



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

SEKHUKHUNE SOUTH DISTRICT

GRADE 11

**ECONOMICS PAPER 1
MACRO-ECONOMICS
2023 MID-YEAR EXAMINATION**

Stanmorephysics.com

**MARKS: 150
TIME : 2 HOURS**

THIS PAPER CONSISTS OF 12 PAGES INCLUDING THIS ONE.



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 the 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 response comply with the cognitive requirements of the question.
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 - 30 MINUTES**

1.1 Various options are provided as possible answers to the following questions. Choose the most correct answer and write only (A, B, C or D) next to the corresponding question number (1.1.1 -1.1.8) in the answer book, for example 1.1.9 D

1.1.1 An individual that combines all the factors of production in the production process is known as a/an ...

- A capitalist.
- B landowner.
- C entrepreneur.
- D labour.

1.1.2 A sector that employs more machineries than human beings is known as a ... industry.

- A capital-intensive
- B labour-intensive
- C skills-intensive
- D brain-intensive

1.1.3 The value-added method is used to avoid the problem of ... when calculating GDP. A. recurring costs.

- B imputed cost
- C double counting
- D scarcity

1.1.4 An amount of income paid by the state to the country's citizens without productive services rendered is known as ...

- A salaries and wages.
- B service receipts.
- C income payments.
- D transfer payment.

1.1.5 In a mixed economy, the most significant force in the distribution of goods and services is the ...

- A individual and firms.
- B price system.
- C consumers.
- D government and firms.

1.1.6 All the economic decisions are taken by the...in a planned or command economy

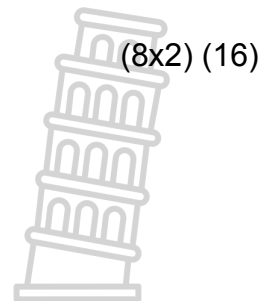
- A government
- B firms
- C households
- D state

1.1.7 The tertiary sector in the production process consists of ...industries.

- A factory
- B service
- C manufacturing
- D transformation

1.1.8 A sector that deals with the extraction of mineral deposits from nature is known as the...industry.

- A tertiary
- B secondary
- C service
- D primary.



1.2 Choose a description from COLUMN B that matches the item in COLUMN A.

Write only the letter (A –F) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Capital deepening	A. The primary owners for the factors of production.
1.2.2 Capital widening	B. When the state takes over the ownership of business from the private sector.
1.2.3 Household	C. Change in weather patterns.
1.2.4 Expenditure method	D. Occurs when the amount of capital per worker is increased.
1.2.5 Fiscal policy	E. Platinum, uranium, and chromium
1.2.6 Nationalization	F. Measured through $C + I + G + (X - M)$
1.2.7 Mineral deposits	G. Occurs when the capital stock is increased to accommodate an increasing labour force.
1.2.8 Climate	H. Includes taxation, government spending and state borrowing.
	I. Measured through wages, rent, interest, and profit.

(8 x 1) (8)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 -1.3.6) in the ANSWER BOOK. **NO abbreviations or acronyms will be accepted.**

1.3.1 Physical or mental effort used in the production process of goods and services.

1.3.2 The cost of borrowing capital

1.3.3 Goods that still must undergo further production process.

1.3.4 A decrease in the value of fixed assets

1.3.5 The transfer of business ownership from the state to the private sector

1.3.6 Consumer goods that are tangible and last longer than a year. (6 x 1) (6)

TOTAL SECTION A: (30)

SECTION B

Answer any **TWO** of the three questions from this section in the answer book.

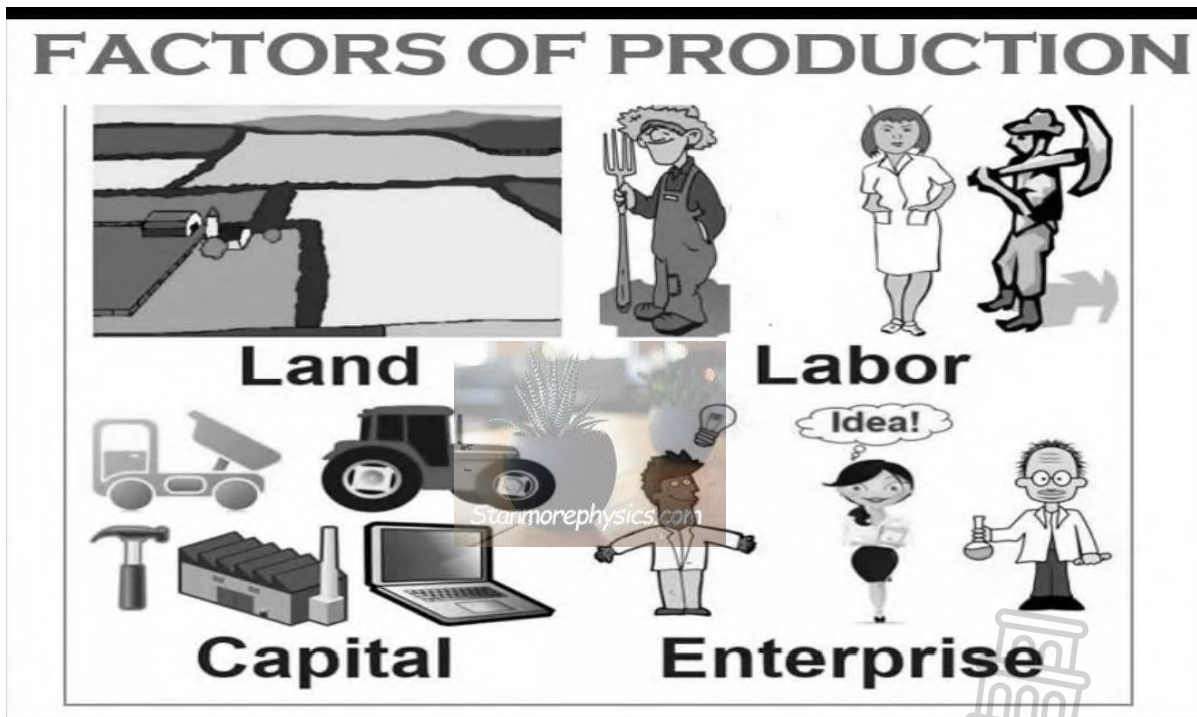
QUESTION 2**40 MARKS – 30 MINUTES**

2.1 Answer the following questions:

2.1.1 Name any **TWO** characteristics of natural resources. (2x1) (2)

2.1.2 Why is technology regarded as the 'FIFTH' factor of production? (1x2) (2)

2.2 Study the picture below and answer questions that follow.



2.2.1 Name any type of labour depicted in the picture above. (1)

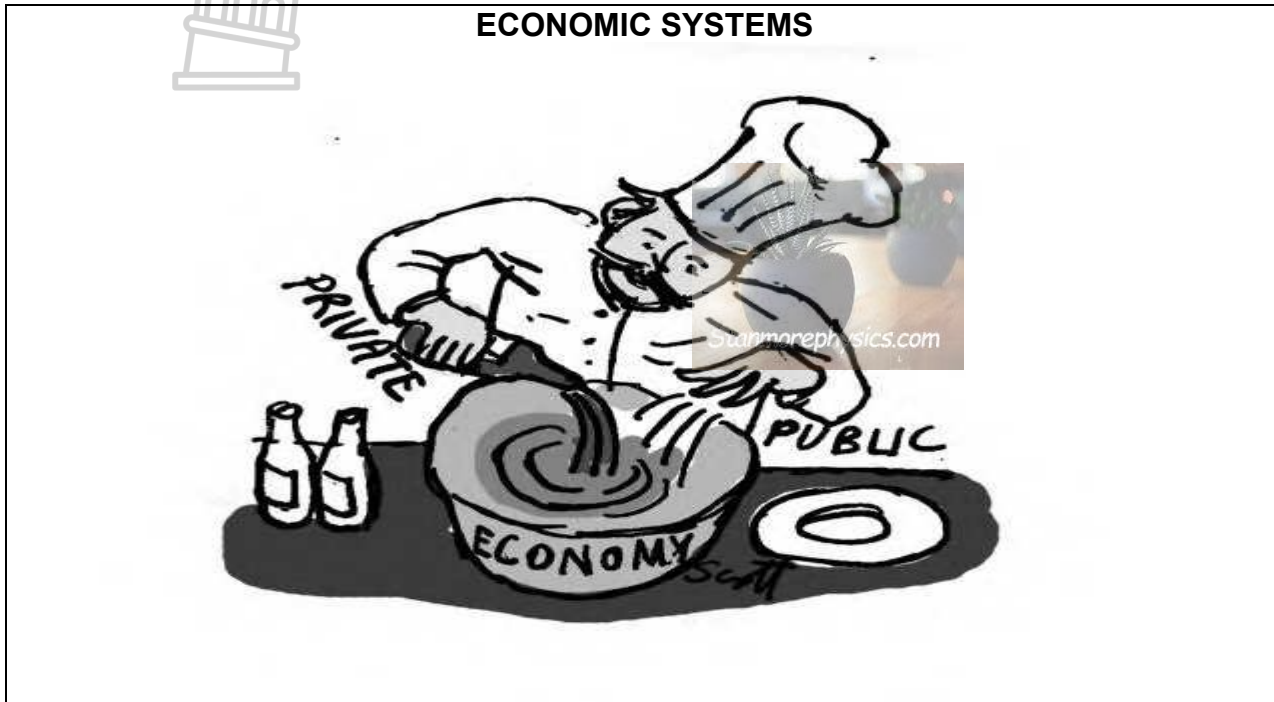
2.2.2 Which a word in the picture above is indicating one of the qualities of an entrepreneur? (1)

2.2.3 Briefly describe the concept *production*. (2)

2.2.4 How can entrepreneurship be promoted in South Africa? (2)

2.2.5 What is the economic importance of land in South Africa? (2 x 2) (4)

2.3 Study the picture below and answer the questions that follow:



2.3.1 Name the economic system depicted above. (1)

2.3.2 Which sector is contributing the most into the economic system above? (1)

2.3.3 Briefly describe the concept *economic system*. (2)

2.3.4 How are the production decisions made under this economic system? (2)

2.3.5 Explain why the above economic system is not ideal for a country like South Africa. (2 x 2) (4)

2.4 Distinguish between *nominal wages* and *real wages*. (2 x 4) (8)

2.5 How does the South African government ensure the efficient delivery of socio-economic services? (8)

[40]

QUESTION 3**40 MARKS- 30 MINUTES**

3.1 Answer the following questions:

3.1.1 Name any TWO types of markets in the circular flow model. (2 x 1) (2)

3.1.2 Why is the mining industry important in South Africa? (1 x 2) (2)

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

FUNCTIONAL CLASSIFICATION

GOVERNMENT EXPENDITURE		
R billion	2017/2018	%
Basic education	189,5	21,6
Health	144,6	A
Defence, public order and safety	163,0	18,6
Higher education and training	56,6	6,4
Economic affairs	176,6	20,2
Social protection	143,9	16,3
Allocated expenditure	874,2	
Debt service cost	115,0	11,6
Unallocated expenditure	-	-
Consolidated expenditure	989,2	

3.2.1 Name the government division that is responsible for drawing up the budget above at national level. (1)

3.2.2 Identify the expenditure item that captures old-age pension from the table above. (1)

3.2.3 Briefly describe the concept *final consumption expenditure by government*. (2)

3.2.4 What is the main reason behind the exclusion of transfer payments in the final consumption expenditure by the government? (2)

3.2.5 Calculate the percentage value of health expenditure represented by letter **A**. Show ALL the calculations. (4)

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

SA's key economic sectors

South Africa has been traditionally rooted in the primary sectors – the results of a wealth of mineral resources and favourable agricultural conditions.

Recent decades, however, have seen a structural shift in output. Since the early 1990s, economic growth has been driven mainly by the tertiary sector, which includes wholesale and retail trade, tourism, and communications.

Now South Africa is moving towards becoming a knowledge-based economy, with a greater focus on technology, e-commerce, financial and other services.

South Africa is world-renowned for its mining sector, with an abundance of mineral resources, accounting for a significant proportion of world production and reserves with an estimated worth of R20.3 trillion. The country is estimated to have the world's fifth largest mining sector in terms of gross domestic product.

[Source: *Investors' Handbook, the DTI & the IDC data 2017/18*]

- 3.3.1 Name a sector that used to be a pillar of the South African economy prior to the 1990s. (1)
- 3.3.2 According to the extract above, what is the main driver of economic growth? (1)
- 3.3.3 Briefly describe the concept *gross domestic production*. (2)
- 3.3.4 How can the South African government contribute to a knowledge-based economy? (2)
- 3.3.5 What makes you think that South Africa is experiencing the paradox of plenty challenges? (2 x 2) (4)
- 3.4 Distinguish between *non-durable goods* and *services*. (2 x 4) (8)
- 3.5 How does the transport industry contribute to the economy? (8)

[40]

QUESTION 4**40 MARKS- 30 MINUTES**

4.1 Answer the following questions:

4.1.1 Mention any TWO examples of transfer payments. (2x1) (2)

4.1.2 What is the significance of the gross national income in the economy? (1x2) (2)

4.2 Study the table below and answer the questions that follow:

CONSUMPTION EXPENDITURE	R bn
Consumption expenditure by household	150 000
Government expenditure	130 000
Gross capital formation	80 000
Gross domestic expenditure	360 000
Exports on goods and services	45 000
Imports on goods and services	65 000
GDP @ market prices	B

[Source: Quarterly Bulletin]

4.2.1 Which method is used to determine GDP in the table above? (1)

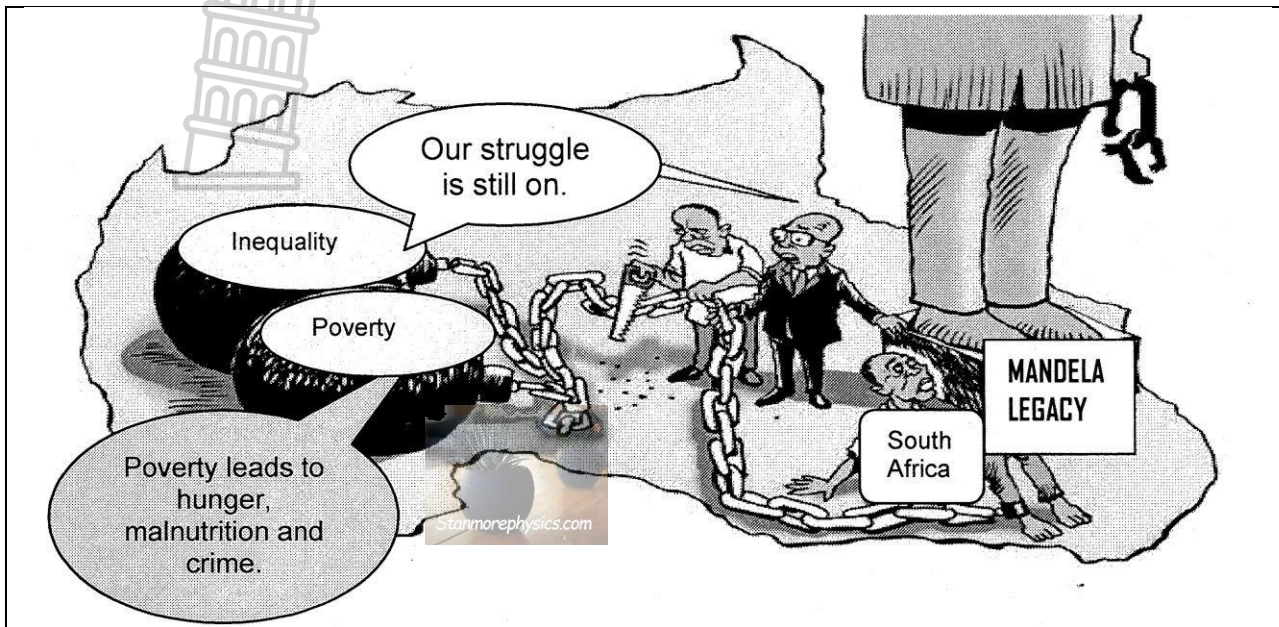
4.2.2 Name any other method that can be used to calculate GDP. (1)

4.2.3 Briefly describe the concept *gross domestic expenditure*. (2)

4.2.4 What is the significance of capital goods in the economy? (2)

4.2.5 Determine the value of **B**. Show ALL the calculations. (4)

4.3 Study the cartoon below and answer the question that follows:



[Source: Paresh cartoons.com]

- 4.3.1 Identify ONE socio-economic challenge in the cartoon above. (1)
- 4.3.2 State ONE negative consequence of poverty in the cartoon above. (1)
- 4.3.3 Briefly describe the concept *economic marginalization*. (2)
- 4.3.4 Suggest ONE way in which the problem of inequality can be solved. (2)
- 4.3.5 How can human resources be targeted to be more effective in solving the problems above. (2 x 2) (4)
- 4.4 Distinguish between *renewable resources* and *non-renewable resources*. (2 x 4) (8)
- 4.5 Why do you think that gross fixed capital formation is important for the economy? (8)

[40]

TOTAL SECTION B: [80]

SECTION C

Answer any ONE of the TWO questions from this section in your ANSWER BOOK. Your answer will be assessed as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction	Max. 2
Body:	
<ul style="list-style-type: none"> Main part: Discuss/Distinguish/Differentiate/Explain/Analyze /Evaluate/Assess 	Max. 26
<ul style="list-style-type: none"> Additional part: Use / Draw / Sketch a graph / diagram ... / Deduce ... / Outline / Briefly explain / Expand on ... / Your own opinion 	Max. 10
Conclusion	
Any relevant higher order conclusion that should include:	
<ul style="list-style-type: none"> A brief summary of what has been discussed / analyzed without repeating facts already mentioned in the body. An opinion or valued judgment on the facts discussed. Additional support information to strengthen the discussion / analysis. A contradictory viewpoint with motivation, if so required □ Recommendations 	Max. 2
TOTAL	40

QUESTION 5

- Discuss the characteristics of natural resources as a factor of production. (26)
- Why is the contribution of natural resources to the GDP of the country declining? (10)

[40]**QUESTION 6**

- Discuss in detail the economic importance of the tertiary sector. (26)
- How do the economic sectors link with one another? (10)

TOTAL SECTION C [40]**TOTAL MARKS: [150]**



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MARKING GUIDELINE**

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MARKS: 150

THIS MARKING GUIDELINE CONSISTS OF 14 PAGES INCLUDING THIS ONE



SECTION A: COMPULSORY

QUESTION 1

1.1 MULTIPLE CHOICE

- 1.1.1 C entrepreneur. ✓✓
- 1.1.2 A capital-intensive ✓✓
- 1.1.3 C double counting ✓✓
- 1.1.4 D transfer payment. ✓✓
- 1.1.5 D government and firms. ✓✓
- 1.1.6 A government ✓✓
- 1.1.7 B service ✓✓
- 1.1.8 D secondary ✓✓

(8x2) (16)

1.2 MATCHING

- 1.2.1 G occurs when the capital stock is increased to accommodate an increasing labour force ✓
- 1.2.2 D occurs when the amount of capital per worker is increased ✓
- 1.2.3 A the primary owners for the factors of production ✓
- 1.2.4 F measured through $C + I + G + (X - M)$ ✓
- 1.2.5 H Includes taxation, government spending and state borrowing ✓
- 1.2.6 B when the state takes over the ownership of business from the private sector ✓
- 1.2.7 E platinum, uranium and chromium ✓
- 1.2.8 C change in weather patterns ✓

(8 x 1) (8)

1.3 GIVE ONE TERM

- 1.3.1 Labour ✓
- 1.3.2 Interest ✓
- 1.3.3 Intermediate goods ✓
- 1.3.4 Depreciation ✓
- 1.3.5 Privatization ✓
- 1.3.6 Durable goods ✓

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the three questions from this section in the answer book

QUESTION 2**2.1 Answer the following questions****2.1.1 Name any TWO characteristics of natural resources.**

- Natural resources are scarce in nature✓
 - They have a price✓
 - They are unevenly distributed across the earth/ fixed in supply✓
 - They can be easily exhausted or exploited✓ (2x1)
- (Accept any other relevant correct response) (2)

2.1.2 Why is technology regarded as the 'FIFTH' factor of production?

- Because the new innovations are very important in the production of goods and services.✓✓ (1x2)
- (Accept any other relevant correct response) (2)

2.2 DATA RESPONSE**2.2.1 Name any type of labour depicted in the picture above.**

- Skilled labour✓
- Unskilled labour✓ (1)

2.2.2 Which a word in the picture above is indicating one of the qualities of an entrepreneur?

- Idea✓ (1)

2.2.3 Briefly describe the concept *production*.

- The changing or transformation of raw materials into semi-finished and finished goods.✓✓ (2)
- (Accept any other relevant correct response)

2.2.4 How can entrepreneurship be promoted in South Africa?

- Through education and training.✓✓
 - Through learner-ships and apprenticeships.✓✓
 - Through subsidies.✓✓ (2)
- (Accept any other relevant correct response)

2.2.5 What is the economic importance of land in South Africa?

- It makes production of goods and services possible✓✓
- Contributes to the economic development of a country/ sustain economic activity and enrich the people's lives✓✓
- Jobs creation or opportunities✓✓

- Export opportunities ✓✓
 - Source of income ✓✓
 - Serve as inputs for the production of goods and services ✓✓
 - Provide opportunities for international trade ✓✓
- (Accept any other relevant correct response) (4)

2.3 DATA RESPONSE

2.3.1 Name the economic system depicted above.

- The mixed economic system ✓ (1)

2.3.2 Which sector is contributing the most into the economic system above?

- The private sector ✓ (1)

2.3.3 Briefly describe the concept *economic system*.

- A way in which a country tries to solve the questions what should be produced, with what and by whom. ✓✓ (2)

2.3.4 How are the production decisions made under this economic system?

- They are made by both the private and the public sector. ✓✓ (2)

2.3.5 Explain why the above economic system is not ideal for a country like South Africa.

- It benefits the private sector more than the public sector. ✓✓
 - It promotes corrupt relations between the private and the public sector. ✓✓
 - It leads to tax evasion. ✓✓
- (Accept any other relevant correct response) (4)

2.4 Distinguish between *nominal wages* and *real wages*.

Nominal wages	Real wages
<ul style="list-style-type: none"> • Are the amounts that the worker receives each day, each week or at the end of the month. ✓✓ • These wages are not adjusted to price changes/ inflation. ✓✓ 	<ul style="list-style-type: none"> • Are the amount of goods and services that a person can buy with a nominal wage. ✓✓ • These wages are adjusted to price changes/ inflation. ✓✓ • Also known as the buying power of the nominal wage. ✓✓

(Accept any other relevant correct response) (2 x 4) (8)

2.5 How does the South African government ensure the efficient delivery of socio-economic services?

- Through social protective services such as old-age pensions, disability grants, etc. ✓✓
 - Through the provision of education and training facilities to enhance the employment chances of the citizens, especially the youth. ✓✓
 - Through the provision of health services to the communities as a whole. ✓✓
 - Through the provision of housing for the needy. ✓✓
- (Accept any other relevant correct response)

(8)
[40]

QUESTION 3

3.1 Answer the following questions

3.1.1 Name any TWO types of markets in the circular flow model.

- Product / good and services/ output market. ✓
- Factor/ resource market. ✓
- Foreign exchange market. ✓
- Financial market. ✓

N.B: No marks should be awarded for either capital and money markets.

(2 x 1) (2)

3.1.2 Why is the mining industry important in South Africa?

- It is the largest earner of foreign exchange and reserves. ✓✓
 - It creates employment for both the skilled and unskilled labour. ✓✓
- (Accept any other relevant correct response)

(1 x 2) (2)

3.2 DATA RESPONSE

3.2.1 Name the government division that is responsible for drawing up the budget above at national level.

- The treasury. ✓ (1)

3.2.2 Identify the expenditure item that captures old-age pension from the table above.

- Social protection. ✓ (1)

3.2.3 Briefly describe the concept **final consumption expenditure by government**.

- It indicates how government uses its income to finance goods and services needed by the public sector. ✓✓
- It includes the spending of all departments of central, provincial and local authorities. ✓✓
- It includes consumption expenditure on services rendered to the communities, like salaries and wages as well as investment expenditure, where the government has to pay for capital goods like roads and buildings. ✓✓

(Accept any other relevant correct response) (2)

3.2.4 What is the main reason behind the exclusion of transfer payments in the final consumption expenditure by the government?

- Is to avoid double counting. ✓✓ (2)

3.2.5 Calculate the percentage value of health expenditure represented by letter A. Show ALL the calculations.

$$\begin{aligned} \text{\% value of health expenditure} &= \frac{\text{Health}}{\text{Allocated expenditure}} \times 100 \checkmark \\ &= \frac{144.6}{874.2} \times 100 \checkmark \\ &= \underline{16.5 \text{ or } 16.54 \text{ or } 17\%} \checkmark \checkmark \end{aligned}$$

(4)

3.3 DATA RESPONSE

3.3.1 Name a sector that used to be a pillar of the South African economy prior to the 1990s.

- Primary sector ✓ (1)

3.3.2 According to the extract above, what is the main driver of economic growth?

- Tertiary sector ✓
- Wholesale and retail trade ✓
- Tourism ✓
- Communications ✓ (1)

3.3.3 Briefly describe the concept **gross domestic production**.

- The market value of all the final goods and services produced within the boundaries over a specific period. ✓✓ (2)

3.3.4 How can the South African government contribute to a knowledge-based economy?

- Through subsidizing tertiary institutions of technology. ✓✓
 - Through the introduction of more technological institutions of higher learning. ✓✓
 - Through the provision of free Wi-Fi in both rural and urban areas. ✓✓
- (Accept any other relevant correct response) (2)

3.3.5 What makes you think that South Africa is experiencing the paradox of plenty challenges?

- South Africa continues to remain poor as a country despite the following facts ✓✓:
- South Africa is world-renowned for its mining sector ✓✓, with an abundance of mineral resources, accounting for a significant proportion of world production ✓✓ and reserves with an estimated worth of R20.3 trillion. ✓✓
 - The country is estimated to have the world’s fifth largest mining sector in terms of gross domestic product. ✓
- (Accept any other relevant correct response) (2 x 2) (4)

3.4 Distinguish between *non-durable goods* and *services*.

Non-durable goods	Services
<ul style="list-style-type: none"> • These are tangible (physical) goods. ✓✓ • They can only be used once. ✓✓ • Common examples are food, beverages and tobacco. ✓✓ 	<ul style="list-style-type: none"> • They are intangible in nature. ✓✓ • They provide direct satisfaction of wants and needs. ✓✓ • Common examples are rent, medical services, information and entertainment. ✓✓

(Accept any other relevant correct response)

3.5 How does the transport industry contribute to the economy? (8)

The transport industry:

- Makes markets accessible to buyers and sellers by distributing goods to retail shops. ✓✓
- Creation of job opportunities for semi-skilled labour ✓✓.
- It makes possible for the country to export and import goods and service. ✓✓
- Workers use transport to travel to work and business people use transport to travel to meetings and conferences. ✓✓
- It is source of tax revenue for government. ✓✓

(Accept any other correct relevant response)

(2 x 4) (8)

[40]

QUESTION 4

4.1 Answer the following questions

4.1.1 **Mention any TWO examples of transfer payments.**

- Old-age pension✓
- Disability grants✓
- Child-grants✓

(2x1) (2)

4.1.2 **What is the significance of the gross national income in the economy?**

- It provides us with the measure of what is happening to income and living standards of the South African citizens and residents.✓✓ (1x2) (2)

4.2 DATA RESPONSE

4.2.1 **Which method is used to determine GDP in the table above?**

- Expenditure method✓ (1)

4.2.2 **Name any other method that can be used to calculate GDP.**

- Income method✓
- Production method✓ (1)

4.2.3 **Briefly describe the concept *gross domestic expenditure*.**

- GDE indicates the total value of spending originating within the borders of the country.✓✓
(Accept any other correct relevant response) (2)

4.2.4 **What is the significance of capital goods in the economy?**

- They are used in the production of other goods.✓ (2)

4.2.5 **Determine the value of B. Show ALL the calculations.**

- $360\ 000✓ + 45\ 000✓ - 65\ 000✓ = 340\ 000✓$ OR $340\ 000✓$ (4)

4.3 DATA RESPONSE

4.3.1 **Identify ONE socio-economic challenge in the cartoon above.**

- Inequality✓
- poverty✓ (1)

4.3.2 **State ONE negative consequence of poverty in the cartoon above.**

- Hunger✓/Malnutrition✓/crime✓
(1)

4.3.3 Briefly describe the concept **economic marginalization**.

- The exclusion of certain section of the population in the economic decisionmaking of a country. ✓✓

(Accept any other relevant correct response)

(2)

4.3.4 Suggest **ONE** way in which the problem of inequality can be solved.

- Provide free tertiary education. ✓✓
- Provide learner ships and apprenticeships. ✓✓
- Apply a progressive system of taxation. ✓✓
- Avail expanded work programmes. ✓✓
- Through public and private partnerships to create jobs. ✓✓
- Have investor-friendly legislation that will attract FDI. ✓✓
- Creation of employment opportunities. ✓✓
- Encourage entrepreneurship. ✓✓
- Fair distribution of national income. ✓✓ (Accept any other relevant correct response)

(2)

4.3.5 How can human resources be targeted to be more effective in solving the problems above.

- More emphasis should be placed on education to benefit all involved in education. ✓✓
- Major partners in the private sector should take responsibility to accommodate workers skilled on different levels and focus on manufacturing using labour intensive production methods. ✓✓

(Accept any other relevant correct response)

(2 x 2) (4)

4.4 Distinguish between **renewable resources** and **non-renewable resources**.

Renewable resources	Non-renewable resources
<ul style="list-style-type: none"> • Natural assets that can be replaced or replanted. ✓✓ • Examples of renewable resources are biomass, oxygen, water, sunlight, etc. ✓✓ 	<ul style="list-style-type: none"> □ Natural assets that cannot be replaced or replanted. ✓✓ □ Examples of non-renewable resources are coal, fossil fuel, crude oil, nuclear energy, etc. ✓✓

(Accept any other relevant correct response)

(2 x 4) (8)

4.5 Why do you think that gross fixed capital formation is important for the economy?

- Creates production capacity and, therefore, makes higher levels of production possible. ✓✓
- It is vital for economic growth because the more machines, factories and tools we have, the more goods and services we can produce. ✓✓
- As more factories are built, more people will be employed. ✓✓
- The national income of a country also increases. ✓✓

(Accept any other relevant correct response)

(8)

TOTAL: 40

SECTION C

Answer any ONE of the TWO questions from this section in your ANSWER BOOK. Your answer will be assessed as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction	Max. 2
Body: <ul style="list-style-type: none"> • Main part: Discuss/Distinguish/Differentiate/Explain/Analyze /Evaluate/Assess • Additional part: Use / Draw / Sketch a graph / diagram ... / Deduce ... / Outline / Briefly explain / Expand on ... / Your own opinion 	Max. 26 Max. 10
Conclusion Any relevant higher order conclusion that should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed / analyzed without repeating facts already mentioned in the body □ An opinion or valued judgment on the facts discussed • Additional support information to strengthen the discussion / analysis • A contradictory viewpoint with motivation, if so required □ Recommendations 	Max. 2
TOTAL	40

QUESTION 5

- Discuss the characteristics of natural resources as a factor of production.
- Why is the contribution of natural resources to the GDP of the country declining?

INTRODUCTION

Natural resources occur naturally and are gifts of nature. Eg soil, water, sunshine, forests, etc . ✓
Accept any other relevant introduction

BODY - MAIN PART

- **Natural resources are gifts of nature.** ✓
 - Nature provide us with free resources such as water, air, wind etc. ✓✓
 - To use these gifts of nature as a factor of production producers have to use capital items and labour to exploit , process, grow or harvest them ✓✓
- **Natural resources are distributed unevenly across the world.** ✓
 - Although natural resources are gifts of nature, they are distributed unevenly across the world ✓✓
 - Some countries are rich in natural resources while other countries have fewer of them. ✓✓
 - South Africa has rich deposits of gold, coal, aluminum, platinum, uranium, iron ore, etc while the desert regions of northern Africa have vast supplies of oil ✓✓
- **The supply is limited and fixed to what nature provide us.** ✓
 - Supply is limited because the resources are not man made. ✓✓
 - These resources are scarce in relation to the demand for them ✓✓
 - The availability of non-renewable resources (which have a fixed supply) cannot be increased if more resources are required. ✓✓
 - The availability of renewable resources (which have a limited supply) can be increased, but this is only possible over a long period, such as replacing a forest or replenishing wild animals and fish ✓✓
- **The natural resources need to be processed.** ✓
 - People cannot use most natural resources in their natural state. ✓✓
 - The resources need to be processed at least once, and often many times, before people can use them. ✓✓
- **Natural resources can be exhausted and destroyed.** ✓
 - Because of the limited supply of natural resources, they will eventually be used up because they cannot be replaced. ✓✓
 - Minerals such as gold and diamonds and fossil fuels cannot be replaced, so they are called non-renewable or exhaustible resources. ✓✓
- **Natural resources can have strategic value.** ✓
 - When a natural resource is a good source of income, and especially when it earns foreign exchange, it is said to have strategic value for the economy of the country. ✓✓

(Accept any other correct relevant response)

Allocate maximum of 8 marks for headings and example and Any other 18 marks

ADDITIONAL PART

Why is the contribution of natural resources to the GDP of the country declining?

The contribution of natural resources is declining because of:

- overpopulation- the demand on the earth resources continue to increase while the supply is limited ✓✓
- overconsumption and waste- use of natural resources is excessive and unnecessary ✓✓
- deforestation and destruction of ecosystem leading to loss of biodiversity ✓✓
- pollution and contamination of resources ✓✓
- soil erosion that negatively affects farming ✓✓
- development of new technology and industrial development ✓✓

(Accept any other correct relevant response)

CONCLUSION

Natural resources are very important and should be used wisely while being protected.

There should be sustainable use of natural resources. ✓✓

Accept any other high order conclusion.

(2)

[40]



QUESTION 6

- **Discuss in detail the economic importance of the tertiary sector.**
- **How do the economic sectors link with one another?**

INTRODUCTION

Tertiary sector is the sector that is involved in facilitating the flow of goods and services from producers to consumers. ✓✓

Accept any relevant introduction

(2)

BODY

- **Contributes to GDP** ✓
 - It contributes 62% of the overall GDP of South Africa. ✓✓
 - In the current technological environment, it is predicted that the growth in the tertiary sector will play an even bigger role in the GDP contribution in future. ✓✓
 - The actual numbers of the tertiary sector's contribution to GDP may be understated. ✓✓
 - Many essential services are not included such as the service of the homemakers and services rendered by businesses for themselves in the primary and secondary sector ✓✓ e.g. computer services, bookkeeping and training. ✓
- **Contribution to employment** ✓
 - This sector dominates employment, accounting for 60% of total employment. ✓✓
 - Job opportunities are created for all levels of labour, including unskilled labourers ✓✓ for example cleaners, semi-skilled workers, such as machine operators and highly skilled such as dentists, nurses and teachers. ✓
 - Many South African entrepreneurs choose to start their own businesses in the tertiary sector. ✓✓
- **Contribution to exports** ✓
 - The tertiary sector exports a considerable number of services to foreign countries ✓✓ in the form of freight, insurance, transport, travel, royalties, licence fees and services such as communication. ✓
 - Countries also import services. ✓✓
- **Contribution to economic growth** ✓
 - The growth in the tertiary sector was much bigger than that of the primary sector and of the secondary sector. ✓✓
 - Over this period the tertiary sector was the engine of growth that pulled the other sectors. ✓✓
- **Source of income for the state** ✓
 - Companies must pay tax to the South African Receiver of Revenue (SARS). ✓✓
 - This money is used to provide basic services to South Africans ✓✓ for example, infrastructure (roads, housing, public transport etc) and welfare services ✓
- **Creates markets for consumer products** ✓

- For goods to sell, consumers need to know what is available.).✓✓
-
- This sector tells the consumers which goods are available by, for example, advertising.✓✓

NOTE: A maximum of 8 x 1 marks will be allocated for headings (26)

ADDITIONAL PART

- The secondary sector depends on the primary sector for the raw materials and products that it processed into products that are or useful.✓✓
- Both primary and secondary sectors depend on the tertiary sector for the provision of services.✓✓
- The primary sector depends on the secondary sector for manufactured goods such as machinery, equipment, fertilizers and pesticides.✓✓
- The tertiary sector also depends on the secondary for manufactured goods ✓✓ such as office machinery, office furniture, stationery and many more.✓
- Both secondary and primary sectors depend on the primary sector for the provision of products resale, such as traders in fresh produce.✓✓
- Businesses within a sector also depend on other businesses within the same sector.✓✓
- In the secondary, manufacturers make components that other manufacturers use in their final products. ✓✓

Accept any other correct relevant response

CONCLUSION

The tertiary sector is important for the economy because it includes all the services provided by the government to communities as well as personal services provided by businesses to individual consumers.✓✓

Accept any high order conclusion

TOTAL SECTION C : [40]

GRAND TOTAL: [150]