**Tourism plays an important role and can affect the economy negatively or positively.**

- **Examine the effects of tourism on the following:**
    - **Poverty**
    - **Employment**
    - **Externalities**
  - **How can South Africa promote domestic tourism?**
- (26)  
(10) **[40]**

**INTRODUCTION**

Tourism is the activities of people travelling to places outside their usual environment for not more than one consecutive year, for leisure, business and other purposes ✓✓  
(Max. 2)

**MAIN PART****Poverty**

- Tourism is one of the fastest and most efficient redistribution mechanisms in development ✓✓
- Tourism stimulates economic growth and brings development to the poor in rural areas ✓✓
- Tourism offers opportunities to diversify sources of income for poor people ✓✓
- **Allowing them a stake** ✓ for example, to start and operate small-scale tourism businesses around community assets and to establish SMMEs to provide services ✓✓
- **Empowerment** ✓ for example, to exploit opportunities of on-the-job and other training ✓✓
- **Creating partnerships** ✓ linking up with mainstream tourism businesses supplying goods and services ✓✓  
(Max 10)

**Employment**

- Tourism sector directly and indirectly employ people ✓✓
- The sector is the largest creator of jobs (employs 7% of the workforce in SA) ✓✓ for the following reasons:
- **Tourism is labour intensive** ✓ It has the lowest ratio of investment to employment creation ✓✓ This means that more jobs can be created with every unit of capital invested in tourism ✓✓ Many tourist activities are therefore within the reach of small tour operators ✓✓
- **Tourism employ many skills** ✓ Various skills are employed in the tourism sector ✓✓ for example, tour guides, hairdressers, accountant ✓ It also offers a huge potential for on-the-job training ✓✓
- **Tourism provides immediate employment** ✓ If it is properly organised and focused, the tourism sector can create many jobs within a short period of time ✓✓
- **Tourism provides entrepreneurial opportunities** ✓ The tourism industry accommodates informal sector enterprises ✓✓ from craft and fruit vendors to pavement vendors, chair rentals and others ✓  
(Max 10)

**Externalities**

The rapidly expanding tourism industry could have both positive and negative impacts that extend well into the future:

- Attracts large amounts of revenue, but can cause undue environmental damage (uses resources and produces waste) ✓✓
- Rapid growth aimed at short-term benefits has more negative than positive effects: degeneration of traditions and cultural values, environmental damage to sites and natural settings – pollution and waste ✓✓
- Global tourism will grow due to increased population, improved living standards, increased free time and expansion of transportation systems, but put unnecessary pressure on tourist sites ✓✓
- Economic effect on individuals: new transport systems, recreation, shops and increase in property value compared to an increased inflation rate ✓✓
- Economic effect on government: more direct and indirect tax compared to conservation of infrastructure and tourist attractions ✓✓
- Social effect on individuals: improved health care and education compared to traffic congestion, crime ✓✓
- Social effect on government: an increased value put on culture, less migration compared to policing, sanitation, and health services ✓✓ (Max 10)

(Accept any other correct relevant response)

**(Max 26)**

(Allocate a maximum of 8 marks for mere listing of facts / examples)

**ADDITIONAL PART****South Africa can promote domestic tourism by**

- **Improving its marketing and advertising** ✓✓
  - Domestic tourism is encouraged through increased advertising ✓✓
  - TV magazine programmes like *Shot!left* inform people about local places of interest ✓✓
- **Promoting special holiday packages** ✓✓
  - Special off-season rates make it possible to enjoy cheaper holidays ✓✓
- **Enhancing efficiency of tourist information outlets** ✓✓
  - Many towns have information outlets that supply pamphlets and information about a specific area. ✓✓
- **Distributing information booklets (awareness) and offer transport** to visit places of interest. This is mostly done by hotels and other accommodation resorts ✓✓
- **Improving infrastructure** ✓ a greater variety, using new technology to provide reliable infrastructure ✓✓
- **Government effectively managing its tourist sites and other tourist attractions** ✓✓ e.g. maintenance, upgrading, security etc. ✓

(Accept any other correct relevant response)

(Max.10)

**CONCLUSION**

Tourist expenditure is as real as any other consumer expenditure and international tourism can in addition be seen as an invisible export product ✓✓ (Max. 2)

**[40]**

**TOTAL SECTION C:**  
**GRAND TOTAL:**

**40**  
**150**