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NATIONAL SENIOR CERTIFICATE

GRADE 12

SEPTEMBER 2025

ECONOMICS P1

MARKS: 150

TIME: 2 hours

This question paper consists of 13 pages.



SA EXAM PAPERS

Proudly South African

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK:

SECTION A: COMPULSORY

SECTION B: Answer any 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 numbers (1.1.1 to 1.1.8) in the ANSWER BOOK, for example 1.1.7 B.

1.1.1 Products that consumers can use repeatedly for many years to satisfy their needs are referred to as ... goods.

- A semi-durable
- B non-durable
- C durable
- D perishable

1.1.2 Aggregate supply in the economy can be stimulated by ...

- A increasing the cost of doing business.
- B improving efficiency of inputs.
- C improving the inefficiency of markets.
- D maintaining the same costs.

1.1.3 The Medium Term Expenditure Framework (MTEF) indicates the government expenditure and revenue projection for a period of ... year/s.

- A one
- B two
- C three
- D four

1.1.4 A comprehensive and systematic record of all transactions between a specific country with other countries of the world, over a year is known as ...

- A balance of payments
- B globalisation
- C international trade
- D balance of trade

1.1.5 A protocol to strengthen the existing relations between Argentina, Brazil, Paraguay and Uruguay is called ...

- A Mercosur.
- B SADC.
- C AU.
- D BRICS.

- 1.1.6 The type of tax that is levied annually on the market value of residential, office and factory buildings is called ...
- A capital gains tax.
 - B estate duty.
 - C transfer duty.
 - D property tax.
- 1.1.7 ... involves the implementation of sound economic policies and practices that ensure accountability, transparency and responsiveness to the needs of citizens.
- A Free market orientation
 - B Good governance
 - C Integration
 - D Provision of resources
- 1.1.8 Obesity, as a social indicator, relates to ...
- A health.
 - B malnutrition.
 - C demographics.
 - D nutrition.

(8 x 2) (16)

- 1.2 Choose a description in 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, for example 1.2.9 J.

COLUMN A		COLUMN B	
1.2.1	Import expenditure	A	when all people who are actively looking for work are able to get a job
1.2.2	Philips curve	B	promotes innovation which allows businesses to use new production techniques that are more efficient
1.2.3	Full employment	C	reallocation of agricultural land to previously disadvantaged groups
1.2.4	Exchange rate	D	refers to how much is produced in relation to the factors of production that are used
1.2.5	Land redistribution	E	deals with improving people's skills to meet the country's skills shortage.
1.2.6	JIPSA	F	refers to the flow of money out of the country
1.2.7	National Research and Development Strategy	G	return of land to those that have lost it due to discriminatory laws in the past
1.2.8	Productivity	H	shows a relationship between inflation and unemployment
		I	the price of one currency in terms of another currency

(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.

- 1.3.1 Long term funds are saved and borrowed by consumers and businesses in this market.
- 1.3.2 The minimum percentage of cash deposits that commercial banks must keep with the Central Bank.
- 1.3.3 The curve that illustrates the relationship between taxes and government revenue.
- 1.3.4 A trade policy that aims to reduce a country's reliance on imports by producing the goods and services that were previously imported.
- 1.3.5 The use of various policies to encourage industrial investment and efficiency.
- 1.3.6 The number of years that a newborn infant is likely to live. (6 x 1) (6)



SECTION B

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

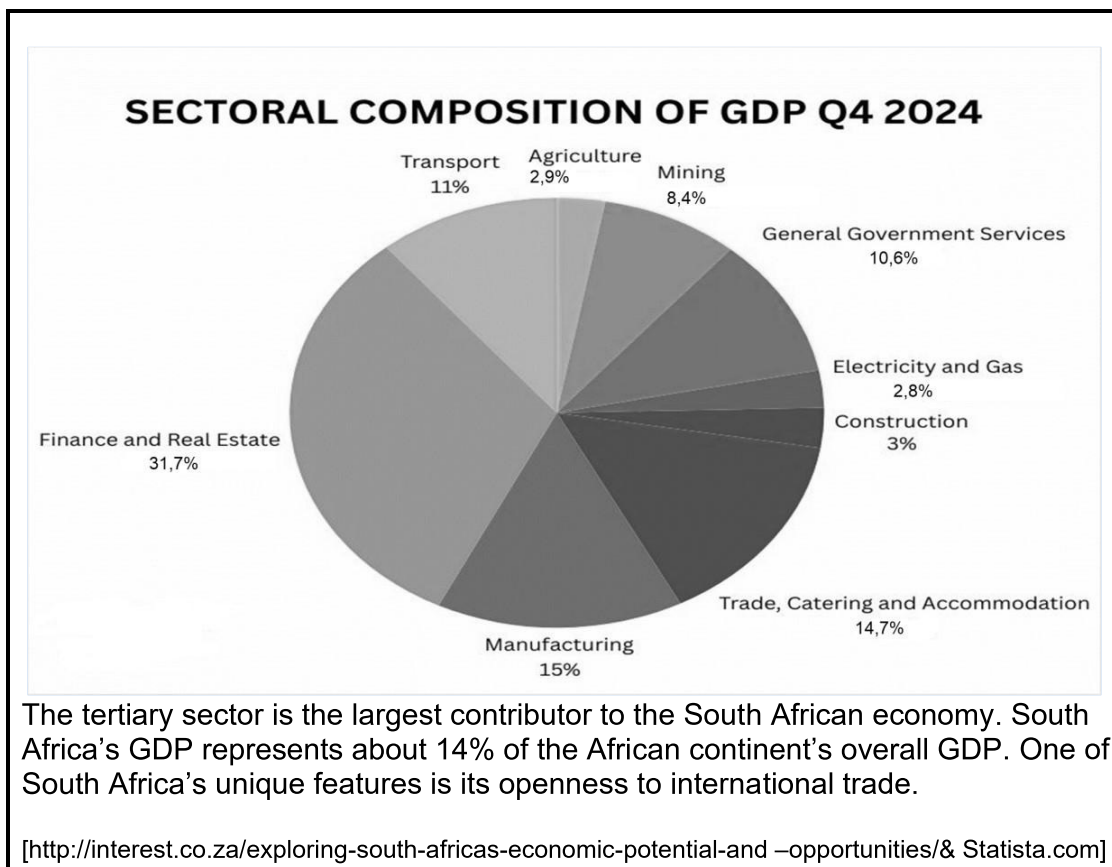
QUESTION 2: MACROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO problems of public sector provisioning. (2)

2.1.2 How can a decrease in government spending affect households? (2)

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



2.2.1 Identify the economic concept/term that is associated with an open economy from the extract above. (1)

2.2.2 Name the method of calculating GDP linked to the pie chart above. (1)

2.2.3 Briefly explain the term *secondary sector*. (2)

2.2.4 Differentiate between *gross domestic product* and *gross national product*. (2)

2.2.5 Use the above Pie chart to calculate the percentage contributed by the secondary sector to the South African economy. (4)

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

SOUTH AFRICA'S CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS			
R billions	2022	2023	2024
Receipts			
Merchandise exports	1 930	1 924	1 914
Net gold exports	86	116	113
Services receipts	207	262	281
Income receipts	186	217	195
Current transfers	-	-	-
Payments			
Merchandise imports	1 792	1 937	1 843
Services payments	298	343	343
Income payments	324	312	356
Current transfers	26	40	45

[Adapted from Stats SA and SARB June 2024]

- 2.3.1 Identify in the table above the item that captures all the transactions related to donations and gifts. (1)
- 2.3.2 In which year the country recorded the highest merchandise imports? (1)
- 2.3.3 Briefly describe the term *current account*. (2)
- 2.3.4 Explain the purpose of unrecorded transactions when compiling a country's balance of payments. (2)
- 2.3.5 Calculate the current account balance for the year 2024. Show ALL calculations. (4)
- 2.4 Explain the factors affecting the demand for foreign currency. (4 x 2) (8)
- 2.5 How does public sector failure impact economic stability 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 TWO industrial development strategies in South Africa. (2 x 1) (2)

3.1.2 How could education as a social indicator reduce inequalities? (1 x 2) (2)

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

FREE TRADE AND PROTECTIONISM

Trump said a levy of 25% on Canadian and Mexican imports as well as an additional 10% tax on Chinese goods would come into force.

In response, both Canada and Mexico said they were preparing similar tariffs on US goods. The implementation of tariffs and the subsequent retaliation could mark the start of a new era of global trade wars. Tariffs are a central part of Trump's economic vision, as he sees them as a way of growing the US economy, protecting jobs and raising tax revenue.

[Adapted from <https://www.bbc.com/news/articles/c627nx42xelo> February 2025.]

3.2.1 Identify ONE argument in favour of protectionism from the extract above. (1)

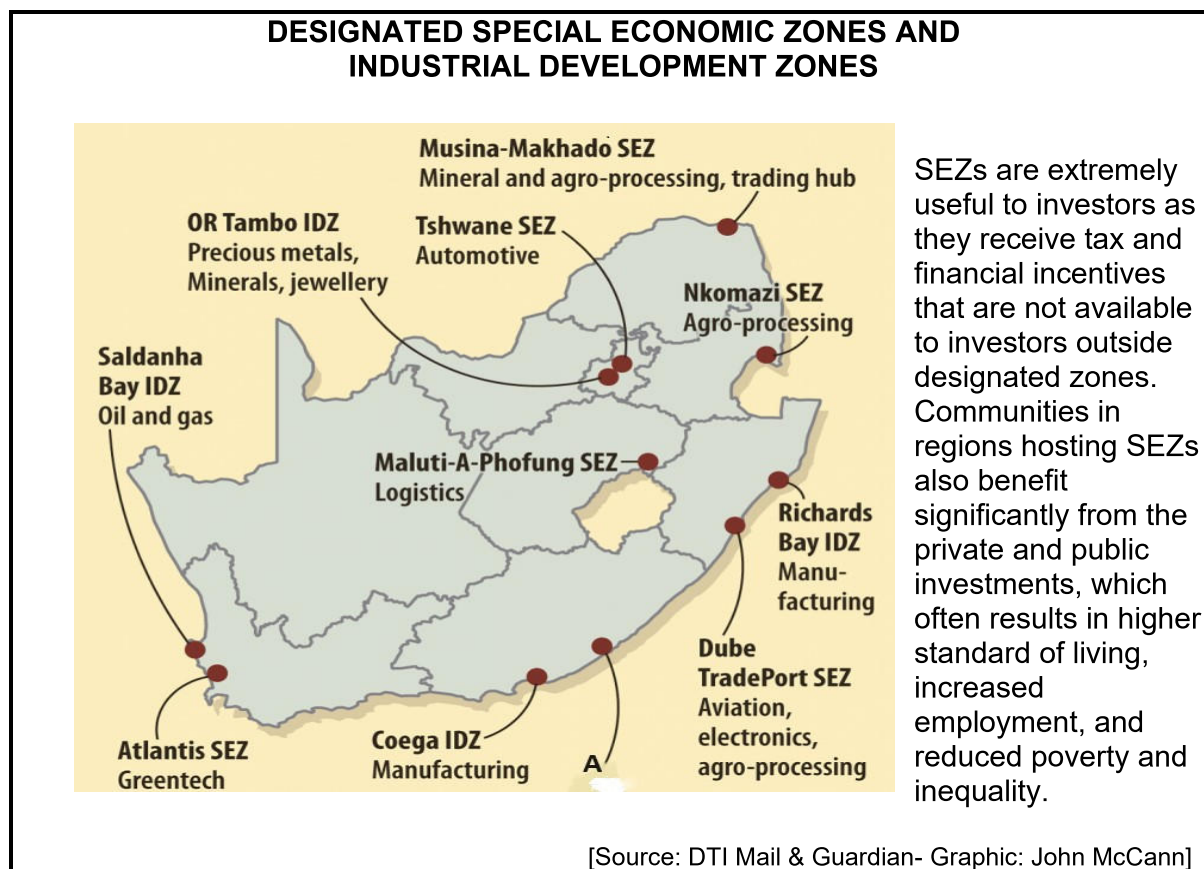
3.2.2 Name the type of tariff that is levied as a percentage on the value of imported goods. (1)

3.2.3 Briefly describe the term *protectionism*. (2)

3.2.4 Explain the importance of free trade on the South African economy. (2)

3.2.5 How do tariffs affect consumers in the importing country? (2 x 2) (4)

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



- 3.3.1 Identify the IDZ labelled **A** on the map above. (1)
- 3.3.2 Name ONE benefit of private and public investment to communities in regions hosting SEZs as indicated in the extract above. (1)
- 3.3.3 Briefly describe the term *Industrial Development Zone*. (2)
- 3.3.4 Explain any factor that can negatively impact the success of Industrial Development Zones in South Africa. (2)
- 3.3.5 How can customs-free incentives help improve industrial development? (4)
- 3.4 Briefly explain Free Trade Area and Common Market as forms of economic integration. (2 x 4) (8)
- 3.5 Evaluate the efficiency of service delivery to South African citizens. (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 any TWO types of exchange rate systems. (2)

4.1.2 How can export promotion solve the problem of unemployment? (2)

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

BUDGET PROCESS



The State of the Nation Address (SONA) and the MTBPS are both part of South Africa's budget process. To boost the economy and address unemployment, the government has pledged to invest over R940 billion in infrastructure projects over the next three years. Of this total, R375 billion will be allocated to State-Owned Enterprises (SOEs), for the construction of roads, bridges, dams, waterways and ports. South Africa's unemployment rate is above 32%, and the current public debt as a percentage of GDP stands at 75,1% as of September 2024.

[Adapted from Business Day iol.co.za February 2025]

4.2.1 Identify the policy statement that outlines the economic outlook from the information above. (1)

4.2.2 Name ONE government challenge from the above information. (1)

4.2.3 Briefly describe the term *main budget*. (2)

4.2.4 Why is it important for government to finance State-Owned Enterprises? (2)

4.2.5 How can the government effectively reduce public debt/borrowing? (2 x 2) (4)

4.3 DATA RESPONSE

Study the article below and answer the questions that follow.

ECONOMIC INDICATORS AND INTERNATIONAL ORGANISATIONS



The World Bank collects, analyses, and disseminates economic indicators to track a country's economic progress and identify areas for improvement. By analysing economic indicators, the World Bank helps countries and international organisations make informed decisions, promoting economic growth, poverty reduction and sustainable development.

[Source: Meta AI & Business Day 2025.01.29]

- 4.3.1 Identify the institution in the cartoon and information above that determines the interest rate. (1)
- 4.3.2 Name an international organisation that standardises economic indicators, NOT mentioned above. (1)
- 4.3.3 Briefly describe the term *economic indicator*. (2)
- 4.3.4 Explain the impact of an increase in labour productivity on businesses. (2)
- 4.3.5 How can interest rates as an economic indicator influence inflation? (2 x 2) (4)
- 4.4 Briefly explain the role of product markets and factor markets in the four-sector model. (2 x 4) (8)
- 4.5 Outline the importance of Public-Private-Partnership (PPP) in Spatial Development Initiatives (SDI). (4 x 2) (8)

[40]

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

- Discuss in detail the new economic paradigm in smoothing-out business cycles. (26)
- How can a decrease in economic activity affect different participants in the economy? (10)

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

- Discuss in detail the South African growth and development policies and strategic initiatives since 1994. (26)
- Analyse the environmental effects of economic activities of countries in the North. (10)

TOTAL SECTION C: 40
GRAND TOTAL: 150

