

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



SA EXAM PAPERS

SA EXAM
PAPERS



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ECONOMICS P1
SEPTEMBER 2023

MARKS: 150

TIME: 2 hours

This question paper consists of 13 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 number (1.1.1 to 1.1.8) in the ANSWER BOOK, for example 1.1.9 B.

1.1.1 The market in which one country's currency can be traded for other countries' currencies is called ...

- A financial market.
- B factor market.
- C foreign exchange market.
- D goods market.

1.1.2 Transfer of functions and ownership of entities from the private sector to the public sector.

- A Nationalisation
- B Privatisation
- C Regulation
- D Regional government

1.1.3 The inverse relationship between unemployment and inflation is illustrated by the ... curve.

- A Lorenz
- B Phillips
- C Laffer
- D Demand

1.1.4 A situation where one country has a relative advantage in the production of goods and services.

- A absolute advantage
- B protective
- C free trade
- D comparative advantage

1.1.5 The removal of trade practices that prevent the free flow of goods and services between countries is called ...

- A protocol.
- B sanctions.
- C trade liberalisation.
- D trade neutrality.

- 1.1.6 This program places emphasis on training to enable trainees to enter the formal workforce or create a livelihood for themselves.
- A Joint Initiative on Priority Skills Acquisition.
 - B Growth, Employment and Redistribution.
 - C Accelerated and Shared Growth Initiative for South Africa.
 - D National Skills Development Strategy.
- 1.1.7 The track of land that forms a passageway allowing access from one area to another is referred to as a ...
- A corridor.
 - B regional zone.
 - C Industrial Development zone.
 - D Spatial Development Initiative.
- 1.1.8 The number of children who die before reaching 1 year of age is known as ...
- A under five mortality.
 - B infant mortality.
 - C obesity.
 - D malnutrition.
- (8 x 2) (16)

- 1.2 Choose a description from COLUMN B that matches an 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	Autonomous consumption	A	markets are inherently unstable and government intervention may be required
1.2.2	Trade balance	B	cost advantages reaped by companies when production becomes efficient
1.2.3	Efficient provisioning	C	a policy aimed at improving service delivery to the people
1.2.4	Endogenous explanation	D	statistics that describe population and their characteristics
1.2.5	Reconstruction and Development Program (RDP)	E	spending that takes place irrespective of the level of income
1.2.6	Special Economic Zones (SEZ)	F	a growth theory that maintains that economic growth is primarily the result of internal forces, rather than external ones
1.2.7	Demographics	G	public servants provide the public with goods and services promptly and in the desired quantity and quality
1.2.8	Economies of scale	H	the difference between the tangible exports and the tangible imports
		I	geographically demarcated area where specific economic activities have been identified to be developed.

(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 An individual or family of people that live together, have a joint income and make decisions together.
- 1.3.2 Indicators that give consumers, businesses and the state a glimpse of the direction in which the economy might be heading
- 1.3.3 The output per worker in a particular period of time.
- 1.3.4 The worldwide interaction of economies with trade as an important element.
- 1.3.5 Regional development initiative aimed to attract infrastructure and business investments to neglected and underdeveloped areas.
- 1.3.6 The deliberate decrease in the value of the currency in terms of another currency as a result of central bank intervention. (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 TWO types of financial markets. (2 x 1) (2)

2.1.2 Explain the impact of an appreciation of the rand on imports. (1 x 2) (2)

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

SOUTH AFRICAN ECONOMY BURST OFF TECHNICAL RECESSION

The South African economy avoided a technical recession in the third quarter of 2022 after a growth of 1,6%. The economy grew beyond expectations despite the impact of Eskom's ongoing power cuts. The real GDP reached pre-pandemic levels in the first quarter of 2022 with a growth of 1,6% but the recovery was short-lived. The GDP contracted by 0,7% in the second quarter, mainly due to the deadly and costly KwaZulu-Natal floods.

According to Stats SA, the biggest contributors to economic growth were finance, agriculture, transport and manufacturing.

[Adapted from <https://ewn.co.za>, 6 December 2022]

2.2.1 Identify a period of business cycle caused by KwaZulu-Natal floods. (1)

2.2.2 Name ONE type of business cycle. (1)

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

2.2.4 Explain the impact of power cuts on economic activities. (2)

2.2.5 How can the government reduce the cost of doing business in the economy? (2 x 2) (4)

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

SOUTH AFRICA's TERMS OF TRADE			
Year	Index of import prices	Index of export prices	Terms of trade
Jul 2020	123,0	146,9	119,4
Jul 2021	134,2	168,7	A
Jul 2022	160,6	176,6	109,9

[Adapted from *Tradingeconomics.com* / SARB]

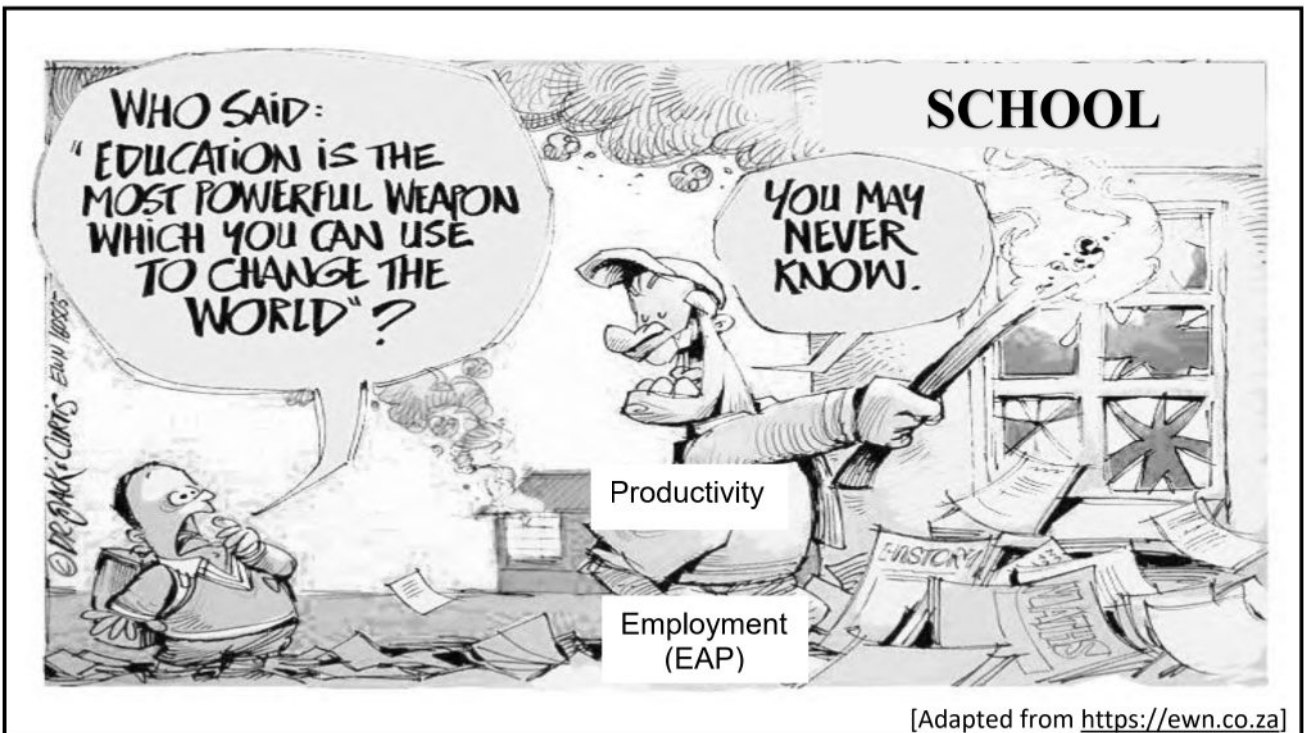
- 2.3.1 Identify the institution that prepares the terms of trade in South Africa. (1)
- 2.3.2 Give ONE reason for an increase in import prices during July 2022. (1)
- 2.3.3 Briefly describe the concept *balance of payments*. (2)
- 2.3.4 Briefly explain the effect deterioration in the terms of trade have on a country's welfare. (2)
- 2.3.5 Calculate the terms of trade for July 2021 (**A**). Write down the formula first and show ALL calculations. (4)
- 2.4 Briefly discuss *real flow* and *money flow* in the circular flow model. (2 x 4) (8)
- 2.5 Analyse the factors that could contribute towards an increase in demand for US dollars in South Africa. (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 industrialised areas where 80% of the country's GDP is produced. (2 x 1) (2)
- 3.1.2 How do subsidies promote growth and development in the economy? (1 x 2) (2)

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



- 3.2.1 Identify an economic indicator from the above cartoon. (1)
- 3.2.2 Name the indicator that measures the number of years a new-born baby is expected to live. (1)
- 3.2.3 Briefly describe the term *social indicator*. (2)
- 3.2.4 Why is the South African government spending the largest percentage of its income on education? (2)
- 3.2.5 Why is the size of the population important in the economy? (2 x 2) (4)

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

THE INDUSTRIAL DEVELOPMENT CORPORATION TO BOOST SA ECONOMY

South Africa urgently needs to accelerate its industrial development and economic growth rates and expand its human resources capabilities. This is necessary not only to address the crippling economic and human development inequalities left by apartheid, but also to match the country's rapidly growing BRICS partners.

The Industrial Development Corporation (IDC) can play a key role in South Africa for structural transformation by nurturing knowledge development, investing in infrastructure, promoting strategic trade, prioritising investments in existing key sectors and providing coherence to economic policies.

[Adapted from: <https://www.iol.co.za/business-report> January 2023]

- | | | |
|-------|---|-------------|
| 3.3.1 | Identify an institution that promote industrial development in South Africa. | (1) |
| 3.3.2 | Name ONE BRICS member-country other than South Africa. | (1) |
| 3.3.3 | Briefly describe the term <i>industrial development</i> . | (2) |
| 3.3.4 | Explain the importance of regional development in South Africa. | (2) |
| 3.3.5 | How can the South African government expand its human resource capabilities? | (4) |
| 3.4 | Briefly discuss <i>competitiveness</i> and <i>good governance</i> as international benchmark criteria for regional development. | (2 x 4) (8) |
| 3.5 | Evaluate the effectiveness of Expanded Public Works Programme (EPWP) in promoting growth and development in the country. | (4 x 2) (8) |
| | | [40] |

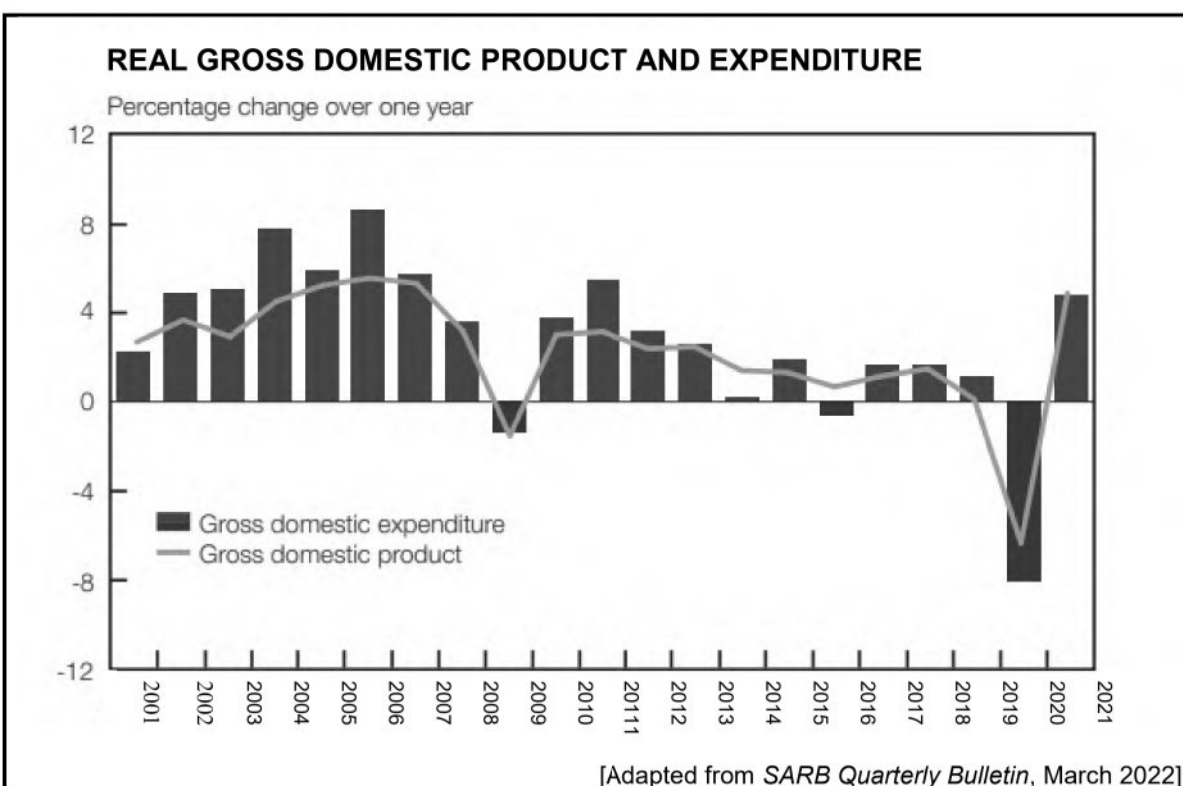
QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name TWO ways in which urbanisation is measured. (2 x 1) (2)

4.1.2 Why are injections important in the South African economy?(1 x 2) (2)

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



4.2.1 Which year had the highest percentage change in gross domestic expenditure? (1)

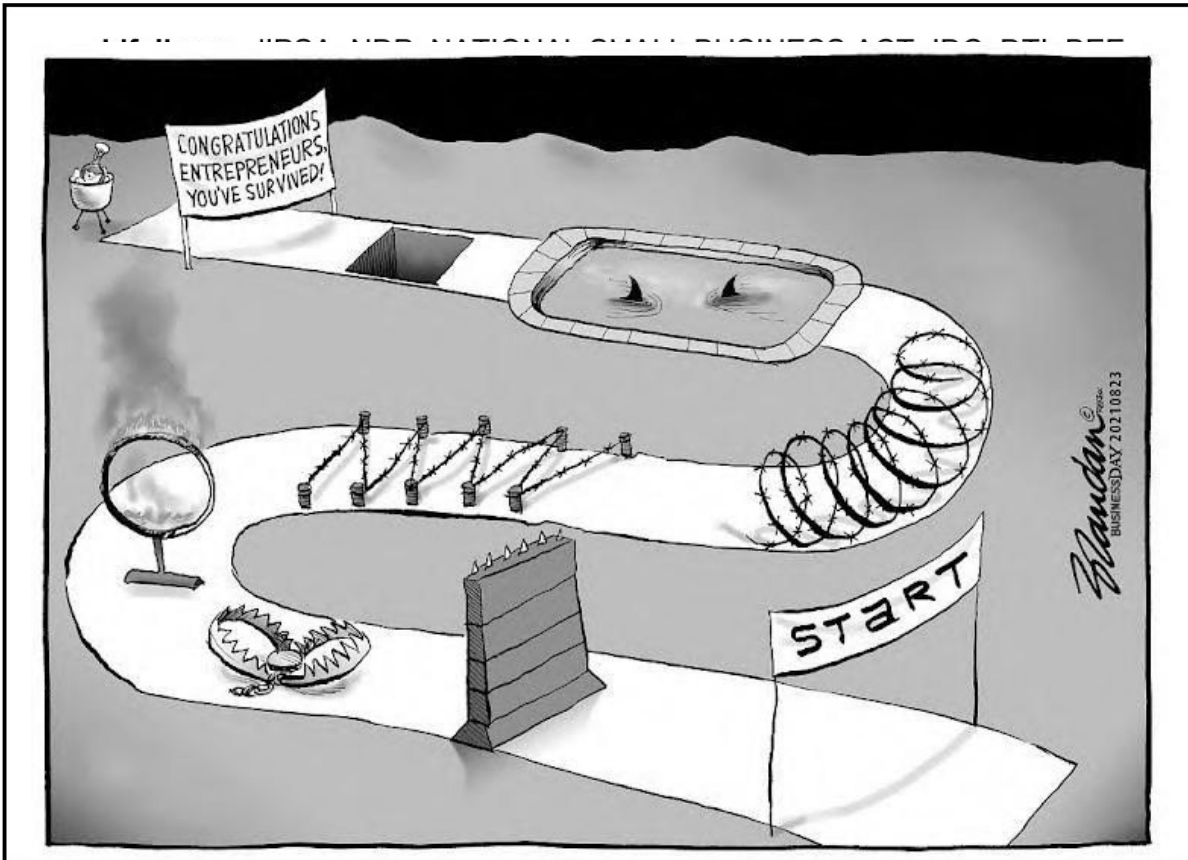
4.2.2 Name ONE method of calculating Gross Domestic Product (GDP). (1)

4.2.3 Briefly describe the term *subsidies on production*. (2)

4.2.4 Briefly explain the reason for a sharp decrease in gross domestic expenditure during the year 2020. (2)

4.2.5 Why are the real gross domestic product figures monitored in the country? (2 x 2) (4)

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



- 4.3.1 Identify a challenge relating to compulsory contribution to state revenue in the above cartoon. (1)
- 4.3.2 What does the acronym NDP stand for? (1)
- 4.3.3 Briefly describe the term *economic development*. (2)
- 4.3.4 Briefly explain the reason for a low economic growth rate in the country. (2)
- 4.3.5 How can small, medium and micro enterprises (SMMEs) contribute to economic growth and development? (4)
- 4.4 Discuss the key price change indicators. (2 x 4) (8)
- 4.5 Analyse the actions that can be taken by government when aggregate demand is too high in the economy? (8)

[40]

TOTAL SECTION B: 80

SECTION C

Answer only ONE of the two questions from this section in the ANSWER BOOK.

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower order response: <ul style="list-style-type: none"> • A good starting point would be to define the main concept related to the question topic • Do NOT include any part of the question in your introduction • Do NOT repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body 	Max 2
Body Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain A maximum of 8 marks may be allocated for heading/examples. 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/Suggest A maximum of 2 marks may be allocated for mere listing of facts.	Max 26 Max 10
Conclusion Any higher-order conclusion should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max 2
TOTAL NUMBER OF MARKS	40

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

- Discuss in detail the reasons for public sector failure. (26 marks)
- Analyse the challenges faced by the South African government in pursuing the macro-economic objectives. (10 marks) **[40]**

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

- Discuss in detail export promotion. (26 marks)
- Evaluate the impact of protectionism on the country's economy. (10 marks) **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150