



education

**MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA**

GERT SIBANDE DISTRICT

NATIONAL SENIOR CERTIFICATE

GRADE 12

GERT SIBANDE DISTRICT

ECONOMICS

PROJECT

Stanmorephysics.com

MAY 2024

MARKS: 50

TIME: DURATION: TWO WEEKS



This question paper consists of 4 pages

INSTRUCTIONS AND INFORMATION

- This task must be carried out in class under supervised conditions.
- Answer all questions
- **LEARNERS MUST BRING THEIR RESEARCH MATERIAL TO CLASS TO CARRYOUT THE TASK**
- Learners should be exposed to the task ONE week before the writing time.
- Internet should form the backbone of your research.
- Number the answers correctly according to the numbering system used in this question paper.
- Use only black or blue ink.



QUESTION 1 (PERFECT MARKET/COMPETITION)

Agricultural commodities.

South Africa has a market-oriented agricultural economy that is highly diversified and includes the production of all the major grains (except rice).

CONDUCT THE RESEARCH ON THE ABOVE MARKET STRUCTURE.

NOTE: Bring your RESEARCH INFORMATION to class to answer the following questions.

- 1.1 According to your research, provide **TWO** industries that are a close example of a perfect competition. (2)
- 1.2 Does perfect competition exist in reality? Elaborate your response. (2)
- 1.3 What is meant by "**complete information**"? (2)
- 1.4 How does climate change affects agricultural commodities in South Africa? (4)
- 1.5 What role does the agricultural sector play in South Africa in terms of creating employment? (4)
- 1.6 Analyse the measures that may be used by government to promote competition in the economy. (8)

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QUESTION 2 (IMPERFECT MARKET/COMPETITION)

Vodacom says it may not be financially prepared for a worst-case scenario in the outcome of the 'Please Call Me' legal battle, noting that a pay-out of billions in compensation would be unreasonable.

NOTE: Conduct a RESEARCH about a case between Vodacom and "Please Call Me" inventor. Bring your RESEARCH to class to answer the following questions.

- 2.1 Which market structure does Vodacom belong to? (1)
- 2.2 Who is the "**please call me**" inventor according to your sources? (1)
- 2.3 How much will be a fair compensation to the inventor according to the Supreme Court of appeal? (2)
- 2.4 What impact will this judgement have on the company's revenue? (2)
- 2.5 Briefly describe the term "**Branding**" (2)
- 2.6 Distinguish between cartel and a price leadership. (4)
- 2.7 Advice Vodacom on how to increase their market share in this particular industry (8)
- 2.8 Analyse the court outcome as to whether it will have any negative effect on the operations of telecommunication company (Vodacom) and its contribution to the economy. (8)

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GRAND TOTAL: 50





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FURTHER EDUCATION AND TRAINING

GRADE 12

ECONOMICS
PROJECT
MARKING GUIDELINE

MAY 2024

Stanmorephysics.com

MARKS: 50

TIME: DURATION: TWO WEEKS

This marking guideline consists of 5 pages

QUESTION 1 (PERFECT MARKET/COMPETITION)

1.1 According to your research, provide **TWO** industries that are a close example of a perfect competition. (2)

- Agricultural industries.√
- Foreign exchange market.√
- Internet related industries.√

(Accept any other correct relevant responses)

1.2 Does perfect competition exist in reality? Elaborate your response. (2)

- Perfect competition is a theoretical market structure and it does not actual exist in reality. As such it is difficult to find real-life example of perfect competition but there are variants presents in everyday society.√√

(Accept any other relevant responses)

1.3 What is meant by “**complete information**” (2)

- Participants have full information (perfect knowledge) about the market conditions.√√

(Accept any other correct relevant responses)

1.4 How does climate change affects agricultural commodities in South Africa. (4)

- Changing rainfall patterns affecting agriculture and reducing food security, worsening water security. (E.g. decreasing fish stock in large lakes due to rising temperature) which will results in less supply of certain agricultural product and high demand which will trigger inflation.√√
- During drought, depletion of water availability in soil cause significant decline in crops and livestock productivity, causing the prices to increase.√√
- Even during floods and storms certain crops will be removed or uprooted resulting in less production, which might have negative effect on exports volumes and revenue for the producers.√√

(Accept any other correct relevant responses)

1.5 What role does the agricultural sector play in South Africa in terms of creating employment? (4)

- According to statsSA released the latest quarter labour surveys data, which showed that the agricultural sector has once again created new jobs amounting to 61000 in the third quarter, thus increasing the total employment in agriculture to 956000 (14 November 2023).√√
- Within the rural areas of South Africa’s former homelands, 52% of employed people work on farms.(positive trend in the sector)√√
- Provinces such as Mpumalanga, Free State, Limpopo and Western Cape are set to be leading in creating jobs in the sector, due to their favourable weather conditions, resulting in less poverty and better standard of living.√√

(Accept any other correct relevant responses)

1.6 Analyse the measures that may be used by government to promote competition in the economy. (8)



- Competition act should increase fine on businesses for anticompetitive behaviour.√√
- Decrease corporate tax to encourage new businesses to enter the market.√√
- Attract foreign direct investments to increase competition in local markets, offer subsidies to SMMEs intending to start a business.√√
- Reduce red tape to make it easier for new businesses to enter the market.√√
- Allowing imports to increase competition on local products thereby forcing local businesses to keep their prices low.√√

(Accept any other correct relevant responses)

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QUESTION 2 (IMPERFECT MARKET/COMPETITION)

- 2.1 **Vodacom belongs under which market structure? (1)**
- Oligopoly.√
- 2.2 **Who is the please call me inventor according to your sources? (1)**
- Nkosana Makate.√
- 2.3 **How much will be a fair compensation to the inventor according to the Supreme Court of appeal? (2)**
- According to the ruling Vodacom must pay the inventor an amount ranging between 29 billion and 55 billion.√√
- 2.4 **What impact will this judgement have on the company's revenue? (2)**
- Company's revenue will be negatively impacted having to pay a huge amount of fine to the inventor, shareholders might be tempted to withdraw their investments or sell their shares before the settlement.√√
 - Vodacom will have less revenue generated, resulting to less dividends pay-outs to their shareholders.√√
- (Accept any other correct relevant responses)**
- 2.5 **Briefly describe the term "Branding" (2)**
- Branding is when a firm or its product is appealing or seen in a positive way by consumers.√√
 - Branding is used to appeal to a certain kinds of consumers.√√
- (Accept any other correct relevant responses)**
- 2.6 **Distinguish between cartel and a price leadership. (4)**
- Cartel**
- When collusion occurs openly it is referred to as a cartel.√√
 - A cartel can be defined as an organisation of oligopolistic businesses that comes into existence in an industry with the specific aim of forming a collective monopoly.√√
- Price leadership**
- This type of price determination is tacit.√√
 - A firm will announce its intention to increase prices and hope its rivals will follow.√√
 - The price leader is usually the largest or dominant.√√
- (Accept any other correct relevant responses)**
- 2.7 **Advice Vodacom on how to increase their market share in this particular industry. (8)**
- VODACOM should consider using the following:**
- Non-price measures to attract customers increase their market share.√√
 - Building brand loyalty and product recognition to appeal to certain kind of customers √√
 - Product differentiation and packaging for uniqueness of the product/making the product looks different.√√



- Vodacom should consider advertising and marketing for exposure and creating awareness of the product to be known to customers in order to increase their market share.√√

(Accept any other correct relevant responses, particularly researched ones)

2.8 Analyse the court outcome as to whether it will have any negative effect on the operations of telecommunication company (Vodacom) and its contribution to the economy. (8)

- Vodacom will have less profit after paying billions to the inventor, resulting in less revenue collected by the state through corporate tax and losing investors.√√
- Losing investor will hamper Vodacom to expand as a result they will have to cut jobs, negatively affecting their workers' welfare.√√
- Vodacom will have less money to grow their brand, resulting in losing their market share to their competitors.√√
- Job cuts will have negative effects on national finances, hence the state will provide less public goods and services, due to less workers contributing to personal income tax and VAT.√√

(Accept any other correct relevant responses)

NOTE: markers should use their discretion, judgement and sound knowledge of the subject /content when awarding marks on question 2.8.

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GRAND TOTAL: 50



ANALYSIS GRID

Question	Topic	Lower Order	Middle Order	Higher Order	Total
Question 1	Perfect market				
1.1		2			2
1.2		2			2
1.3		2			2
1.4			4		4
1.5			4		4
1.6				8	8
Question 2	Imperfect market/oligopoly				
2.1		1			1
2.2		1			1
2.3		2			2
2.4		2			2
2.5		2			2
2.6			4		4
2.7			8		8
2.8				8	8
EXPECTED TOTAL		14	20	16	50
% TOTAL PER COGNITIVE LEVEL		28%	40%	32%	100%
EXPECTED % TOTAL PER COGNITIVE LEVEL		30%	40%	30%	100%