



KWAZULU-NATAL PROVINCE  
EDUCATION  
REPUBLIC OF SOUTH AFRICA

**NATIONAL SENIOR CERTIFICATE**

**GRADE 11**

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**ECONOMICS**

**MARCH 2024**

**COMMON TEST**

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**MARKS : 100**

**TIME : 1 ½ Hour**

**This question paper consists of 9 pages including this cover page.**

**INSTRUCTIONS AND INFORMATION**

1. Answer THREE questions as follows:

- SECTION A: COMPULSORY
- SECTION B: Answer any ONE question from this section.
- SECTION C: Answer any ONE of the two questions.

2. Number the answers correctly according to the numbering system used in this question paper.

3. Write the number of each question above each answer.

4. Read the questions carefully and start EACH question on a new page.

5. Leave at least ONE line between subsections of each question.

6. Answer questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.

7. Answer ONLY the required number of questions. Answers in excess of the required number will NOT be marked.

8. Use ONLY blue or black ink.

9. Non-programmable pocket calculators may be used.

10. Write legibly and present your work neatly.

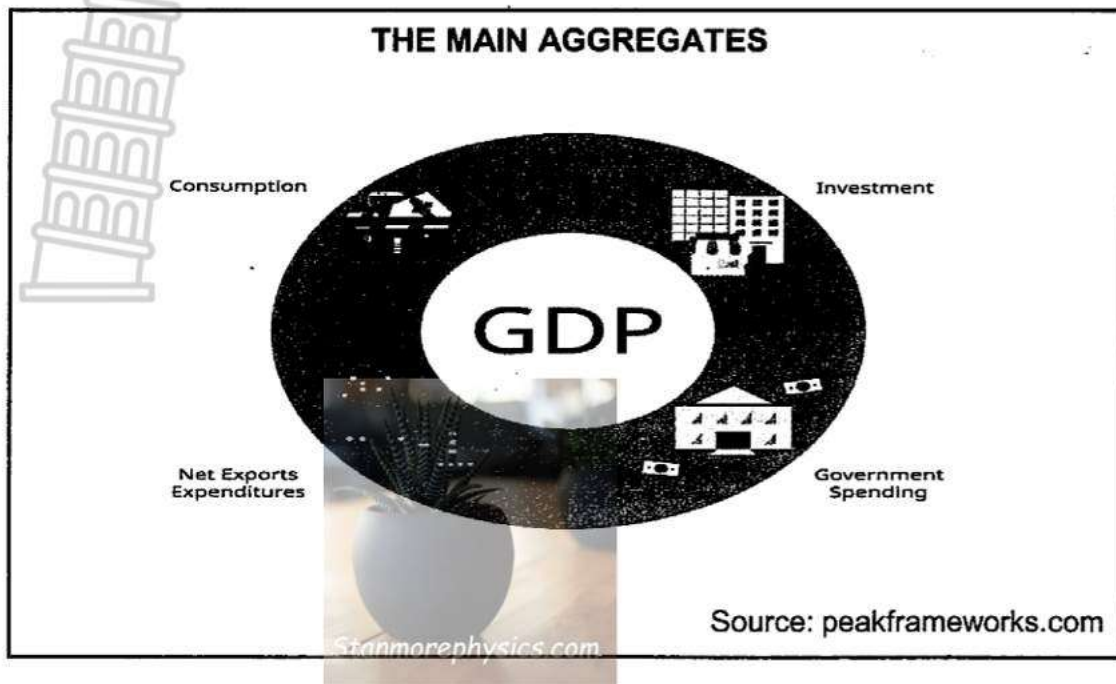
**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write ONLY the letter (A – D) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK. e.g. 1.1.6 D
- 1.1.1 The total number of people in a country who are physically able to do a job and are available to work is called...
- A. population.
  - B. workforce.
  - C. employees.
  - D. households.
- 1.1.2 The raw materials used in the production and the final goods that are available for sale are referred to as ...
- A. merchandise.
  - B. assets.
  - C. inventories.
  - D. stock.
- 1.1.3 The manufacturing process that involves the production of large quantities of standardized products using assembly line techniques is called ...
- A. mass production.
  - B. artisanal production.
  - C. flow production.
  - D. batch production.
- 1.1.4 Unregistered small-scale businesses that operate outside formal regulations and are not officially monitored by the government are called ...sector.
- A. informal
  - B. formal
  - C. foreign
  - D. primary
- 1.1.5 A benefit given by government to groups or individuals usually in the form of cash payment or tax reduction is referred to as ...
- A. income.
  - B. grant.
  - C. donation.
  - D. subsidy.

(5 x 2) (10)



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



2.3.1 Identify ONE economic participant from the above picture. (1)

2.3.2 What is the formula that represents the GDP components? (1)

2.3.3 Briefly describe the term *consumption*. (2)

2.3.4 Explain the purpose of calculating the main aggregate figures. (2)

2.3.5 How do exports benefit the economy? (4)

2.4 Discuss the economic importance of natural resources. (8)

2.5 How do financial markets contribute to the economy? (8)

[40]

**QUESTION 3****MACROECONOMICS****40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO examples of taxes on products. (2 x 1) (2)

3.1.2 Why is it difficult to increase the supply of labour in a short period of time? (2)

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

**South Africa's National Accounts Aggregates  
Expenditure on Gross Domestic Product**

<b>R millions At constant 2015 prices</b>	<b>2023</b>
Final consumption expenditure by households	3 066 585
Final consumption expenditure by general government	900 045
Gross capital formation	668 460
Residual item	44 292
<b>Gross Domestic Expenditure</b>	<b>4 679 382</b>
Exports of goods and services	1 256 903
Imports of goods and services	1 347 992
<b>GDP at market prices</b>	<b>(A)</b>

[Adapted from <https://www.resbank.co.za>]

3.2.1 Name the method of calculating GDP shown above. (1)

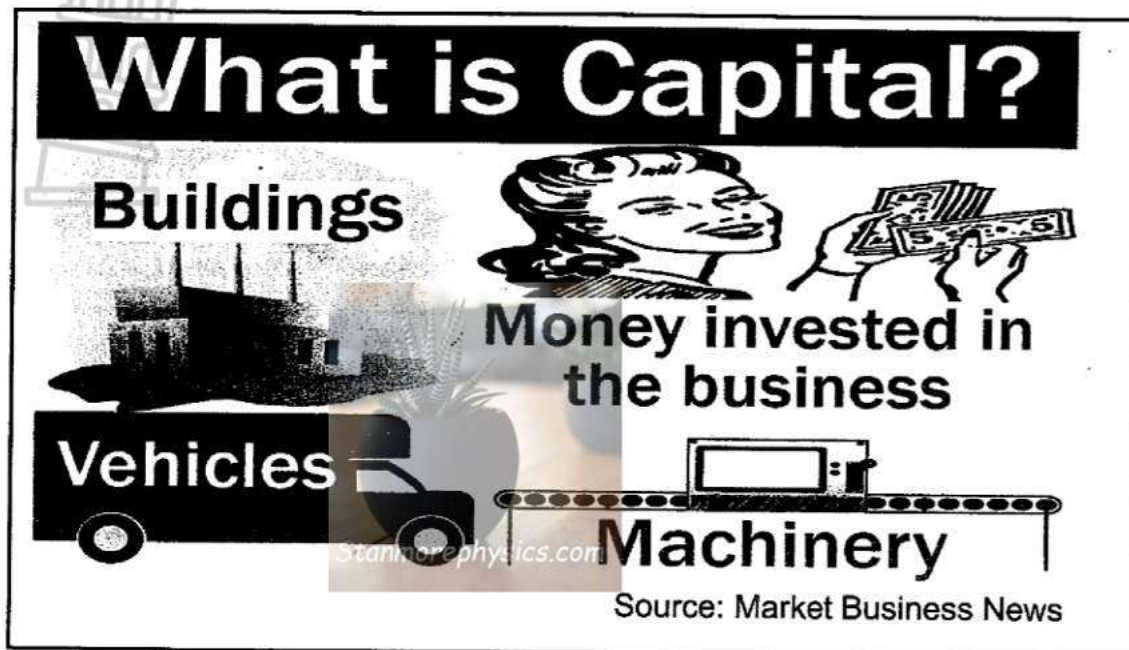
3.2.2 Which year is used by the SARB as the base year according to the table above? (1)

3.2.3 Briefly describe the term *residual items*. (2)

3.2.4 Why are households considered to be the most important participants in the economy? (2)

3.2.5 Calculate the value of GDP at market prices (A). Show ALL calculations. (2 x 2) (4)

- 3.3 Study the cartoon below and answer the questions that follow.



- 3.3.1 Identify an example of capital investment from the cartoon shown above. (1)
- 3.3.2 What is the remuneration for lending money? (1)
- 3.3.3 Briefly describe the term *depreciation*. (2)
- 3.3.4 Explain the benefit of using machines in the production process. (2)
- 3.3.5 Why is it difficult to convert real capital into cash? (4)
- 3.4 Discuss the importance of capital formation to the South African economy. (8)
- 3.5 How do entrepreneurs contribute to economic growth? (8)

**TOTAL SECTION B:**

[40]  
[40]



**SECTION C**

Answer any ONE of the two questions in this section:

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
<b>Introduction</b> The introduction is a lower-order response. <ul style="list-style-type: none"> <li>A good starting point will be to define the main concept related to the question topic.</li> <li>Do NOT include any part of the question in your introduction.</li> <li>Do NOT repeat any part of the introduction in the body.</li> <li>Avoid mentioning in the introduction what you are going to discuss in the body.</li> </ul>	Max. 2
<b>Body</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/ Draw a graph and explain/Use the graph given and explain/Complete the given graph/Assess/Debate <b>A maximum of 8 marks may be allocated for headings/examples</b> <b>Additional part:</b> Critically discuss/Evaluate/Critically evaluate/Debate/ Deduce/Compare/Distinguish/Interpret/How?/Suggest <b>A maximum of 2 marks may be allocated for mere listing of facts.</b>	Max. 26  Max. 10
<b>Conclusion:</b> Any higher-order conclusion should include: <ul style="list-style-type: none"> <li>A brief summary of what has been discussed without repeating facts already mentioned in the body</li> <li>Any opinion or valued judgement on the facts discussed</li> <li>Additional support information to strengthen the discussion/analysis</li> <li>A contradictory viewpoint with motivation, if required</li> <li>Recommendations</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MACRO-ECONOMICS****MARKS – 40 MINUTES**

- Compare and contrast *South African mixed economy* with the *centrally planned economic system*. (26)
  - Evaluate the success of government intervention in South Africa's mixed economy. (10)
- [40]**

**QUESTION 5: MACRO-ECONOMICS****MARKS – 40 MINUTES**

- Discuss in detail the economic importance of the tertiary sector. (26)
  - Analyse the long-term disadvantages for an economy that depends on the primary sector. (10)
- [40]**

**TOTAL SECTION C: [40]**  
**GRAND TOTAL: [100]**



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**ECONOMICS**

**MARKING GUIDELINES**

**MARCH 2024**

**MARKS : 100**

These marking guidelines consist of 12 pages including this cover page.



**SECTION A (COMPULSORY)****QUESTION 1****1.1 MULTIPLE CHOICE**

1.1.1 B/ workforce ✓✓

1.1.2 C/ inventories ✓✓

1.1.3 A/ mass production ✓✓

1.1.4 A/ informal ✓✓

1.1.5 D/ subsidy ✓✓

(5 x 2) (10)

**1.2 MATCHING ITEMS**

1.2.1 D/ Income earned from mining rights or intellectual property often through patents or copyrights ✓

1.2.2 F/ The error that occurs when intermediate goods are added twice in the national accounts ✓

1.2.3 E/ The legal liberties that individuals or businesses have to control their assets ✓

1.2.4 G/ The collection of raw materials that can return to nature what it has taken from it ✓

1.2.5 B/ The amount of goods and services a worker can produce in a given time ✓

1.2.6 A/ The transfer of functions and ownership of entities from the public sector to the private sector ✓

(6 X 1) (6)

**1.3 CONCEPTS**

1.3.1 Rent ✓

1.3.2 Market prices ✓

1.3.3 State owned enterprise/Parastatal ✓

1.3.4 Subsistence farming ✓

(4 x 1) (4)

**TOTAL SECTION A: 20 MARKS**

**SECTION B****Answer any ONE question in this section****QUESTION 2      MACROECONOMICS****30 MINUTES – 40 MARKS****2.1** Answer the following questions.**2.1.1** Name any **TWO** examples of renewable resources.

Trees ✓

Grass ✓

Soil ✓ how?

(Accept any other relevant correct response)

(2 x 1) (2)

**2.1.2** Why is production by foreigners excluded when calculating gross national product?

Gross national product seeks to measure the productive capacity of a country's permanent residents, therefore adding production by foreigners would cause errors in the national accounts. ✓✓

(Accept any other relevant correct response)

(2)

**2.2 DATA RESPONSE****2.2.1** Identify the category of labour that had the most number of jobs in 2021 Q3 from the table above.

Semi-skilled labour ✓

(1)

**2.2.2** Give **ONE** example of skilled labour.

Educator ✓

(Accept any other relevant correct response)

(1)

**2.2.3** Briefly describe the term *nominal wage*.

Nominal wage refers to the amount of money that is paid to workers per hour and is not adjusted for inflation. ✓✓

(Accept any other relevant correct response)

(2)

**2.2.4** Explain the impact of a shortage of technicians on gross domestic product.

The shortage of technicians can cause low levels of production since their skills are critical in the production process and that may result to a decline in gross domestic product. ✓✓

(Accept any other relevant correct response)

(2)

**2.2.5 How can the quality of labour be improved in the country?**

- The country should improve its education and training programmes to ensure that there is enough skilled labour. ✓✓
- The government should provide good health care services and employers offer health care benefits to its workers in order to minimise absenteeism from work. ✓✓

(Accept any other relevant correct response)

(2 x 2) (4)

**2.3 DATA RESPONSE****2.3.1 Identify ONE economic participant from the above picture.**

Government ✓

(1)

**2.3.2 What is the formula that represents the GDP components?** $GDP = C + I + G + (X - M)$  ✓

(1)

**2.3.3 Briefly describe the term consumption.**

Consumption refers to the act or process of using a product in order to satisfy a need or want. ✓✓

(Accept any other relevant correct response)

(2)

**2.3.4 Briefly explain the purpose of calculating the main aggregate figures.**

- The main aggregate figures are needed in order to keep track of the performance of the economy so that policy makers can intervene when necessary. ✓✓
- National aggregates are useful for government decision making regarding its expenditure and taxation. ✓✓

(Accept any other relevant correct response)

(2)

**2.3.5 How do exports benefit the economy?**

- Exports help in ensuring that the country doesn't experience current account trade deficits in its balance of payment. ✓✓
- The country may achieve a stable exchange rate as its currency would be in demand by foreigners. ✓✓
- Exports earn foreign exchange for the country. ✓✓

(Accept any other relevant correct response)

(4)

**2.4 Discuss the economic importance of natural resources.**

- Natural resources as inputs provide the basis for the production of all types of goods and services in the sectors of the economy. ✓✓
- Natural resources are a source of income in a form of rent for those who own this resource. ✓✓





- The extraction and processing of natural resources creates job opportunities in the economy. ✓✓
- These resources form the basis for international trade as countries have to import the raw materials they do not have and export those that they have in excess supply. ✓✓
- The availability of natural resources is the key factor in achieving economic growth. ✓✓

(Accept any other relevant correct response)

(8)

## 2.5 How do financial markets contribute to the economy?

- Financial markets provide funding for entrepreneurs who want to start or expand their businesses. ✓✓
- Households who want to own assets such as housing and vehicles get assistance from banks through loans. ✓✓
- Financial markets facilitate investment opportunities between businesses and private individuals through stock markets and foreign exchange markets. ✓✓
- Facilitate the buying and selling of goods and services through the use of debit and credit cards and internet banking. ✓✓
- Businesses and households rely on the financial markets to provide them with insurance for unforeseen circumstances such as theft, fire, accidents, etc. ✓✓
- They are a safe platform for those who want to save money for future goals. ✓✓

(Accept any other relevant correct response)

(8)

[40]

**QUESTION 3****MACROECONOMICS****40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO examples of taxes on products.

- VAT ✓
- Excise/sin tax ✓
- Customs duties

(Accept any other relevant correct response)

(2 x 1) (2)

3.1.2 Why is it difficult to increase the supply of labour in a short period of time?

- The supply of labour is dependent on the given labour force of a country. ✓✓
- When more workers are required in an industry, the supply of labour cannot be increased immediately because available unemployed workers first have to be trained. ✓✓

(Accept any other relevant correct response)

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**3.2 DATA RESPONSE**

3.2.1 Name the method of calculating GDP shown above.

Expenditure method/GDE

(1)

3.2.2 Which year is used by the SARB as the base year according to the table above?

2015 ✓

(1)

3.2.3 Briefly describe the term *residual items*.

Residual item is the balancing effect that caters for errors and omissions in calculating Gross Domestic Expenditure. ✓✓

(2)

3.2.4 Why are households considered to be the most important participants in the economy?

Households play various roles in the economy as they are the main consumers who also own the factors of production that are used to produce goods and services. ✓✓

(Accept any other relevant correct response)

(2)

3.2.5 Calculate the value of GDP at market prices (A). Show ALL calculations.

$$4\,679\,382 \checkmark + 1\,256\,903 \checkmark - 1\,347\,992 \checkmark = 4\,588\,293 \checkmark$$

(4)

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**3.3 DATA RESPONSE**

3.3.1 Identify an example of capital investment from the picture shown above.

Money invested in the business ✓

(1)

**3.3.2 What is the remuneration for lending money?**

Interest ✓

(1)

**3.3.3 Briefly describe the term *depreciation*.**

Depreciation is the decrease in the monetary value of assets over time ✓✓

(Accept any other relevant correct response)

(2)

**3.3.4 Explain the benefit of using machines in the production process.**

- Machines enable firms to produce goods and services faster and in large quantities. ✓✓
- There is improved efficiency and quality when machines are used to produce goods and services.

(Accept any other relevant correct response)

**3.3.5 Why is it difficult to convert real capital into cash?**

- It takes time to find a buyer, engage in negotiations and prepare documentation to finalise a deal. ✓✓
- The condition of real capital may make it difficult to sell if it has lost value over time. ✓✓
- Low demand for certain capital goods makes them hard to sell. ✓✓

(4)

(Accept any other relevant correct response)

**3.4 Discuss the importance of capital formation to the South African economy.**

- Increasing the capital base of the economy, to expand the production capacity. ✓✓
- Creating more job opportunities and increasing income levels of households, stimulating aggregate demand. ✓✓
- Increasing competition when new businesses are established, resulting in increased efficiency in production. ✓✓
- Encouraging the introduction of new production technologies resulting in higher productivity. ✓✓
- Expanding the tax base for the government, leading to higher tax revenue/ to finance infrastructure development projects. ✓✓
- Increasing the competitiveness of local businesses on global markets/ stimulating the demand for exports. ✓✓

(Accept any other relevant correct response)

(8)



3.5 **How do entrepreneurs contribute to economic growth?****Entrepreneurs contribute to economic growth by:**

- Organising other factors of production. ✓✓
- Giving guidance when they control and combine other factors of production. ✓✓
- Creating employment opportunities for the population of a country. ✓✓
- Making profits that can be used for further investments. ✓✓
- Ensuring that goods and services are produced and made available to consumers. ✓✓

(Accept any other relevant correct response)

(8)

[40]

**TOTAL SECTION B:****[40]****SECTION C**

Answer any ONE of the two questions in this section.

Your answer will be assessed as follows:

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**QUESTION 4****MACRO-ECONOMICS****MARKS – 40 MINUTES**

- Compare and contrast *South African mixed economy* with the *centrally planned economic system*.
- Evaluate the success of government intervention in South Africa's mixed economy.

**INTRODUCTION**

Economic system is the method that is used by different countries to allocate their resources and determine the ownership of property. ✓✓ (Max. 2)

(Accept any other correct relevant introduction)

**BODY****MAIN PART****Ownership** ✓

- Households and business enterprises own most of the factors of production in a mixed economy, whereas there is no private initiative allowed under a centrally planned economy; the government dictate what is to be produced. ✓✓
- In South Africa's mixed economy the state owns enterprises such as Transnet, Telkom, The Post Office. Denel, the SABC, Rand Water Board, etc. ✓✓

**Price setting** ✓

- In a mixed economy the private sector prices are determined by the interaction of market forces while government administers prices of certain goods such as petrol. ✓✓
- The government controls prices in a centrally planned economy. ✓✓

**Competition ✓**

- The mixed economy in SA is characterised by competition among private firms and suppliers who are the main producers of goods in the economy while the public sector provides public goods and service. ✓✓
- In contrast, competition among producers is discouraged in a centrally planned economy as enterprises are owned by the government. ✓✓
- Competition in a mixed economy leads to the optimal allocation and distribution of a country's resources while in a centrally planned economy it's believed that competition leads to wastage of resources, due to duplication of goods. ✓✓

**Decision making ✓**

- Most decisions are taken on decentralised bases by different stakeholders under SA's mixed economy, whereas in centrally planned economy there is binding central economic decision making. ✓✓

**Motivation ✓**

- In the private sector of the mixed economy, consumers and producers are assumed to be motivated by self-interest which is mainly to make profit. ✓✓
- In contrast in a centrally planned economy there's public sector only which is assumed to be motivated by the necessity to satisfy the social need of the community. ✓✓

**State intervention ✓**

- There is government intervention in the mixed economy which passes laws with an aim to realize social and welfare objectives and to improve the functioning of markets. ✓✓
- In contrast, the government is the sole role player in a centrally planned economy. ✓✓

**Income distribution ✓**

- South Africa's mixed economy is considered to have the most unequal income distribution, whereas the centrally planned economy is believed to have more even and equitable distribution of income. ✓✓

**Freedom of choice ✓**

- The private sector provides consumers with a wide variety of goods and services to choose from in satisfying their needs and wants under the mixed economy while on the other hand there is no variety of consumer goods in a centrally planned economy. ✓✓

**Economic stability ✓**

- The government uses efficient monetary and fiscal policies to ensure maximum economic growth and price stability in mixed economy. ✓✓
- In contrast, business fluctuations are controlled by the government through its control of investment and consumer expenditure. ✓✓

(Accept any other correct relevant response)

(Max. 26)

(Allocate a maximum of 8 marks for mere listing of facts/examples)



**ADDITIONAL PART****Evaluate the success of government intervention in South Africa's mixed economy.**

Government intervention in the economy has had mixed outcomes.

- There has been a good number of housing projects implemented for the communities yet informal settlements still remain and keep on resurfacing. ✓✓
- The provision of clean water has improved though there are increasing cuts or interruptions in supply while the country has been experiencing load-shedding in electricity supply. ✓✓
- The expanded public works programme has assisted in creating mostly labour intensive jobs to alleviate poverty slightly but unemployment is still very high. ✓✓
- Economic growth was impressive from 1994 until 2007 when it started stagnating up to date. ✓✓
- A large number of the population receives social welfare grants, old age pension and social relief grant of R350 which assist in slightly improving the standard of living. ✓✓
- The government has been able to achieve price stability with inflation largely kept within the target range of 3 – 6%. ✓✓
- Parastatals such as Eskom, Transnet, Denel, SANRAL, and The Post Office that are meant to provide critical services to the public have been performing poorly and experiencing insolvency. ✓✓
- The value of our currency has been declining over the years and that doesn't help in improving the standard of living. ✓✓

(Accept any other correct relevant response)

(Max. 10)

(Allocate a maximum of 2 marks for mere listing of facts)

**CONCLUSION**

In the current complex global economy it has become more imperative for policy makers and governments to pursue pragmatic solutions to our economic problems than following a single particular school of thought. ✓✓

(Accept any other correct relevant conclusion) (Max. 2)

**[40]**



**QUESTION 5****MACRO-ECONOMICS****MARKS – 40 MINUTES**

**Discuss in detail the economic importance of the tertiary sector.**

**Why does an overly dependence on the primary sector pose long-term economic disadvantages?**

**INTRODUCTION**

The tertiary sector, or service sector, involves providing intangible services like healthcare, education, finance, and IT, contributing to the economy through non-material transactions. It includes a broad range of service-oriented industries. ✓✓

(Accept any other relevant correct introduction)

(Max. 2)

**BODY****MAIN PART****1. Contribution to GDP: ✓**

- Tertiary sector activities significantly contribute to GDP through service-oriented transactions.
  - Diverse Service Offerings: Tertiary sector encompasses a wide range of services, amplifying its GDP contribution. ✓✓
  - Technological Advancements: Adoption of technology in service industries enhances efficiency, contributing to economic growth. ✓✓
  - Globalization Impact: Tertiary sector's international connections contribute to the globalization of the economy. ✓✓

**2. Job Creation: ✓**

- The tertiary sector is a major source of employment, offering diverse roles in services like retail, education, and IT. ✓✓
  - Skill Development: Tertiary jobs often require specialized skills, contributing to a skilled workforce. ✓✓
  - Flexible Employment: Many tertiary sector jobs offer flexibility, accommodating various work arrangements. ✓✓
  - Entrepreneurial Opportunities: Growth in the tertiary sector provides opportunities for entrepreneurs to establish service-oriented businesses. ✓✓

**3. Source of Income for the State: ✓**

- Taxes generated from services in the tertiary sector contribute substantially to the state's revenue. ✓✓
  - Innovation and Entrepreneurship: Tertiary sector fosters innovation and entrepreneurship, generating additional tax revenues. ✓✓
  - Global Trade: Services often involve international transactions, contributing to the state's revenue through global trade. ✓✓
  - Government Contracts: Many services provided by the tertiary sector involve government contracts, contributing to state income. ✓✓

**4. Creation of Consumer Markets: ✓**

- Tertiary activities create vibrant consumer markets by providing a variety of services and goods. ✓✓
  - Brand Diversity: Tertiary sector offerings contribute to a diverse market with various brands and options. ✓✓

- E-commerce Impact: Tertiary sector's influence on e-commerce facilitates a broader reach, expanding consumer markets. ✓✓
- Cultural Influence: Services in the tertiary sector often shape and reflect cultural trends, influencing consumer preferences. ✓✓

### 5. Diversification of Economy: ✓

The tertiary sector allows for economic diversification, reducing dependence on traditional sectors like agriculture and manufacturing. ✓✓

(Accept any other relevant correct response)

(Max. 26)

(Allocate a maximum of 8 marks for mere listing of facts/examples)

### ADDITIONAL PART

Analyse the long-term disadvantages for an economy that depends on the primary sector.

- Relying heavily on primary sector exports makes the economy susceptible to fluctuations in global demand, weather conditions, and commodity prices. ✓✓
- Overemphasis on the primary sector may hinder the development of diverse industries, limiting the economy's ability to adapt to changing market conditions. ✓✓
- A primary sector-dependent economy may struggle to withstand global economic downturns, impacting overall stability and growth prospects. ✓✓
- Fluctuations in commodity prices can lead to unpredictable income streams, affecting both government revenue and the livelihoods of those involved in primary activities. ✓✓
- Limited diversification may result in a narrow range of job opportunities, hindering broader employment growth and skill development. ✓✓
- Intensive reliance on primary activities can contribute to environmental degradation, impacting ecosystems and natural resources. ✓✓
- An over-reliance on the primary sector may impede the development of a more advanced and diversified economy, limiting progress in technology, innovation, and overall economic prosperity. ✓✓

(Accept any other relevant correct response)

(10)

(Allocate a maximum of 2 marks for mere listing of facts)

### CONCLUSION

Tertiary sector plays a key role as a link between producers and consumers by ensuring that goods and services are accessible to consumers in their local markets. ✓✓

(Accept any other relevant correct conclusion)

(Max. 2)

**TOTAL SECTION C: [40]**  
**GRAND TOTAL: [100]**