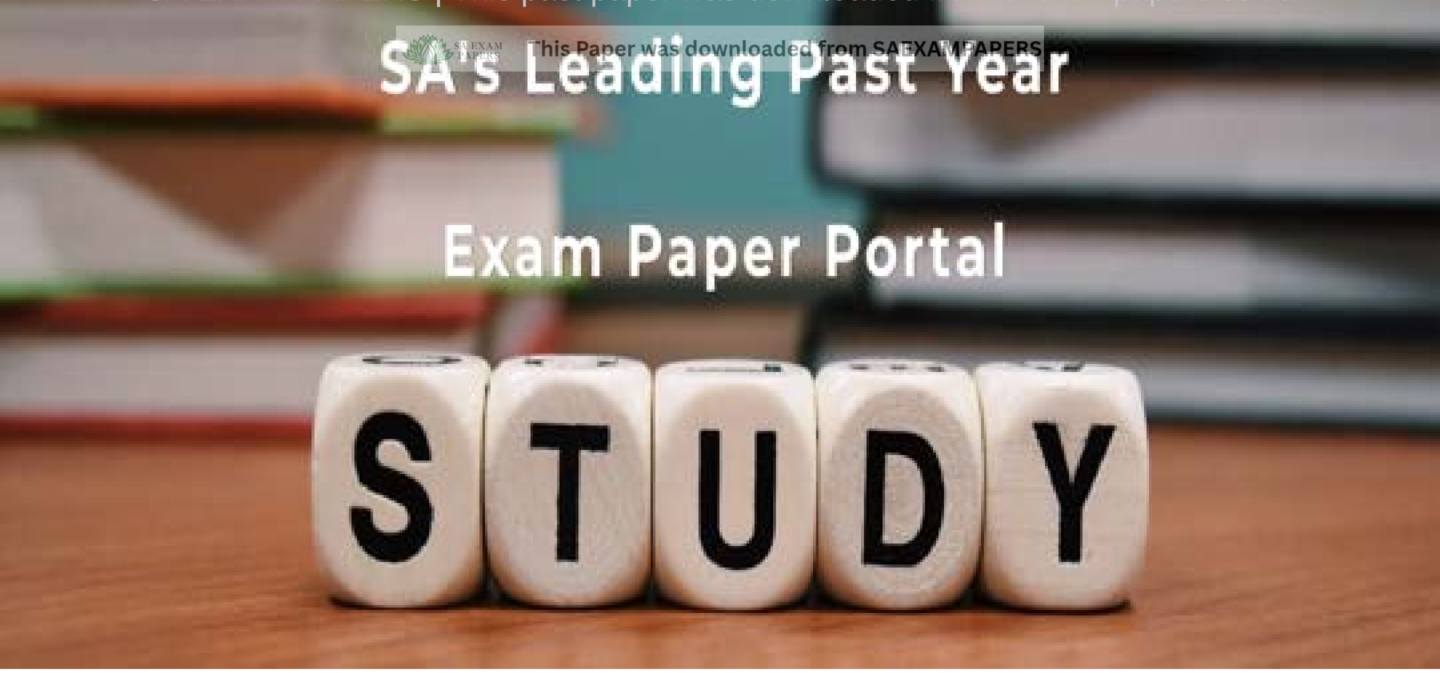
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GRADE 12

ECONOMICS P2

SEPTEMBER 2025

MARKS: 150

TIME: 2 hours

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. 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, e.g. 1.1.9 D.

1.1.1 In any market the average revenue is the same as the …

A price.
B marginal revenue.
C supply.
D profit.

1.1.2 The supply curve of a perfect competitor is represented by that part of the MC curve that is above the … curve.

A total cost
B marginal cost
C average cost
D average variable cost

1.1.3 Advertising and branding play a key role in a ... market.

A monopoly
B formal
C perfect
D monopolistic competitive

1.1.4 The government can intervene to reduce the production and consumption of a demerit good ...

A by levying excise tax.
B through public-sector provisioning.
C by granting subsidies.
D by implementing a progressive system of taxation.

1.1.5 The implementation of inflation targets is the responsibility of the …

A South African Revenue Services.
B Department of Finance.
C South African Reserve Bank.
D Department of Trade and Industry.

1.1.6 The tourism industry is … intensive.

A capital
B labour
C technological
D money

1.1.7 A non-renewable energy resource is …

A wind.
B currents.
C coal.
D sunlight.

1.1.8 Which of the following is an example of an environmental world heritage site?

A Sterkfontein Caves
B Cape Fynbos Region
C Robben Island
D Vredefort Dome (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 Explicit costs	A an international agreement aimed at reducing greenhouse gases
1.2.2 Perfect market	B they have the same effect as imports on the balance of payments
1.2.3 Heterogeneous	C measures price changes at factory level
1.2.4 Maximum price	D products that are not similar
1.2.5 Producer price index	E to keep resources that are non-renewable intact, e.g. ecological systems, heritage sites
1.2.6 Outbound tourist	F actual expenditure of a business on the purchase or hire of inputs required for the production process
1.2.7 Preservation	G measures the price of a fixed basket of consumer goods and services
1.2.8 Kyoto Protocol	H set below the market price to enable the poor to afford certain goods
	I sells homogenous products

(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 Value of inputs own by an entrepreneur and used in the production process

1.3.2 A market structure which has many buyers and sellers with relatively easy entry to the market

1.3.3 When the market price is not a pure reflection of scarcity of that product

1.3.4 Visiting places of archaeological significance

1.3.5 Subsidies granted to businesses to reduce environmental damage

1.3.6 Tourism directed towards natural environments, intended to support conservation efforts and observe wildlife (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: MICROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

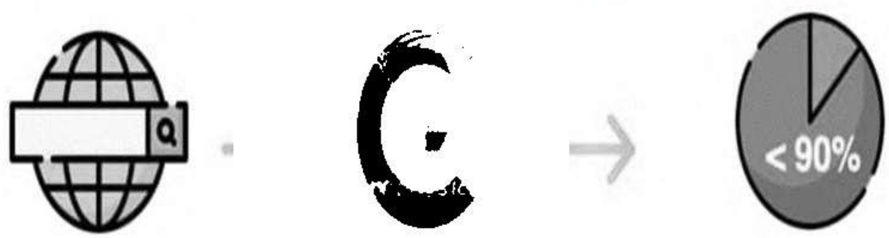
2.1.1 Name TWO methods of non-price competition. (2 x 1) (2)

2.1.2 Why is a perfect competitor unable to influence market prices? (1 x 2) (2)

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

An example of monopoly:

According to *Google Patents – Insight & Stats*, Google has a total of 117 979 patents globally of which more than 70% patents are active.



[Adapted from: https://thecuriouseconomist.com]

2.2.1 Identify the type of monopoly depicted in the information above. (1)

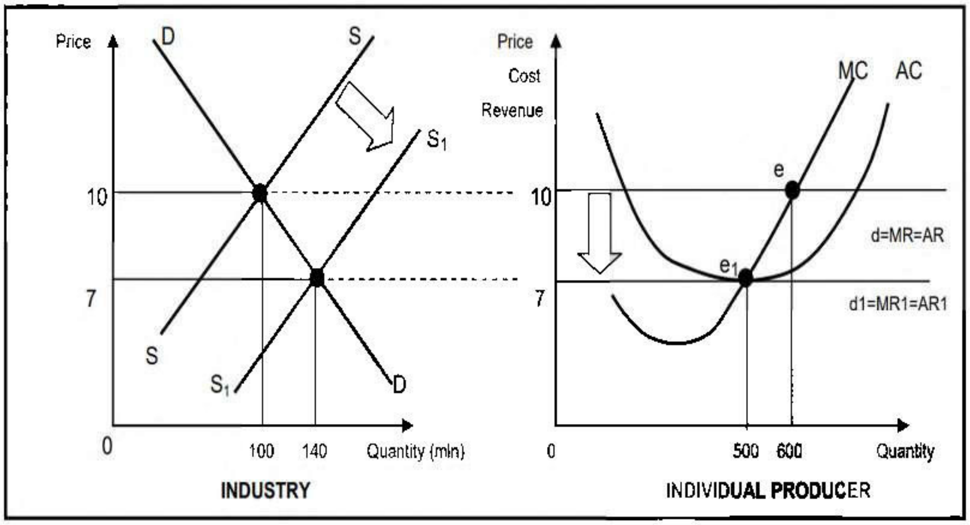
2.2.2 What is the nature of the product offered by monopolies? (1)

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

2.2.4 How does the slope of the monopolist's demand curve differ from that of a monopolistic competitor in the short run? (2)

2.2.5 What benefits does the monopolist enjoy compared to a perfect market structure in the long run? (2 x 2) (4)

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



2.3.1 What market structure is depicted above? (1)

2.3.2 Identify the price where the individual producer will make an economic profit. (1)

2.3.3 Briefly describe the term *marginal cost*. (2)

2.3.4 Why is the marginal revenue curve (MR) in the perfect market the same as the demand curve? (2)

2.3.5 Explain the effect on the market in the long run if the businesses above make an economic profit. (2 x 2) (4)

2.4 With the aid of a correctly labelled graph, use total cost (TC) and total revenue (TR) to explain profit maximisation in a perfect market. (8)

2.5 How can differentiated products affect producers in a monopolistically competitive market? (4 x 2) (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

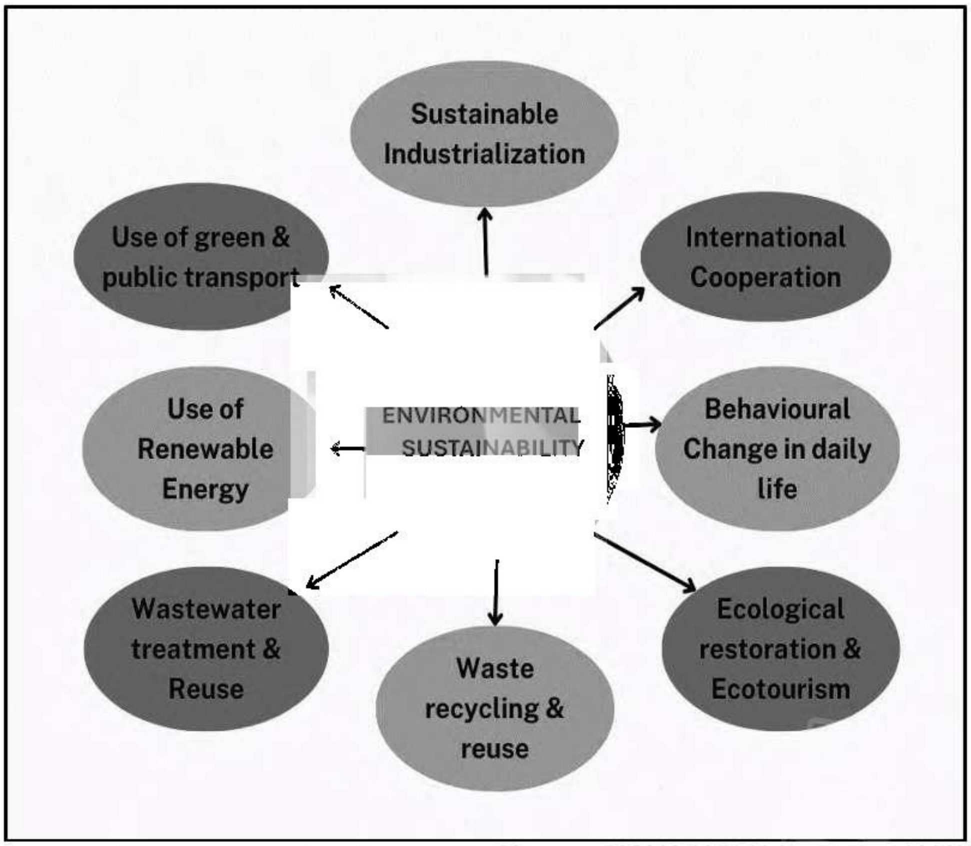
40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name TWO reasons why the market fails to ensure environmental sustainability. (2 x 1) (2)

3.1.2 How can the depreciation of the rand affect inbound tourism? (1 x 2) (2)

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



[Source: *SIGMAEARTH*, November 2023]

3.2.1 Identify an environmentally sustainable solution to South Africa's electricity crisis in the information above. (1)

3.2.2 Name the international measure that deals with the control of chemical waste. (1)

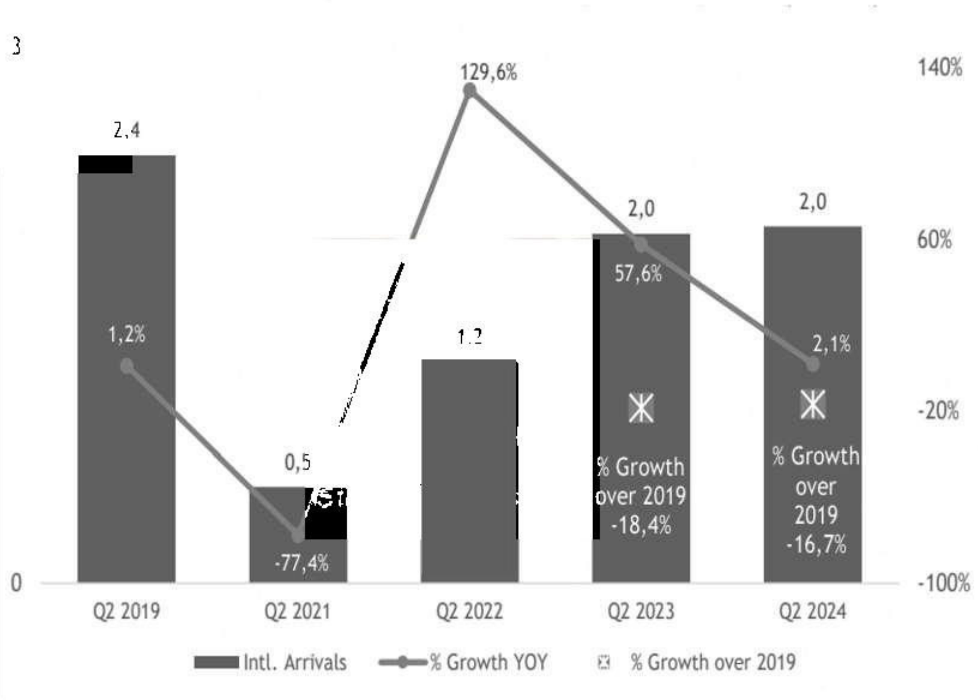
3.2.3 Briefly describe the term *environmental sustainability.* (2)

3.2.4 Explain the role of education in maintaining a sustainable environment. (2)

3.2.5 What are the benefits of using technology in sustaining the environment? (2 x 2) (4)

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

International Tourist Arrivals Quarter 2 (Q_2) 2019 – Quarter 2 (Q_2) 2024



International Tourist Arrivals Q2 2024

[Source: *International Tourism, 2nd Quarter Performance Report,* April – June 2024]

3.3.1 Identify the year that showed the most decline in international tourist arrivals. (1)

3.3.2 Give ONE industry that depends on tourism. (1)

3.3.3 Briefly describe the term *tourism*. (2)

3.3.4 Explain the basic guidelines for effective levying of tourism tax. (2)

3.3.5 How does an increase in tourism activities impact on rural communities? (2 x 2) (4)

3.4 Briefly discuss *biodiversity loss* and *climate change* as environmental problems affecting countries worldwide. (2 x 4) (8)

3.5 Analyse the benefits that the tourism industry brings to South African businesses. (4 x 2) (8)

[40]

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

4.1 Answer the following questions.

4.1.1 Name TWO examples of variable costs. (2 x 1) (2)

4.1.2 How can countries stop the global warming trend? (1 x 2) (2)

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

SA's BANKING OLIGOPOLY AND THE FOREX CARTEL

The issue of banking misconduct that continues to reverberate through South Africa's financial sector is one in which the Competition Commission has dragged a select group of international banks.

The Competition Commission referred a number of banks – including Investec, Standard Bank, and Absa – to the Competition Tribunal for price fixing involving the rand. The commission's investigation ultimately encompassed 28 banks, including Nedbank and FirstRand, in what is being referred to as the "Forex Cartel" case.

[Adapted from: https://www.iol.co.za/sundayindependent, Oct 19, 2023]

4.2.1 Name the institution that authorise or prohibit large mergers and adjudicate if any misconduct takes place. (1)

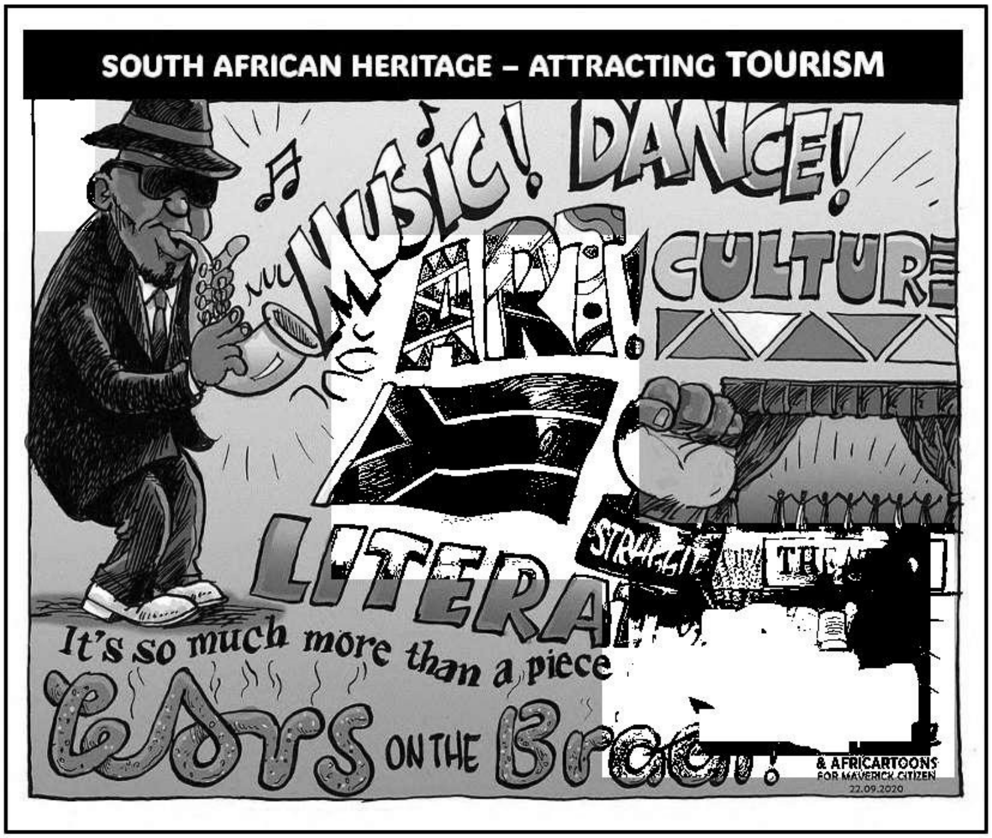
4.2.2 Name the type of collusion referred to in the extract above. (1)

4.2.3 Briefly describe the term *price leadership*. (2)

4.2.4 What is implied by the mutual dependence of businesses in this market structure? (2)

4.2.5 What is the negative impact of collusion on the economy? (2 x 2) (4)

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



[Adapted: Africartoons/Daily Maverick]

4.3.1	Identify the type of tourism depicted in the cartoon above.	(1)
4.3.2	Name a campaign used by the department of tourism to promote domestic tourism.	(1)
4.3.3	Briefly describe the term *indigenous knowledge systems*.	(2)
4.3.4	How can the tourism industry benefit the poor rural communities of South Africa?	(2)
4.3.5	What is the impact of indigenous knowledge within the South African context on tourism? (2 x 2)	(4)

4.4 With the aid of a correctly labelled graph, explain *shutdown-point* in a perfect market. (8)

4.5 How can public sector intervention achieve social efficiency and a sustainable environment? (4 x 2) (8)

[40]

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: • 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 mentioning in the introduction what you are going to discuss in the body.	Max 2
Body **Main part:** Discuss in detail/Discuss in detail with the aid of graphs/Indepth discussions/Examine/Critically discuss /Analyse /Compare /Evaluate/ Distinguish/Differentiate/Explain/Assess/Debate **A maximum of 8 marks may be allocated for heading/examples.**	Max 26
Additional part: Critically discuss/Evaluate/Critically evaluate/Deduce/ Compare/Distinguish/Suggest/Interpret/Debate/How **A maximum of 2 marks may be allocated for mere listing of facts.**	Max 10
Conclusion Any higher-order conclusion should include: • 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	**40**

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

- Discuss, in detail, without the use of graphs, state intervention as a consequence of market failures. (26)

- How can market inefficiencies be reduced by global markets? (10)
[40]

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 40 MINUTES

- Discuss in detail the consequences of inflation. (26)

- How does foreign direct investment influence inflation in the economy? (10)
[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150