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**SA EXAM  
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**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**EDUCATION**

**SEKHUKHUNE EAST EDUCATION DISTRICT**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS CONTROLLED TEST**

**19 MARCH 2026**

**QUESTION PAPER**

**MARKS: 100**

**DURATION: 1.5HRS**



## INSTRUCTIONS AND INFORMATION

1. Answer **THREE** questions as follows in the **ANSWER BOOK**:  
  
SECTION A: **COMPULSORY**  
SECTION B: Answer **ONE** of the **TWO** 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****20 MARKS**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–C) next to the question number (1.1.1–1.1.5) in the ANSWER BOOK, for example 1.1.6 B.

1.1.1 Spending that is dependent on income is a (an) ---consumption.

- A households
- B induced
- C domestic
- D autonomous

1.1.2 A business cycle that **removes** the effect of irregular events

- A kitchen cycle
- B juggler cycle
- C real business cycle
- D kuznets cycle

1.1.3 Government policy through taxation and government spending in order to regulate the economy is called...policy

- A fiscal
- B monetary
- C protection
- D foreign exchange

1.1.4 The ratio of export prices compared to import prices is known as the ...

- A Exchange
- B Terms of trade
- C Balance of payment
- D appreciation

1.1.5 Withdrawal of capital investment from a company or a country is called---

- A embargo
- B sanction
- C investment
- D disinvestment

(5x2) 10





- 1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–G) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Expenditure on GDP	A	Increase of the price of a currency
1.2.2	Extrapolation	B	When government fails to manage its people
1.2.3	Public sector failure	C	State-owned enterprises that provide public goods and service on behalf of government
1.2.4	Appreciation	D	When government fails to manage an economy and the resources under its control optimally
1.2.5	Open market transaction	E	Total expenditure on final goods and services produced within the borders of the country
		F	It involves SARB actions to control money supply
		G	to estimate something unknown from fact that are known

(5 x 1)

(5)





1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1–1.3.5) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 Small initial change in spending produces a proportionately larger increase in national income

1.3.2 The distance from the trend line to the peak and trough

1.3.3 Goods such as cigarettes which are deemed to socially harmful

1.3.4 International organisation that lends money to countries with ongoing balance of payment problems

1.3.5 The item that is used to correct error and omissions on national accounts.

(5x1) 5

**TOTAL SECTION A: 20**



**SECTION B**

Answer ONE of the TWO questions in this section in the ANSWER BOOK.

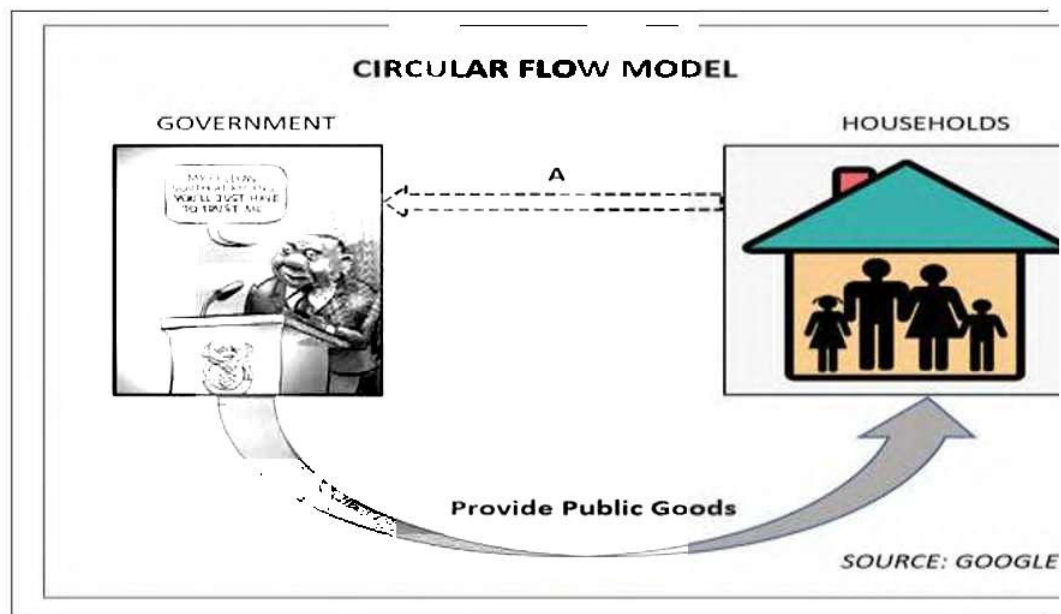
**QUESTION 2: MACROECONOMICS****40 MARKS**

2.1 Answer the following questions.

2.1.1 Give any TWO examples of injections. (2x1) (2)

2.1.2 Why government expenditure is regarded an injection in the economy? (1x2) (2)

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



2.2.1 Identify the primary participant from the diagram above. (1)

2.2.2 Name the main source of government revenue. (1)

2.2.3 Briefly describe the term *circular flow*. (2)

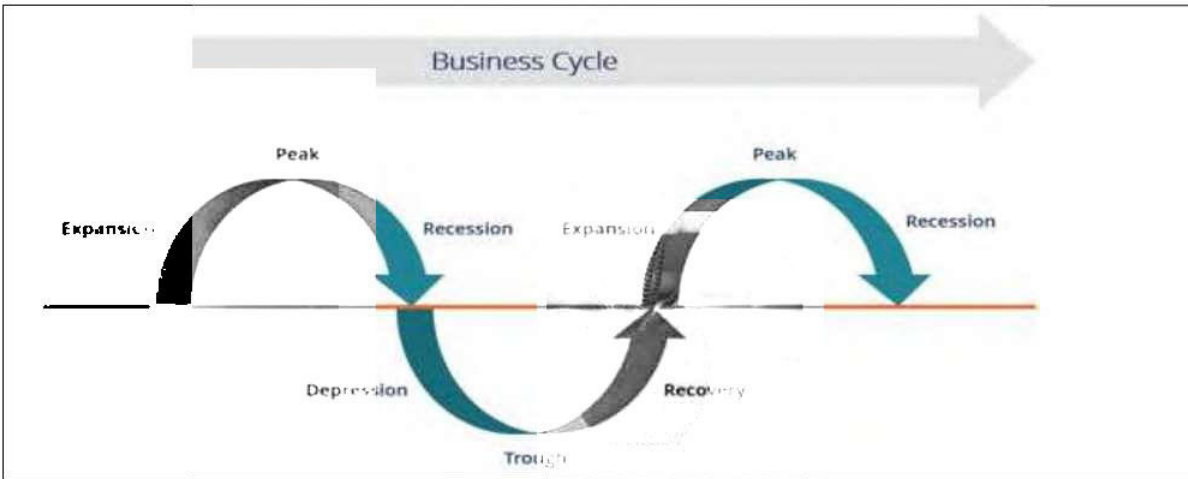
2.2.4 Explain the effect of an increase in savings on aggregate demand (2)

2.2.5 How can interest rates be used to smooth business cycles? (2x2) (4)



**2.3 Study the diagram below and answer the questions that follow.**

**Business cycles**



- 2.3.1 Identify the period in which the level of economic activities start to decrease (1)
- 2.3.2 How the length of business cycles is measured? (1)
- 2.3.3 Briefly describe the term *business cycle* (2)
- 2.3.4 What happens to prices when the economy is in a trough? (2)
- 2.3.5 How can the government through fiscal policy stabilise the economy in a boom period (4)

- 2.4 How can the reserve bank use open market transaction to curb inflation ? (8)
- 2.5 How can households, as important participant in the circular flow model, contribute in building the economy? (8)
- (4 x 2) (8)
- [40]**

**QUESTION 3**

**3.1 Answer the following questions.**

- 3.1.1 Name TWO methods of calculating Gross Domestic Product (2x1) (2)
- 3.1.2 How will a decrease in VAT affect poor people in South Africa? (1x2) (2)



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

**SA CURRENT-ACCOUNT GAP BEATS FORECASTS ON DIVIDEND PAYOUT**

South Africa's current-account deficit widened more than expected in the fourth quarter of 2023 due to dividend and interest payments.

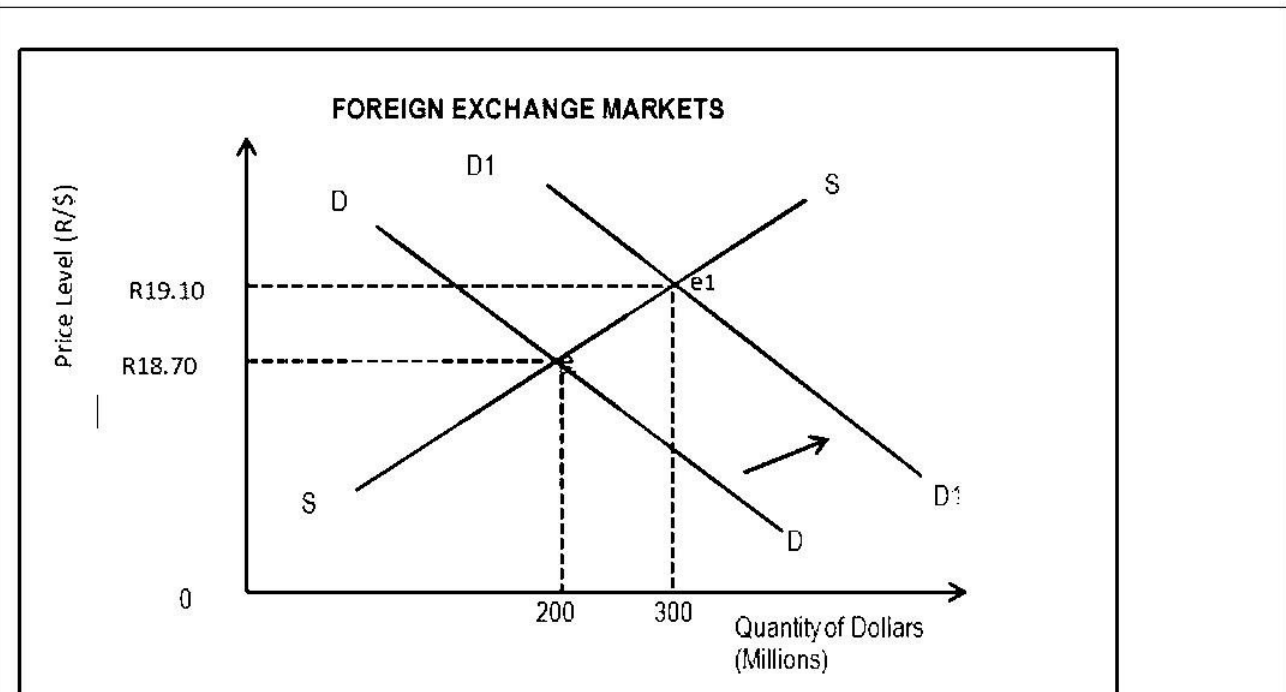
The overall balance on the current account, the broadest measure of trade in goods and services, expanded to an annualised deficit of 2.3% of gross domestic product, or R166 billion (\$8.8 billion), from a revised 0.5% of GDP in the prior quarter, the South African Reserve Bank said in a statement on Thursday.

The deficit meant the full-year shortfall was 1.6% of GDP, the deepest in four years.

Source: MoneyWeb

- 3.2.1 Identify the budget deficit for the year 2023 in the extract above. (1)
- 3.2.2 Name the item in the current account that is unique to the South African. (1)
- 3.2.3 Briefly describe the term *Balance of Payment*. (2)
- 3.2.4 What is the impact of increased imports on economic growth? (2)
- 3.2.5 How does the value of minerals such as gold influence the value of the current account? (4)

3.3 Study the diagram below and answer the questions that follows



- 3.3.1 Identify the original equilibrium point in the graph above. (1)
- 3.3.2 Which type of exchange rate system uses demand and supply to determine the exchange rate? (1)
- 3.3.3 Briefly describe the term *devaluation*. (2)





- 3.3.4 Explain the effect of a depreciation of the rand on exports. (2)
- 3.3.5 Why is necessary for government to improve efficiency in state –owned enterprise?
- 3.4 Briefly explain how balance of payment disequilibria can be corrected. (4x2) (8)
- 3.5 How does the free exchange rate policy promote international trade? (4x2) (8)





**QUESTION 3:  
SECTION C**

**40 MARKS**

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

<b>STRUCTURE OF THE ESSAY:</b>	<b>MARK ALLOCATION:</b>
<b>Introduction</b>	Max. 2
<b>Body:</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/ Critically discuss/Analyse/Compare/Evaluate/Distinguish/ Explain/Assess/Debate	Max. 26
<b>Additional part:</b> 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	Max. 10
<b>Conclusion</b>	Max. 2
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MACROECONOMICS**

**40 MARKS**

- Discuss in details the features underpinning forecasting of business cycle (26)
- What impact will South Africa's policy on land expropriation without compensation have on the agricultural sector? (10)  
**[40]**

**QUESTION 5:**

**40 MARKS – 35 MINUTES**

- Discuss in detail the objectives of the public sector. (26)
- How can the government reduce public sector failure more efficiently? (10)

**[40]**

**TOTAL SECTION C: [40]**

**GRAND TOTAL: 100**



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