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

## SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

**ECONOMICS P2**

**MAY/JUNE 2024**

**MARKS: 150**

**ECONOMICS: Paper 2**

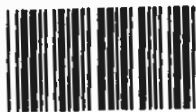
**TIME: 2 hours**



10732E

This question paper consists of 13 pages.

**X05**



**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 The value of inputs that are owned by an entrepreneur and used in the production process is called ... cost.

- A explicit
- B implicit
- C total
- D average

1.1.2 When average revenue is greater than average cost, the firm makes an/a ...

- A economic loss.
- B normal profit.
- C total loss.
- D economic profit.

1.1.3 A market that is dominated by two producers is known as a/an ...

- A duopoly.
- B monopoly.
- C oligopoly.
- D trigopoly.

1.1.4 When the market fails to supply the product combination that is needed by consumers, it is called ... inefficiency.

- A pareto
- B productive
- C allocative
- D technical

1.1.5 An index that measures prices of imported goods as they enter the country is known as ... price index.

- A consumer
- B basket
- C market
- D producer



- 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 Industry	A set below market equilibrium to make goods more affordable
1.2.2 Deregulation	B traditions, rituals or music that are unique to a given culture or society
1.2.3 Heterogeneous	C a situation where total revenue is equal to total cost
1.2.4 Maximum price	D a process whereby soil and rocks are removed from the Earth's surface due to wind and water
1.2.5 Core inflation	E the removal of unnecessary laws and regulations that restrict competition in the market
1.2.6 Indigenous knowledge system	F sum of all individual businesses producing a similar kind of product
1.2.7 Biodiversity	G products that are different in appearance, size and quality
1.2.8 Erosion	H excludes the items from the CPI basket that are highly volatile or prices affected by government policy
	I a variety of plant and animal life within an ecosystem

(8 x 1) (8)





**SECTION B**

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

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

2.1 Answer the following questions.

2.1.1 Give any TWO examples of fixed costs. (2 x 1) (2)

2.1.2 Why is the demand curve horizontal for an individual firm in a perfect market? (1 x 2) (2)

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

**INQUIRY INTO THE ONLINE MARKET IN SOUTH AFRICA**

In response to the growing importance of the online economy and competition, the Competition Commission launched an investigation into competition and participation in the online economy in 2021.

In July 2022 the Competition Commission released a report that highlighted the lack of effective competition in the fees charged by app developers leading to high prices.

The commission recommended that certain considerations be taken into account regarding payment options for goods and services and how they are priced. The matter has since been referred to the Competition Tribunal.

[Adapted from *Business Tech*]

2.2.1 Identify ONE reason for launching an enquiry into the online market in South Africa. (1)

2.2.2 Name the competition institution that has a similar status to that of a high court in South Africa. (1)

2.2.3 Briefly describe the term *price fixing*. (2)

2.2.4 Explain the role of the Competition Tribunal. (2)

2.2.5 How has the Competition Act, 1998 (Act 89 of 1998) benefited (advantaged) South Africa? (2 x 2) (4)



**QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 State any TWO effects of tourism. (1 x 2) (2)

3.1.2 Why are businesses reluctant (unwilling) to change to more environmentally friendly production methods? (1 x 2) (2)

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

<b>TOURISM RECEIPTS AND EXPENDITURE (Rm)</b>					
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>INBOUND TOURISM</b>					
Total international receipts	9 706	9 790	9 064	2 717	2 113
<b>OUTBOUND TOURISM</b>					
Total international expenditure	6 068	6 348	5 866	1 594	1 669

[Adapted from [oecd-library.org](https://oecd-library.org)]

3.2.1 Identify in the table above the term that refers to tourists visiting other countries. (1)

3.2.2 Name ONE criterion (way) that is used to measure tourism. (1)

3.2.3 Briefly describe the term *transit tourism*. (2)

3.2.4 Why do people from other countries prefer South Africa as a tourist destination? (2)

3.2.5 How can an increase in tourism activities negatively affect the environment? (2 x 2) (4)



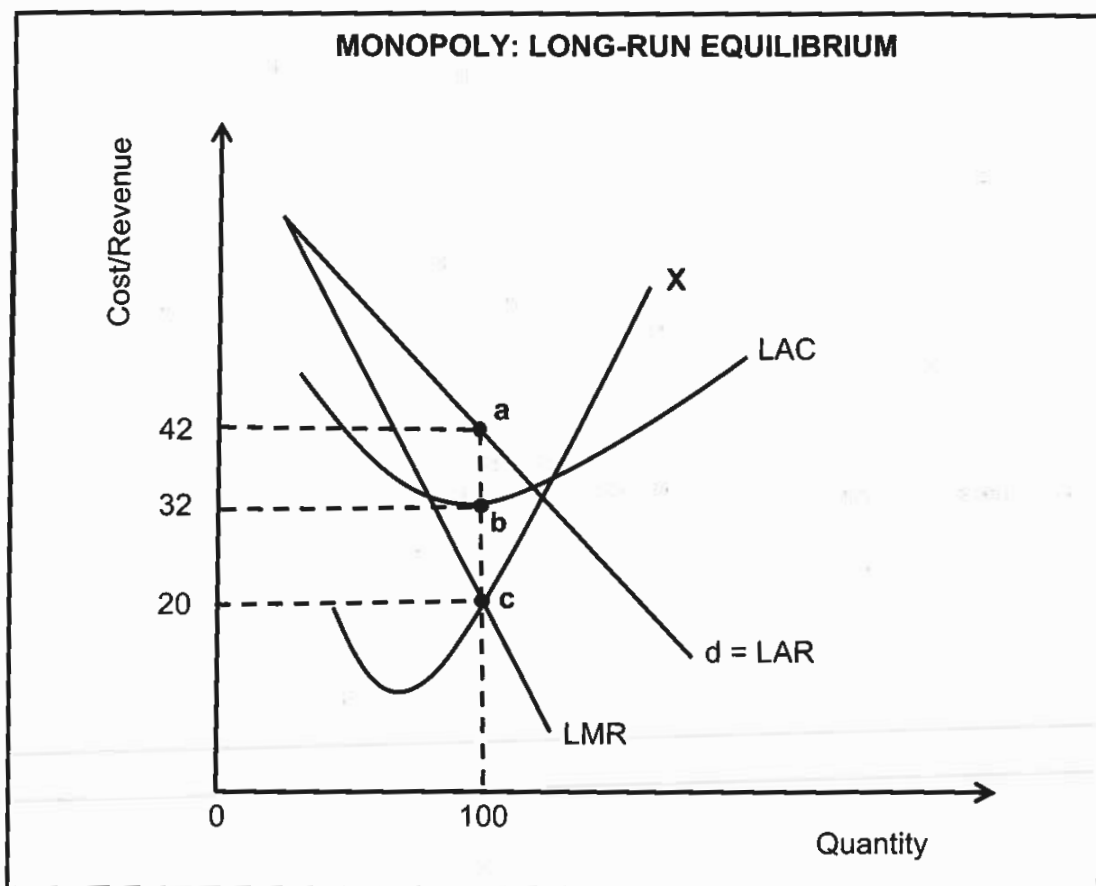
**QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES**  
**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name any TWO World Heritage Sites in South Africa. (2 x 1) (2)

4.1.2 Why would a monopoly be unwilling to charge excessively high prices for their products? (1 x 2) (2)

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



4.2.1 Identify the label for the profit maximising point in the graph above. (1)

4.2.2 Label the curve represented by the letter X. (1)

4.2.3 Briefly describe the term *long run*. (2)

4.2.4 Why is the position of the marginal revenue (LMR) curve below the average revenue (LAR) curve? (2)

4.2.5 Calculate the profit/loss that is made by the firm. Show ALL calculations. (4)



**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> The introduction is a lower-order response: <ul style="list-style-type: none"> <li>A good starting point would be to define the main concept related to the question topic.</li> <li>Do NOT include any part of the question in the introduction.</li> <li>Do NOT repeat any part of the introduction in the body.</li> <li>Avoid mentioning in the introduction what you are going to discuss in the body.</li> </ul>	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>A maximum of 8 marks may be allocated for headings/examples.</b>	Max. 26
<b>Additional part:</b> Critically discuss/Evaluate/Critically evaluate/Deduce/Compare/Distinguish/Suggest/Interpret/Debate/How <b>A maximum of 2 marks may be allocated for mere listing of facts.</b>	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****40 MARKS – 40 MINUTES**

- Discuss in detail the causes of market failure. (26)
  - Analyse the impact of minimum prices in the economy. (10)
- [40]**

**QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES**

- Discuss in detail the consequences of inflation. (26)
  - How can the continued stages of load-shedding cause inflation? (10)
- [40]**

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

