basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

ECONOMICS P2

NOVEMBER 2017

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 18 pages.

SECTION A (COMPULSORY)

QUESTION 1

1.1   **MULTIPLE-CHOICE QUESTIONS**

1.1.1   A ✓✓ average variable
1.1.2   C ✓✓ community
1.1.3   D ✓✓ productive
1.1.4   B ✓✓ differentiated
1.1.5   B ✓✓ car tyres
1.1.6   A ✓✓ to domestic and international
1.1.7   D ✓✓ preservation
1.1.8   C ✓✓ demand-pull   (8 x 2)   (16)

1.2   **MATCHING ITEMS**

1.2.1   D ✓ The actual expenditure that a business incurs

1.2.2   F ✓ Businesses in the same industry come to an agreement to
              determine quantities and prices

1.2.3   A ✓ Encourages people to buy new products from the same range

1.2.4   E ✓ It is incomplete because it cannot meet the demand for certain
              goods

1.2.5   G ✓ It occurs when the price of raw materials increase

1.2.6   B ✓ It is labour intensive and employs many skills

1.2.7   C ✓ A consequence of deforestation

1.2.8   I ✓ Involves setting maximum permitted levels of resource use(8 x 1)   (8)

1.3   **GIVE ONE TERM**

1.3.1   Price leadership ✓
1.3.2   External cost / Negative externality ✓
1.3.3   Short run / short term ✓
1.3.4   Administered / maximum / minimum ✓
1.3.5   Cultural tourism / paleo tourism ✓
1.3.6   Air pollution / pollution / emissions ✓   (6 x 1)   (6)

                                                        TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MICROECONOMICS

2.1   **Answer the following questions.**

    2.1.1   **Give any TWO examples of positive externalities**.

- Education ✓
- Healthcare ✓
- Skills training ✓
- Job creation ✓
- Infrastructure development ✓
(Accept any other correct relevant response)   (2 x 1)   (2)

    2.1.2   **Why do people in rural areas sometimes pay higher prices for goods and services than those living in urban areas?**

Most manufactured goods are produced in factories, which are situated in urban areas, the cost of transporting it to rural areas are included that will lead to higher prices / imperfect information / lack of competition / scarcity/insufficient facilities / lack of technology ✓✓
(Accept any other correct relevant response)   (1 x 2)   (2)

2.2   **DATA RESPONSE**

    2.2.1   **Identify any factor that can influence the prices of goods and services for the monopoly.**

- Highest revenue level ✓
- Demand for the product ✓
(Accept any other correct relevant response)   (1)

    2.2.2   **At what price must the monopolist sell to obtain maximum revenue?**

50 ✓   (1)

    2.2.3   **What is the nature of the product of a typical monopolist?**

- The monopolist is providing a <u>unique</u> product ✓✓
- There is <u>no close substitute</u> for the product ✓✓   (2)

    2.2.4   **Which curves are required to determine how much profit the monopolist will make?**

The marginal cost (MC) and marginal revenue (MR) ✓✓ average cost (AC) and average revenue (AR) curves ✓✓ total cost (TC) and total revenue (TR) ✓✓   (2)

2.2.5 Why will you discourage the monopolist from increasing the price of the product drastically?

The monopolist should not increase the price because:
- consumers will buy alternate products due to budget constraints ✓✓
- the total revenue will decline because the demand will decrease ✓✓
- loss of revenue could compromise the efficiency of the business operation ✓✓
- it might lead to closing the operation due to loss in market share / income ✓✓

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

2.3 DATA RESPONSE

2.3.1 In the information, who is it more likely to use a CBA when making decisions?

Government ✓　　　　　　　　　　　　　　　　　　　　(1)

2.3.2 Identify ONE project from the data that the Government is considering for this community.

A-Road / B-park / C-hospital / D-airport ✓　　　　　　　　(1)

2.3.3 Give a reason why a CBA will not be of use to the mechanic.

- Cost-benefit analysis is applicable on large government projects on not on a one-man business ✓✓
- A mechanic only considers private costs and private benefits ✓✓
- CBA involves external benefits/costs ✓✓
(Accept any other correct relevant response)　　　　　　　(2)

2.3.4 According to the data, which project would be best for the community?

C / hospital ✓✓　　　　　　　　　　　　　　　　　　　(2)

2.3.5 Why do you think it is important to do a CBA when deciding on large projects?

It is important to do a CBA because:
- resources are scarce, therefore we must consider (evaluate) the cost and benefits of a project before allocating resources to a project ✓✓
- it allows planners to work out if going ahead with the proposed project is a good decision ✓✓
- it helps to bring greater objectivity to decision making ✓✓
- it ensures that the project's benefits exceed the cost of implementing the project ✓✓
(Accept any other correct relevant response)　　　　(2 x 2)　　(4)

2.4   **Explain the *nature of the product* and *market entry* as characteristics of perfect competition.**

Nature of the product
- All products are <u>homogeneous/the same</u> ✓✓
- The products are identical regarding <u>appearance and quality</u> ✓✓
- Customers in such a market consider one business's product to be as good as another's ✓✓   (Max 4)

Market entry
- There are no barriers to entry that stop new businesses entering the market ✓✓
- There is complete freedom to entry and to exit the market ✓✓
- Sunk costs are low – money invested in a business that cannot be recovered if the business close down ✓✓
- Entry is not subjected to any kind of restriction in the form of legal, financial, technological or other barriers ✓✓
- Less capital is required to enter the market ✓✓
  (Accept any other correct relevant response)   (Max 4)   (8)
  (Allocate a <u>maximum of 4 marks</u> for mere listing of facts/examples)

2.5   **How will a monopolistic competitor, like KFC, compete with other fast food chicken outlets to increase its market share?**

- The monopolistic competitor can increase its market share by competing on **non-price factors** ✓✓
- KFC might use unique spices (recipe) or new product lines (e.g. mealie pap) to offer a <u>differentiated product</u> ✓✓
- Using unique red/white packaging to promote KFC-<u>branding</u> ✓✓
- Aggressive <u>advertising campaigns</u> can be launched by focusing on the use of bill boards / sponsor ships like mini cricket ✓✓
- <u>Extending shopping hours</u> at more KFC branches, will be more convenient for customers in close vicinity to make use of their services (e.g. 24 hour service) ✓✓
- Providing more <u>free deliveries</u> within a certain range of the business will ensure an edge over other competition ✓✓
- The monopolistic competitor can increase its market share by competing on <u>promotional specials</u> **based on price** ✓✓
  (Accept any other correct relevant response)
  (Allocate a <u>maximum of 2 marks</u> for mere listing of facts/examples)   (8)
  [40]

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QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

3.1 **Answer the following questions.**

   3.1.1 **Name any TWO examples of transport infrastructure needed for tourism.**

- Roads ✓
- Railway lines ✓
- Airports ✓
- Harbours / ports ✓
- Car parks ✓
(Accept any other correct relevant response)   (Any 2 x 1)   (2)

   3.1.2 **How can a reduction in income tax rates contribute to demand pull inflation?**

It increases disposable income and consumer spending. ✓✓
(Accept any other correct relevant response, NB: all responses should relate to fiscal policy and not monetary policy)   (1 x 2)   (2)

3.2 **DATA RESPONSE**

   3.2.1 **Identify the index that is used to measure South Africa's inflation rate.**

Consumer Price Index / CPI ✓   (1)

   3.2.2 **Give the main reason for the increase in the CPI Inflation above.**

- Severe drought ✓
- Hike in maize and wheat prices ✓   (1)

   3.2.3 **Briefly describe the term *Core inflation.***

Core Inflation:
- Is a consumer inflation that is based on an adjusted CPI inflation rate ✓✓
- Volatile elements such as fuel and subsidised elements such as food have been removed from the calculation ✓✓
- Affected by government intervention and policy ✓✓
(Accept other correct relevant response – accept tabular format)   (2)

   3.2.4 **How can the South African Reserve Bank ensure that the CPI fluctuates within the 3%–6% band?**

- SARB will adjust the repo/interest rate ✓✓
- Selling or buying government bonds to commercial banks (open market transactions) ✓✓
- Adjust the cash reserve requirement ✓✓
- Appeal to banks to limit the granting of credit (moral suasion) ✓✓   (2)

3.2.5 **Calculate the percentage change in the inflation rate between June 2016 and December 2016. Show all calculations.**

= $\dfrac{6,4 - 5,8}{5,8}$ x $\dfrac{100}{1}$ ✓

= 0,6/ 5.8 x 100/1 ✓

= 10,3% ✓✓

(6.4 / 5.8 – 1) ✓ X 100 ✓ = 10.3% ✓✓

6.4 – 5.8 = 0.6 ✓ 0.6/5.8 X 100/1 ✓ = 10.3% ✓✓

(4)

3.3 DATA RESPONSE

3.3.1 **Identify the African name for the plant *Aloe Ferox* in the extract.**

Ikhala ✓ (1)

3.3.2 **According to the information, what is the reason for the high international demand for the *Aloe Ferox* products?**

It is used for medicinal purposes ✓ (1)

3.3.3 **Briefly describe the term *Indigenous Knowledge System.***

A knowledge that is unique to a particular society / refers to knowledge that has practical application for daily survival of local communities ✓✓
(Accept any other correct relevant response)   (Any 1 x 2)   (2)

3.3.4 **How can commercial use of Aloe Ferox contribute to government revenue?**

They can contribute by:
• paying tax through involvement in production of aloe products / export taxes ✓✓
• paying VAT on the sale of products of aloe ✓✓
(Accept any other correct relevant response)   (Any 1 x 2)   (2)

3.3.5 **How can Aloe Ferox plants be used to reduce unemployment in rural and urban areas?**

The Aloe Ferox plant will reduce unemployment in rural areas by:
• involving small-scale farmers in the production of aloe plants ✓✓
• employing people in the production of Aloe products ✓✓
• using people in the harvesting of the aloe juice ✓✓

The Aloe Ferox plant will reduce unemployment in urban areas by:
• employing people in the factories to produce the different aloe-based products ✓✓
• employing people in the marketing and selling of the final products at different sale points/outlets ✓✓
(Accept any other correct relevant response)   Any (2 x 2)   (4)

3.4   **Explain the government's use of *subsidies* and *permits* as measures to ensure environmental sustainability.**

Subsidies
- Government can use income from taxes to provide subsidies to activities that reduce environmental damage.✓✓

Subsidy could be given for activities such as:
- The development of new techniques for example to save energy ✓✓
- The encouragement of production of environmentally friendly substitutes such as unleaded petrol ✓✓
- The encouragement of recycling of waste such as bottles and cans ✓✓
- The subsidy should be equal to the marginal external benefit ✓✓
- Private individuals who install solar panels/energy saving light bulbs ✓✓
                                                                        (Max 4)

Permits
- Government can decide on the maximum desired level of pollution in an area ✓✓
- It then can issue a licence to firms to pollute up to a particular limit ✓✓
- Firms are allowed to sell their licenses (or part of) to other businesses that have larger pollution levels ✓✓
- Impose user fees and charges on individuals who use or damage the environment ✓✓
    (Accept any other correct relevant response)   (Max 4)   (8)
    (Allocate a maximum of 4 marks for mere listing of facts/examples)

3.5   **How effective has inflation targeting in South Africa been to ensure price stability?**

Inflation targeting has been effective by:
- curbing demand–pull inflation through limiting consumption expenditure ✓✓
- managing consumers' expectations about future trends in inflation ✓✓
- ensuring the central bank adjust interest rates if inflation is outside the target range of 3-6% ✓✓
- stimulating economic activity due to the relative small changes in input prices ✓✓
- allowing businesses to make investment decisions knowing that prices will be stable ✓✓
- providing an explicit measure that serve to improve discipline and accountability of the SARB ✓✓

Inflation targeting has not been effective in:
- controlling cost-push inflation since it was designed to control the aggregate demand ✓✓
- controlling many factors, because the increase in costs of production is influenced by factors that fall outside the control of the monetary policy ✓✓
- e.g. increase in oil price ✓
    (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   **Answer the following questions.**

4.1.1   **State any TWO ways in which households can benefit from tourism.**

- Income ✓
- Job opportunities ✓
- Infrastructure ✓
- Skills ✓
  (Accept any other correct relevant response)   (2 x 1)   (2)

4.1.2   **How will a national minimum wage influence the supply of labour?**

The supply of labour <u>will increase</u> ✓✓
(Accept any other correct relevant response)   (1 x 2)   (2)

4.2   **DATA RESPONSE**

4.2.1   **Identify the products produced by the businesses above.**

Cement products ✓   (1)

4.2.2   **Which market structure is depicted above?**

Oligopoly ✓   (1)

4.2.3   **Why will a new business find it difficult to enter into this type of market?**

- The initial set-up cost is high which means that new entrants will have to sell at a <u>higher cost</u> than established businesses (barriers to entry) ✓✓ e.g. licenses ✓
- Companies already in the market will use <u>branding</u> to crowd-out new competition ✓✓
- Advertising extensively is costly ✓✓   (1 x 2)   (2)
  (Accept any other correct relevant response)

4.2.4   **What does the *interdependency of businesses* in this market structure imply?**

Only a few sellers dominate the market, therefore each seller is influenced by the action of the other sellers ✓✓
(Accept any other correct relevant response)   (2)

4.2.5 **Explain, without the use of a graph, why businesses in this industry will be reluctant to decrease the price of their product.**

Businesses in this industry will be reluctant because:
- decreasing the price might lead to a price war which will drive prices down ✓✓
- a decreased price can result in lower profits ✓✓
- due to the kinked nature of the demand curve, they will lose more revenue than they would gain via increased sales ✓✓
(Accept any other correct relevant response)   (2 x 2)   (4)

4.3 **DATA RESPONSE**

4.3.1 **Identify any TWO holiday attractions that people on this bus are going to visit.**

- Robben Island ✓
- God's Window ✓
- Sterkfontein Caves ✓
- iSimangaliso Wetland Park ✓
- Kruger National Park ✓
- Table Mountain ✓   (Any 2 x 1)   (2)

4.3.2 **Briefly describe the term *tourism*.**

Tourism is the activities of people travelling to and staying in places outside their usual environment for no more than one consecutive year for leisure, business and other purposes ✓✓
(Accept any other correct relevant response)   (2)

4.3.3 **How can local communities benefit from nearby tourist attractions?**

Communities will benefit from tourist attractions by:
- providing formal/immediate employment such as work at hotels and informal employment such as selling artefacts ✓✓
- providing an opportunity for the on the job training for those hired in the tourism sector ✓✓
- using infrastructure provided by government to benefit the tourism industry ✓✓   (Any 1 x 2)   (2)
(Accept any other correct relevant response)

4.3.4   **Which strategies can be used to promote tourism in South Africa?**

Tourism can be promoted by:
- improving marketing and advertising of tourism destinations ✓✓
- improving infrastructure used by tourists such as communication and   transport ✓✓
- improving the quality of services given to the tourists so that they can return ✓✓
- developing new tourist attraction sites and properly maintain the existing ones ✓✓
- welcome campaigns – aims to encourage people to offer better services ✓✓
- welcome awards – recognizes those businesses and individuals who improve the quality of tourist offerings. The awards recognizes high standards and excellent service ✓✓
- shot'left campaign – aims to promote a culture of local holiday travel ✓✓
- Tourism Indaba – one of the largest tourism marketing events it show cases a variety of the Southern Africa's best tourism products and attracts international visitors and media from across the world ✓✓
 (Accept other correct relevant responses)   (Any 2 x 2)   (4)

4.4   **Explain the negative effects of inflation on *investors* and *people with a fixed income.***

Inflation will influence <u>investors</u> negatively by:
- decreasing the value of the investors' assets with a <u>fixed nominal value</u> ✓✓
- giving the investors a fixed return if the assets are held until maturity ✓✓ E.g. fixed deposits/government bond as it decrease in value as inflation increases ✓
- discouraging foreign investors from investing money in a country with a high inflation rate ✓✓   (Max 4)

Inflation will influence <u>people with fixed income</u> negatively by:
- increasing at a faster rate than the fixed income people earns ✓✓
- decreasing their buying power to purchase fewer goods and services, as prices increase ✓✓ e.g. the poor who receive social grants/pension/retired people ✓
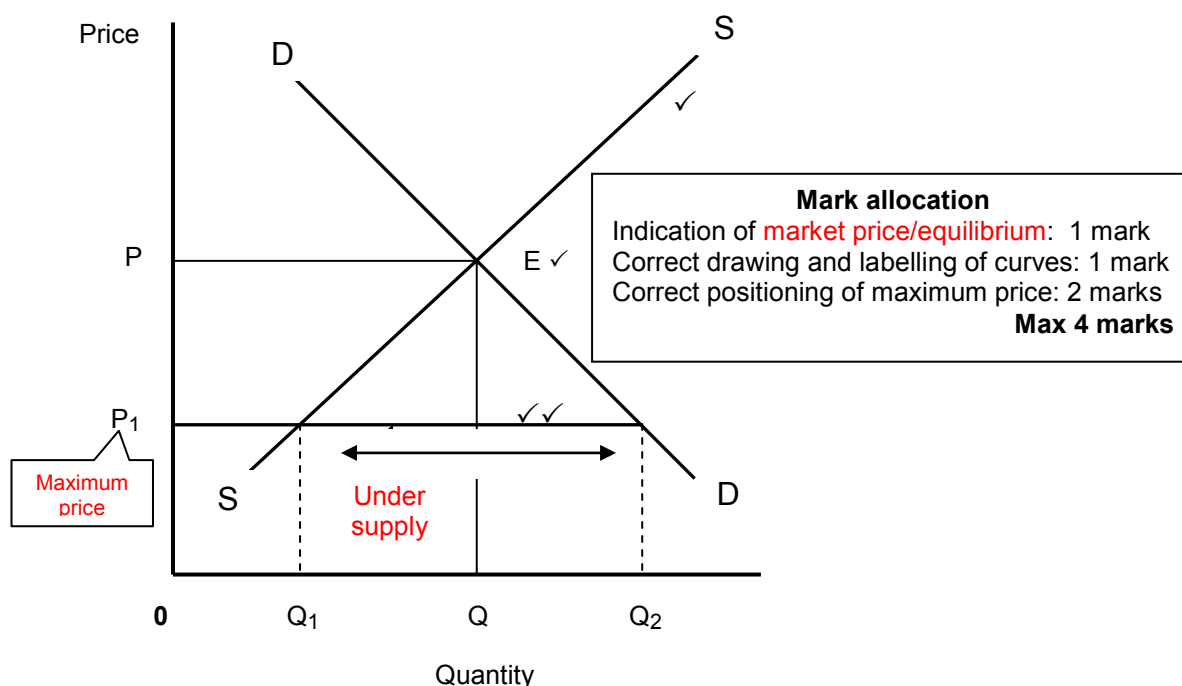- saving less because they became poorer ✓✓   (Max 4)   (8)
(Accept other correct relevant responses)
(Allocate a maximum of 4 marks for mere listing of facts/examples)

4.5   **Explain, with the aid of a neatly labelled graph, the impact of maximum prices on the market.**

MAXIMUM PRICES

- The government might set the price of a good or service at a maximum level (P1-maximum price) that lies below the market price P ✓✓
- The drop in price will cause the demand for the good or service to increase while producers will decrease their supply (under supply) ✓✓
- The quantity demanded will increase from Q to Q_2, and the quantity supplied will decrease from Q to Q_1 ✓✓
- This will cause a shortage of goods and services on the market ✓✓
- This leads to the development of black markets ✓✓   (Max 4)
  (Accept any other correct relevant answer)   (8)
  (Allocate a maximum of 2 marks for mere listing of facts/examples)   **[40]**

TOTAL SECTION B: **80**

SECTION C

Answer ONE of the two questions in this section in the ANSWER BOOK.
Your answer will be assessed as follows:

QUESTION 5: MICROECONOMICS

- **With the aid of three separate graphs, explain the following short term equilibrium positions in a perfect market:**
  - **Economic profit (10 marks)**
  - **Economic loss   (8 marks)**
  - **Normal profit   (8 marks)   (26 marks)**
- **How successful is the competition policy in promoting a more competitive economy?   (10 marks)   [40]**

INTRODUCTION

A perfect competition is a market structure with a large number of buyers and sellers ✓✓   (Accept any other relevant introduction)   (Max 2)

MAIN PART
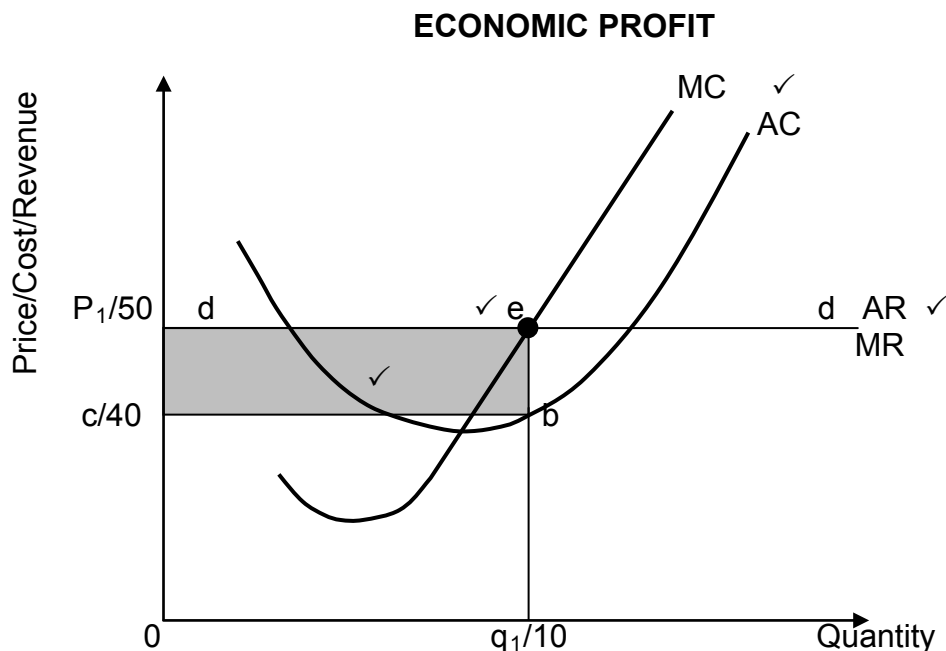
ECONOMIC PROFIT

Mark allocation
Correct drawing and labelling of cost curves: 1 mark
Correct drawing and labelling of revenue curves: 1 mark
Correct indication of profit maximisation point: 1 mark
Correct indication of area (economic profit):   1 mark
Max 4 marks

- The minimum point of the short-term average cost curve (AC) is lower than the market price ✓✓
- The business is in equilibrium (it is maximising profits) at point e where $MR = MC$ and the business will produce at quantity q_1 and market price P_1 ✓✓
- Total revenue is equal to $0q_1$ x $0P_1$ (50 x 10) and total cost is equal to $0q_1$ x $0c$ (40 x 10) ✓✓
- The economic profit is represented by the area cP_1eb (R100) ✓✓ (6) (Max 10) (Accept any other correct relevant response)

ECONOMIC LOSS
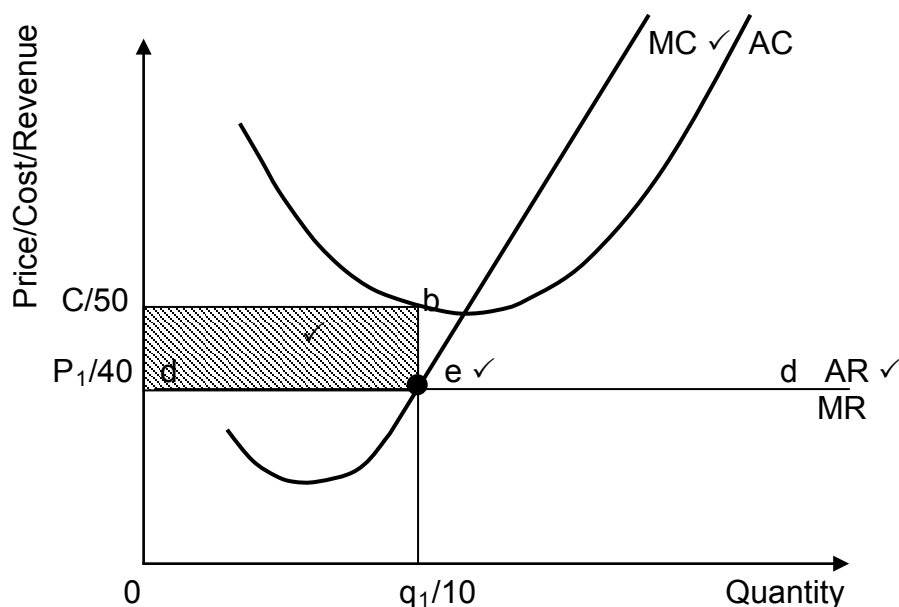
ECONOMIC LOSS

Mark allocation
Correct drawing and labelling of cost curves: 1 mark
Correct drawing and labelling of revenue curves: 1 mark
Correct indication of loss minimizing point: 1 mark
Correct indication of area (economic loss):   1 mark
Max 4 marks

- The minimum point of the short-term average cost curve (AC) is higher than the market price ✓✓
- The business is in equilibrium (it is maximising profits) at point e where MR=MC and the business will produce at quantity Q and market price P ✓✓
- Total revenue is equal to $0q_1$ x $0P_1$ (40 x 10) and total cost is equal to $0c$ X $0q_1$ (50 x 10) ✓✓
- The economic loss is represented by the area P_1cbe (100) ✓✓
  (Accept any other correct relevant response)   (4) (Max 8)

NORMAL PROFIT

Mark allocation
Correct drawing and labelling of cost curves: 1 mark
Correct drawing and labelling of revenue curves: 1 mark
Correct indication of profit maximisation point e /
normal profit: 2 marks
Max 4 marks
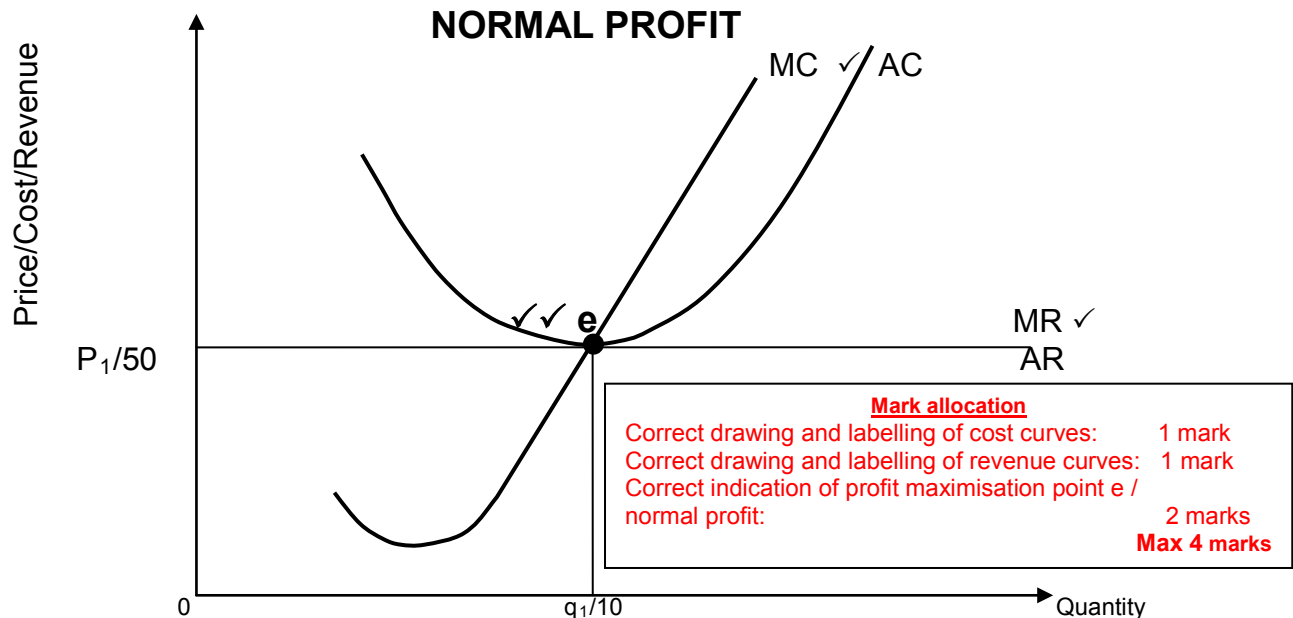
- At point e where MR = MC the business will produce at quantity q_1 and market price P_1 ✓✓
- The lowest point of AC is tangent to the AR/MR curves ✓✓
- This implies that AC=AR and total cost is equal to total revenue ($0P_1eq_1$/500) ✓✓
- Normal profit is minimum earnings required to prevent the entrepreneur from leaving the market ✓✓   **(6) Max (8)**
  (Accept any other correct relevant response)   **Max 26**

ADDITIONAL PART
The competition policy is successful by:
- making provision for institutions like the Competition Commission, Competition Tribunal and Appeal Court to investigate any unfair competition in the country ✓✓
- functioning as an investigator and evaluator of restrictive business practices ✓✓
- making recommendations about penalties for businesses found guilty of abuse ✓✓
- implementing the Competition Tribunal who accepts or rejects the investigation and recommendation of the Competition Commission and confirms penalty imposed ✓✓
- making it possible for businesses to appeal for a penalty imposed by the Competition Appeal Court ✓✓
- curbing the economic power of big conglomerates to arrive at a more equitable distribution of income and wealth ✓✓
- regulating mergers and takeovers to regulate market power of mergers ✓✓
  (Accept practical examples where Competition policy has succeeded)
  (Accept any other correct relevant response)
The competition policy is not successful because of
- frequency of investigations into collusive behaviour ✓✓ e.g. cement / steel / bread / bank industries ✓
- fines were too lenient and not acceptable to some parties ✓✓
- too many competitors still preventing affirmative action/young black industrialists entering into the market (BEE) ✓✓   (**Max 10**)

CONCLUSION
Businesses under perfect competition can only realise normal profits in the long–run due to the number of businesses entering in the market to share in the profits being made in the short run ✓✓   **(Max 2)**   **[40]**
(Accept any other correct relevant higher order response)

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES

- *Discuss* **the FIVE major environmental problems and the international measures taken to solve these problems to ensure a sustainable environment.**
  (26 marks)
- **How does South Africa use conservation to ensure a sustainable environment?**
  (10 marks)   [40]

INTRODUCTION

Environmental sustainability is the ability of the environment to survive its use for economic activities /
Environmental issues are global issues, as such the following five environmental problems are areas of concern ✓✓ (Max 2)
(Accept any other correct relevant response)

MAIN PART

Biodiversity loss ✓

- Biodiversity is the variety of species of plants and animal in a particular area ✓✓
- It is concerned with the genetic variety among individuals within the same species and the number of species within a community of organisms ✓✓
- The diversity of species in the world decreases rapidly due to extinction and extinction 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, a permit is needed for one to import plants and animals ✓✓ (Max 6)

Chemical wastes ✓

- Chemical waste are 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 the 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 ✓✓ (Max 6)

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 entire ecosystem ✓✓
- The **Basel Convention** on the control of Trans boundary Movement of Hazardous waste allows trade between countries that have signed the convention ✓✓
- Hazardous waste is dumped illegally because it is convenient and cheap ✓✓ (Max 6)

Climate change ✓
- Climate change is the change in the composition of the atmosphere that is related to human activity ✓✓
- 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 ✓✓
- The **United Nations' Framework Convention on Climate Change (UNFCCCC)** sets objective to reduce greenhouse gases ✓✓
- **Kyoto Protocol** was signed as an agreement in which greenhouse gases emission level for developed countries were agreed upon ✓✓
- The objectives of the agreement were not achieved ✓✓   (Max 6)

Loss of indigenous Knowledge ✓
- Indigenous people have knowledge about the natural environment, which they often use to make a living ✓✓
- Indigenous people use organic methods and natural processes in dealing with the environment ✓✓
- 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 for ever ✓✓
    (Accept any other correct relevant response)   (Max 6)
    (Allocate a maximum of 8 marks for mere listing of facts/examples)
    (At least **TWO** marks should be allocated for the **international measure** used to solve each problem)
    (Accept other major environmental issues)   (Max 26)

ADDITIONAL PART

Conservation in South Africa can ensure a sustainable environment by:
- bringing a balance in the ecosystem ✓✓ as animals and plant interacts and depends on one another for continued survival ✓✓
- protecting forests, as they are important for producing oxygen and absorbing greenhouse gases ✓✓
- reducing the amount of greenhouse gases that reach the atmosphere thereby decreasing global warming ✓✓
- 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 people use fewer resources and production of things such as plastics can decrease ✓✓
- policies help to conserve renewable stocks (e.g. trees) and non – renewable stocks (e.g. Fossil fuels) ✓✓
- a market economy has an interest in conservation as it helps maintain renewable stocks e.g. timber and fishing ✓✓
- achieving sustainability of industries through forces of demand and supply ✓✓
- direct controls: the government maintains the stock level of environmental resources through the issuing of permits and quotas ✓✓
- e.g. 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 renewal ✓✓ (Accept any other correct relevant response)   (Max 10)

CONCLUSION

The success in protecting the environment will take a united effort from consumers, businesses and governments ✓✓ (Max 2)
(Accept any other correct higher order conclusion) **[40]**

TOTAL SECTION C: **40**
GRAND TOTAL: **150**