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# SA EXAM PAPERS

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PAPERS



**LIMPOPO**

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**EDUCATION**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS PAPER 1  
SEPTEMBER 2023**

**MARKS: 150**

**DURATION: 2 HOURS**



EECONP1

**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. Number the answers correctly according to the numbering system used in this question paper.
3. Write the number of the question above each answer.
4. Read the questions carefully and start EACH question on a NEW page.
5. Leave 2 – 3 lines between subsections of questions.
6. 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.
7. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
8. Use only black or blue ink.
9. Non-programmable pocket calculators may be used.
10. 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 correct answer and write only the letter (A – D) next to the question number (1.1.1 – 1.1.8) in the ANSWER BOOK, e.g., 1.1.1. D

1.1.1 A small initial change in spending that produces a proportionately larger increase in income is the ... effect.

- A price
- B government
- C multiplier
- D credit

1.1.2 A fiscal policy that attempts to stimulate economic activity is a / an ... policy.

- A restrictive
- B expanding
- C supplying
- D demanding

1.1.3 The removal of unnecessary restrictions by law is ...

- A withdrawal.
- B regulation.
- C market economy.
- D deregulation.

1.1.4 A payment made by the government to someone for whom there was no service rendered is called ... payments.

- A salary
- B taxation
- C transfer
- D duties

1.1.5 The infant industries argument justifies ...

- A subsidies.
- B dumping.
- C protection.
- D de-industrialization.



1.1.6 SMME's create employment for ... unemployed people.

- A seasonally
- B structurally
- C frictionally
- D technologically

1.1.7 Regional development policies aim to reduce the effect of ...

- A centralisation
- B investment
- C decentralisation
- D mobilisation

1.1.8 A situation where trade occurs without government interference is called ... trade.

- A international
- B barter
- C unlimited
- D free

(8 x 2) (16)

- 1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A – J) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Moral suasion	A exchange rate system determined by market forces
1.2.2 Parastatals	B promotes affirmative action and prevents discrimination
1.2.3 Free floating	C state-owned enterprises that provide public goods and services
1.2.4 Customs-free incentives	D focuses on land for residential and production
1.2.5 Land restitution	E SARB convinces commercial banks to extend credit responsibility
1.2.6 Structural unemployment	F returning of land to those citizens who lost it due to discriminatory laws of the past
1.2.7 Exchange rate	G job losses due to the economy going in a recession
1.2.8 Life expectancy	H imports of raw materials or intermediate goods are not taxed
	I net gold exports are listed here because of the historical significance in South Africa
	J the number of years a person will live after birth
	(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 – 1.3.6.) in the ANSWER BOOK. Abbreviations, acronyms and examples will not be accepted.

- 1.3.1 Changes of these indicators only take place after the economy changes direction.
- 1.3.2 Individuals who benefit from public goods and services without paying for them.
- 1.3.3 Large scale production activities whereby the entrepreneur's cost per unit decreases.
- 1.3.4 The institution that formulates monetary policy in South Africa.
- 1.3.5 The rate which banks charge on loans to their most creditworthy clients.
- 1.3.6 The increase in the population numbers of cities and towns.

(6 x 1) (6)

**TOTAL SECTION A: [30]**

**SECTION B: (ANSWER TWO OF THE THREE QUESTIONS)**

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

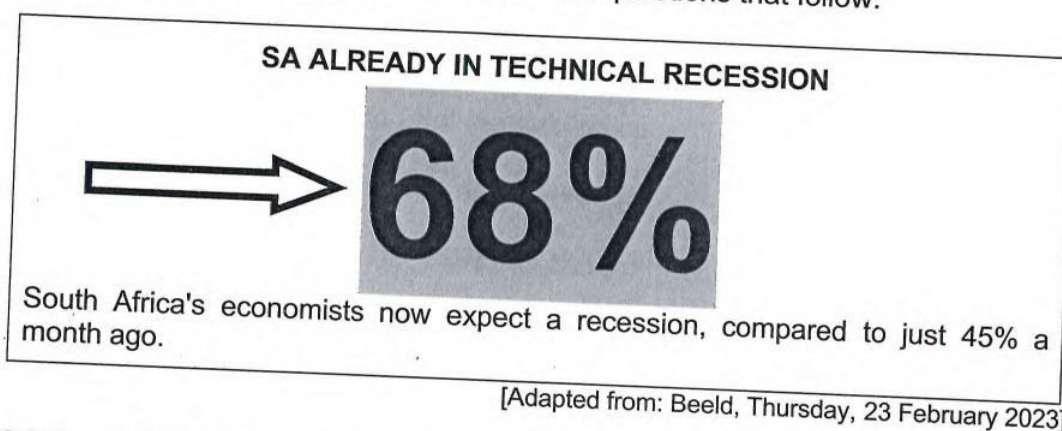
**QUESTION 2: MACROECONOMICS****40 MARKS – 30 MINUTES**

2.1 Answer the following questions:

2.1.1 Name any TWO examples of exogenous factors in a business cycle. (2 x 1)

2.1.2 Explain the effect of the depreciation of the Rand on imports. (1 x 2)

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



2.2.1 Identify the concept which relate to two consecutive quarters of economic decline. (1)

2.2.2 Name any feature underpinning forecasting with regard to business cycles. (1)

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

2.2.4 How can economist use extrapolation of a business cycle in economic forecasting? (2)

2.2.5 Why would the government want to avoid a recession at all costs? (2 x 2) (4)



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

**With more questions than answers, the 2023 State of the nation address was just another missed opportunity**

The power crisis and the dysfunctional ESKOM obviously require drastic measures. Who will manage the state of disaster? Election 2024 is just around the corner.

[Adapted from: Beeld, Monday, 13 February 2023]

- 2.3.1 Identify the public service provided by the government. (1)
- 2.3.2 Which activity is regularly applied by Eskom to prevent national blackouts in South Africa? (1)
- 2.3.3 Briefly describe the term *price stability*. (2)
- 2.3.4 Why are State-Owned Enterprises seen as a problem in provisioning of public goods and services? (2)
- 2.3.5 How can the South African municipalities improve efficiency in pursuit of service delivery? (2 x 2) (4)
- 2.4 Briefly discuss the *product* and *factor market* as markets in the four-sector model. (2 x 4) (8)
- 2.5 Describe how producers will respond to the different phases in the business cycle. (2 x 4) (8)
- [40]**



**QUESTION 3: ECONOMIC PURSUITS****40 MARKS – 30 MINUTES**

3.1 Answer the following questions:

3.1.1 Name any TWO social indicators. (2 x 1)

3.1.2 How can economic growth lead economic development in a country? (1 x 2)

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


SOUTH AFRICA – ECONOMIC INDICATORS		
PRICE	LAST	REFERENCE
Inflation rate	5.9%	Jan. / 2023
Interest rates	7.25%	Jan. / 2023
Money supply M3	53.27	Jan. / 2023
Foreign Exchange Reserves	61864	Jan. / 2023
Balance of Trade	5430 <u>ZAR Million</u>	Feb. / 2023

[Source: Trading Economics.com]

- 3.2.1 Identify the economic indicator that influences the levels of borrowing in the economy.
- 3.2.2 What is the inflation target that South Africa is aiming for?
- 3.2.3 Briefly describe the term *employment*.
- 3.2.4 Explain employment as an economic indicator.
- 3.2.5 How can the government prevent malnutrition in South Africa? (2 x 2)

- 3.3 Study the information below and answer the questions that follow.

**EXPANDED PUBLIC WORKS PROGRAMME**



The EPWP is a key government initiative, which contributes to Government Policy Priorities in terms of decent work and suitable livelihood, education, health, rural development, food securities and land reforms and the fight against crime and corruption. EPWP subscribes to the outcome which states, "Decent employment through inclusive economic growth".

[Adapted from: EPWP]

- 3.3.1 Identify the nationwide intervention used to alleviate unemployment in South Africa as depicted in the above information. (1)
- 3.3.2 Which type of job are usually provided by this public works initiative project? (1)
- 3.3.3 Briefly describe the term *social capital*. (2)
- 3.3.4 Explain how free trade affected employment in South Africa. (2)
- 3.3.5 How can the government use critical infrastructure facilities as incentives to increase production? (2 x 2) (4)
- 3.4 Briefly discuss *terms of trade* and the *exchange rate* as economic indicators for foreign trade. (2 x 4) (8)
- 3.5 How can BBBE be used by the South African Government to address income inequality? (4 x 2) (8)

[40]

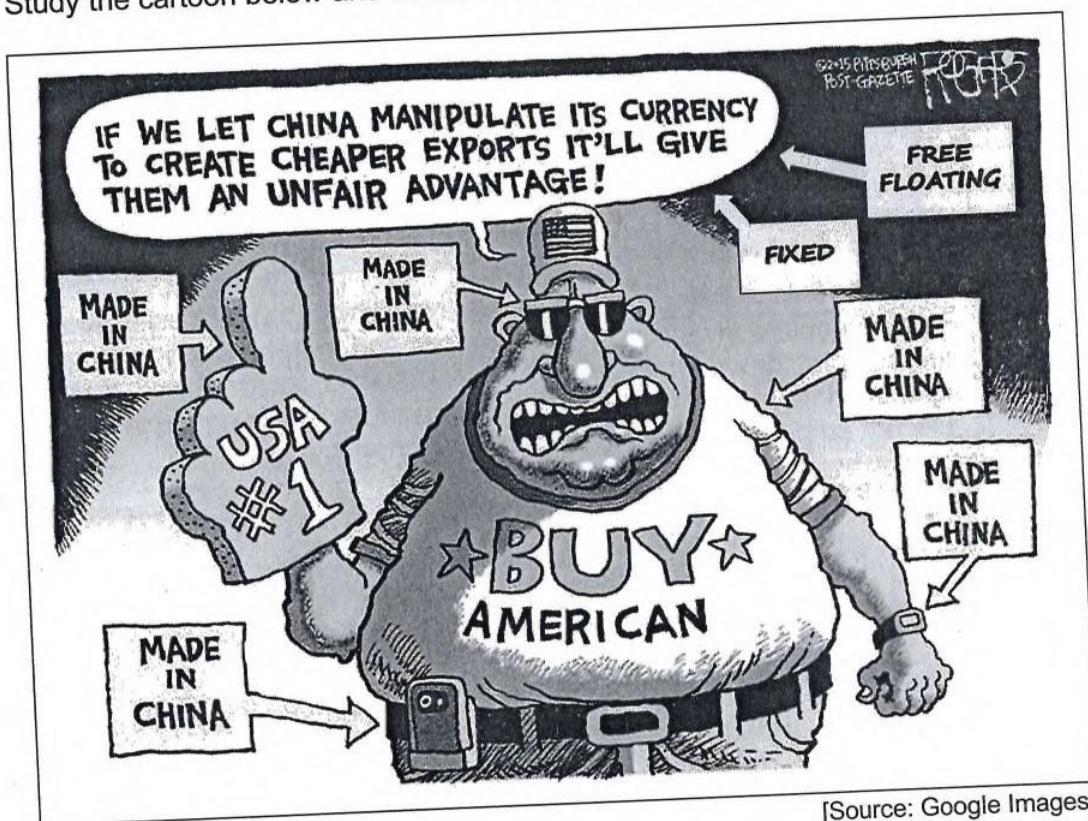


**QUESTION 4: MACROECONOMICS & ECONOMIC PURSUITS**  
**40 MARKS – 30 MINUTES**

4.1 Answer the following questions:

- 4.1.1 Name any TWO features of the fiscal policy. (2 x 1) (2)
- 4.1.2 Why is industrial development a priority for the South African government? (1 x 2) (2)

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



[Source: Google Images]

- 4.2.1 Identify the exchange rate system used in China as depicted by the above cartoon.
- 4.2.2 Mention the financial market where currencies are exchanged.
- 4.2.3 Briefly describe the term *balance of payments*.
- 4.2.4 Explain how mass production can affect international trade.
- 4.2.5 Why would investors prefer a country with a free floating system? (2 x 2)

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

**OUR FUTURE: MAKE IT WORK – NDP 2030**

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realise these goals by growing an inclusive economy through enhancing the capacity of the state as well as promoting leadership and partnership throughout society.

[Source: www.nda.org.za]

- 4.3.1 Identify **ONE** goal of the National Development Plan in the above extract. (1)
- 4.3.2 How can the South African government achieve an inclusive economy? (1)
- 4.3.3 Briefly describe the term *globalisation*. (2)
- 4.3.4 Explain the objective of regional development in South Africa. (2)
- 4.3.5 How can the South African government eradicate poverty? (2 x 2) (4)
- 4.4 With the aid of a correctly labelled graph explain the Laffer curve. (8)
- 4.5 How has the load shedding crisis impacted the cost of doing business in South Africa? (4 x 2) (8)

**TOTAL SECTION B: [40]**



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**SECTION C**Answer **ONE** of the two questions from this section in the **ANSWER BOOK**

Your answer will be assessed as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
<b>Introduction:</b> <ul style="list-style-type: none"> <li>• A good starting point will be to define a concept or key.</li> <li>• Include other sentences to support the topic.</li> <li>• Do not include in your introduction any part of the question.</li> <li>• Do not repeat any part of the introduction in the body.</li> <li>• Avoid saying in the introduction what you are going to discuss in body.</li> </ul>	Max. 2
<b>Body:</b> <ul style="list-style-type: none"> <li>• Main part: Discuss in detail / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Differentiate / Explain / Assess / Debate.</li> <li>• Additional part: 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? / Your own opinion.</li> </ul>	Max. 26  Max. 10
<b>Conclusion:</b> Any relevant higher order conclusion that should include: <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed / analyzed without repeating facts already mentioned in the body.</li> <li>• An 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 so required.</li> <li>• Recommendations</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40 MARKS</b>

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

- Discuss in detail the reasons for international trade. (26 marks)
- How can the South African government reduce imports in order to correct the Balance of Payment deficit? (10 marks)

**[40]****QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 40 MINUTES**

- Discuss in detail export promotion. (26 marks)
- How can the consumption of local products boost the South African economy? (10 marks)

**[40]**SA EXAM  
PAPERS**TOTAL SECTION C: [40]****GRAND TOTAL: [150]**