



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 11

ECONOMICS P1

JUNE 2024

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 any 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 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 Is when the stock of capital grows at the same rate as the labour force.

- A Gross fixed capital formation
- B Gross profit
- C Capital deepening
- D Capital widening

1.1.2 The price paid for the use of natural resources is called ...

- A profit.
- B rent.
- C exchange value.
- D money.

1.1.3 The value of the final output produced by the citizens of a country, irrespective of where they are located is the ...

- A gross domestic product.
- B gross national income.
- C gross domestic income.
- D gross national product.

1.1.4 Double counting is a problem that occurs when the ... method of calculating GDP is used.

- A expenditure
- B production
- C income
- D consumption

1.1.5 Market forces of demand and supply determine what, how and for who will be produced.

- A Market economy
- B Centrally planned economy
- C Mixed economy
- D Market

1.1.6 The following of rules and procedures by government officials which cause delays in providing services is called ...

- A accountability.
- B hierarchy.
- C bureaucracy.
- D regulations.



1.1.7 SANRAL is responsible for maintaining the ... in South Africa.

- A railway network
- B harbours
- C airports
- D national roads

1.1.8 Economic growth is measured and expressed in terms of real ...

- A gross national product.
- B gross domestic expenditure.
- C gross domestic product.
- D gross national expenditure.

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–I) next to the question number (1.2.1 to 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Nominal wage	A It involves the flow of goods and services from producers to the consumers
1.2.2 Community forum	
1.2.3 Money flow	B The amount of money in rands (currency) that a worker receives for his labour
1.2.4 Residual item	
1.2.5 Economic system	C The mechanisms followed in allocation of resources, production and distribution of goods and services
1.2.6 Private Public Partnership	
1.2.7 Agricultural sector	D government sector work together for profit and community development
1.2.8 Tertiary sector	E The flow of income and expenditure between participants in the economy
	F produces a variety of crops and animal products which provide food for the nation
	G Public meeting whereby government officials and community members listen to people's concerns and ideas regarding local development
	H Used to capture errors and omissions in the national accounts using the expenditure method

(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 Goods that are used as inputs by other enterprises

1.3.2 Gifts of nature that occur naturally

1.3.3 A government initiative to create short term employment to empower the marginalised group by allowing them to acquire some skill and earning income from the jobs

1.3.4 It is based on private ownership and profit motive and it is also called Capitalism

1.3.5 Consist of plantation of renewable timber such as pine

1.3.6 Goods and services produced by local sectors and then sold to Foreign countries

(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: MACROECONOMICS

40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name any TWO examples of semi-durable goods. (2 x 1) (2)

2.1.2 Why is it important for markets to be efficient in an economy? (1 x 2) (2)

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



An economy is a system of inter-related production and consumption activities which determine the allocation of resources within the community. There are three main types of economies: free-market, command and mixed economy. Individuals and businesses make their own economic decisions. The government makes all of the country's decisions.

[Adapted from www.sparknotes.com, Accessed on 12 February 2023]

2.2.1 Identify a level of government from the information above. (1)

2.2.2 Name the economic system that South Africa is currently using. (1)

2.2.3 Briefly describe the term *centrally planned economy*. (2)

2.2.4 Explain ownership as a characteristic of a centrally planned economy. (2)

2.2.5 How does freedom of choice benefit the households as consumers of goods and services? (4)

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

GDP AND GNI FOR SEASIDE COUNTRY	
COMPONENT	RAND BILLIONS
Consumption spending by households	1 473
Government expenditure	505
Investment spending by households	468
Exports of goods and services	657
Imports of goods and services	(678)
GDP	2 425
Factor income earned abroad by South Africans	34
Factor income earned in South Africa by Foreigners	(87)
GNI	A

[Source: South African Reserve Bank Quarterly Bulletin]

2.3.1 Identify ONE leakage from the table above. (1)

2.3.2 List any element of injections into the circular flow? (1)

2.3.3 Briefly describe the concept *gross national income*. (2)

2.3.4 What effect will factor income earned in South Africa by foreigners have on the circular flow? (2)

2.3.5 Calculate the GNI (A) for Seaside Country. Show ALL calculations. (4)

2.4 Discuss the advantages of a centrally planned economy. (4 x 2) (8)

2.5. How will an increase in government expenditure affect the economy? (4 x 2) (8)
[40]

QUESTION 3: MACROECONOMICS

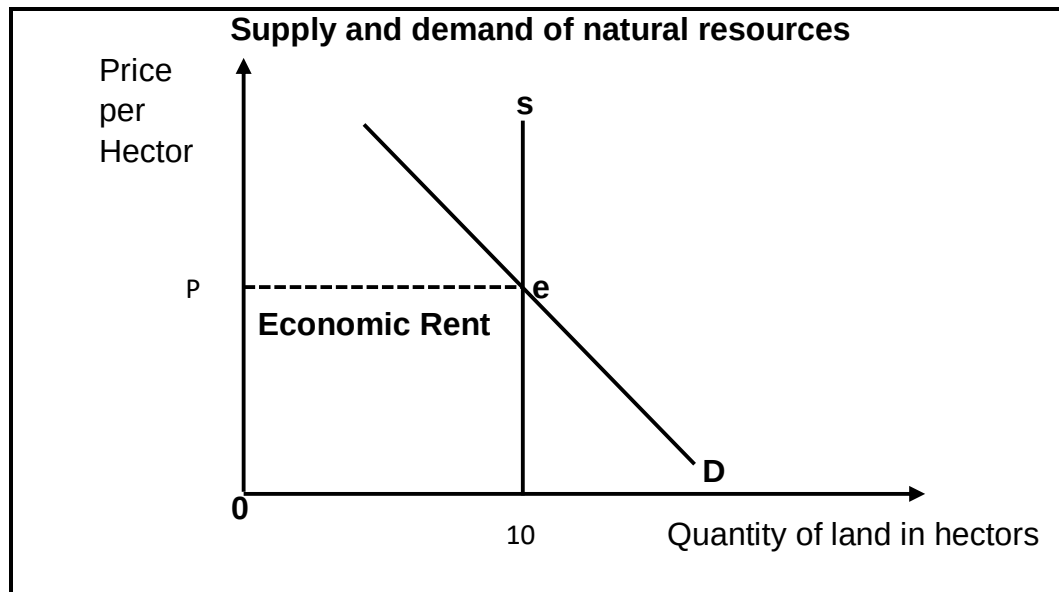
40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO disadvantages of a mixed economy. (2 x 1) (2)

3.1.2 What is the relationship between final consumption by Households and economic development? (1 x 2) (2)

3.2 Study the graph below and answer the following questions.



3.2.1 Identify the form of remuneration for natural resources on the graph above. (1)

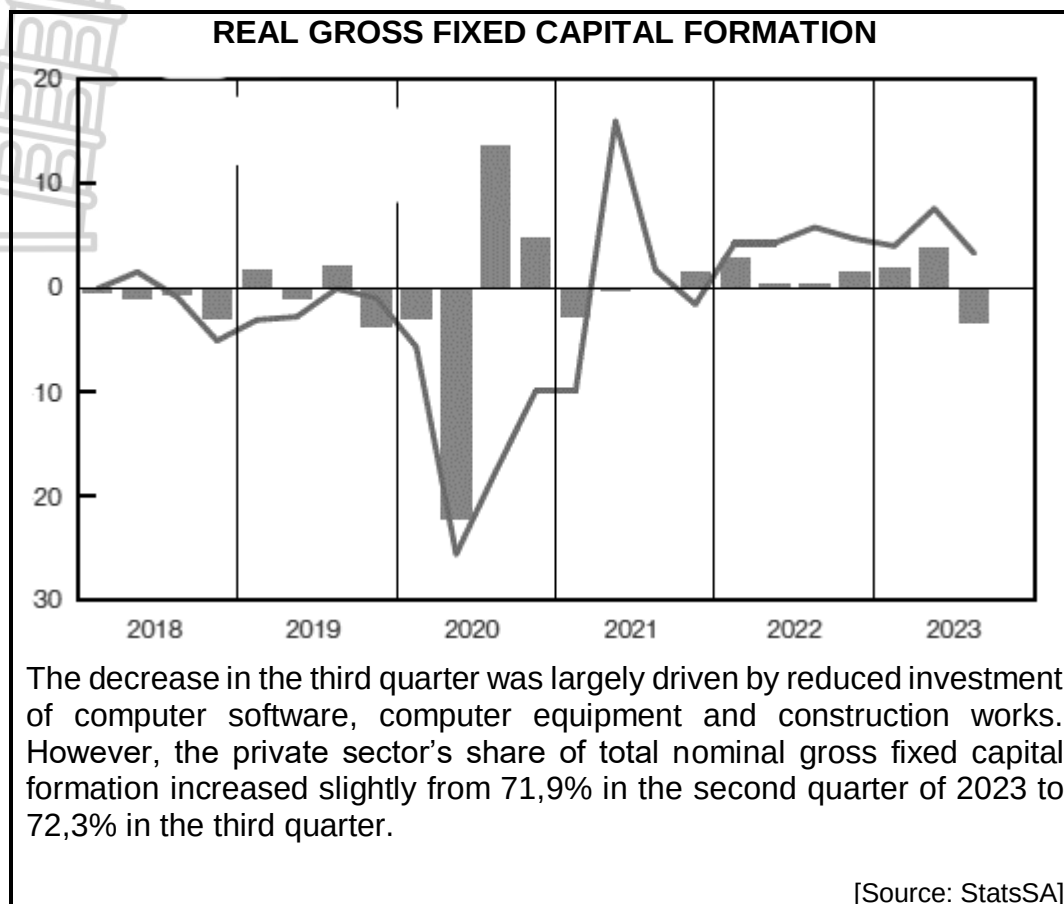
3.2.2 Name the characteristic of natural resources relating to its quantity. (1)

3.2.3 Briefly describe the term *factors of production*. (2)

3.2.4 What is the relationship between the remuneration of natural resources and their proximity to markets? (2)

3.2.5 How do natural resources contribute to industrialisation of the South African economy? (4)

3.3 Study the graph below and answer the questions that follow



3.3.1 Identify the quarter and year with the highest capital formation. (1)

3.3.2 Name the remuneration for capital. (1)

3.3.3 Briefly describe the term *capital formation*. (2)

3.3.4 Outline the importance of savings for the creation of capital goods. (2)

3.3.5 Why is capital formation important to the South African economy? (4)

3.4. Discuss the production and income methods on how they are used to determine gross domestic product. (2 x 4) (8)

3.5. Evaluate the South African's government efficiency in delivering socio-economic services. (4 x 2) (8)

[40]

QUESTION 4: MACROECONOMICS

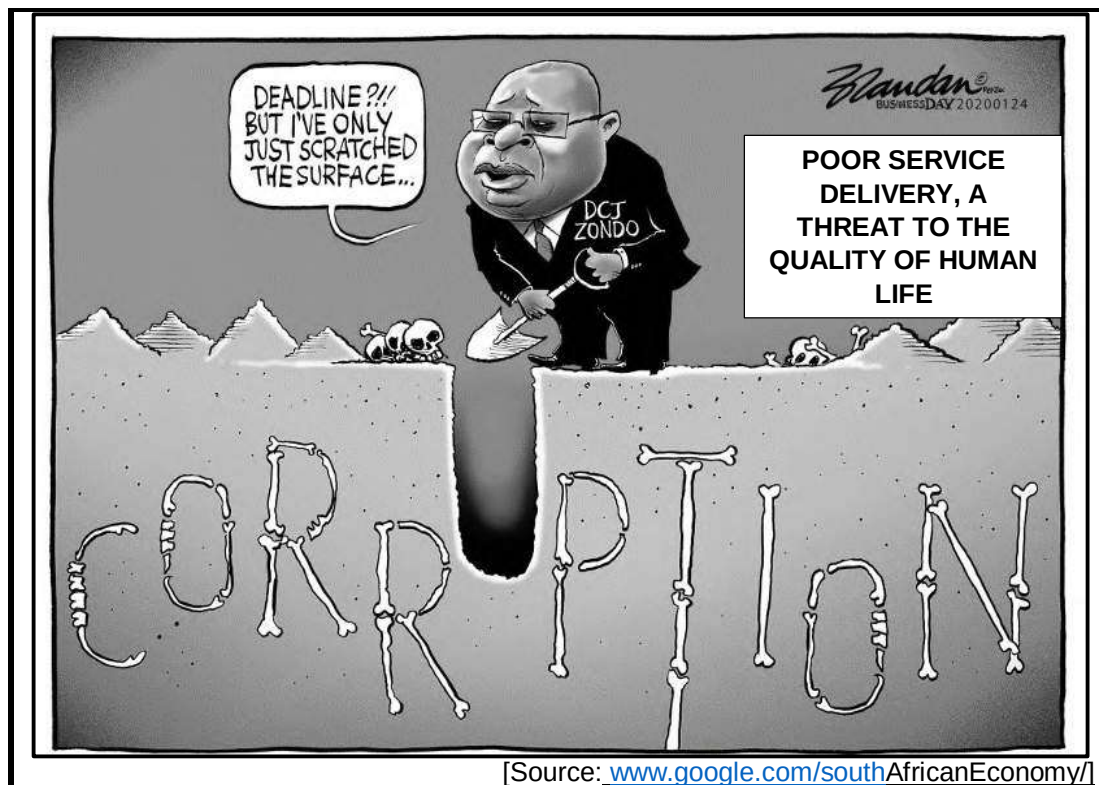
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Give any TWO elements of leakages in a circular flow. (2 x 1) (2)

4.1.2 How does the unfair market practices by state owned Monopolies negatively affect South African consumers? (1 x 2) (2)

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



4.2.1 Identify, from the given cartoon, the reason for lack of social and economic services? (1)

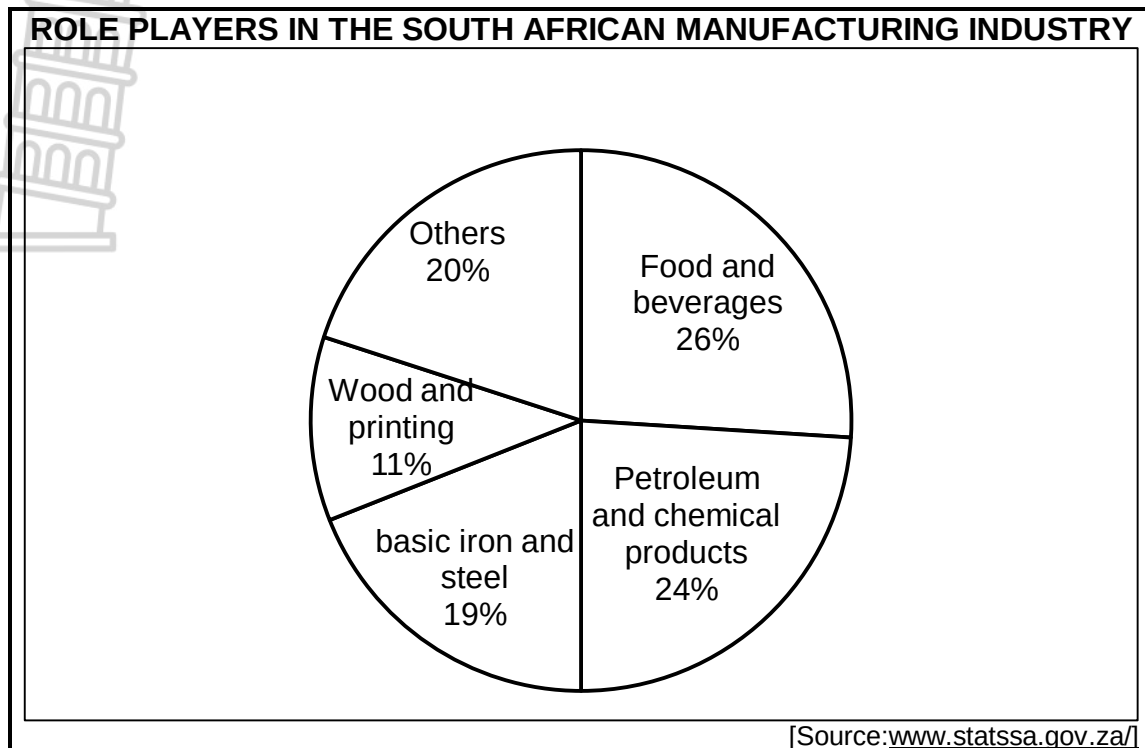
4.2.2 Which level of government is responsible for the control and the management of municipalities? (1)

4.2.3 Briefly describe the term *government*. (2)

4.2.4 Explain the impact of poor service delivery on economic growth. (2)

4.2.5 How does corruption affect service delivery? (2 x 2) (4)

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



- 4.3.1 Identify, from the information above, products that contributed the most in South Africa's manufacturing industry. (1)
- 4.3.2 Name the economic sector in which manufacturing is categorised. (1)
- 4.3.3 Briefly describe the term *economic structure*. (2)
- 4.3.4 How will a decrease in manufacturing affect job creation? (2)
- 4.3.5 Why is the Primary sector important in global market? (2 x 2) (4)

- 4.4 Discuss the disadvantages of South Africa's mixed economy. (2 x 4) (8)
- 4.5 Evaluate the contribution of South African businesses in the economy. (4 x 2) (8)
- [40]**

TOTAL SECTION B: 80

SECTION C

Answer any ONE of the two questions in 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 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/ 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 A maximum of 8 marks may be allocated for headings/examples.	Max. 26
Additional part: Critically discuss/ Evaluate/ Critically evaluate/ Debate/Deduce/Compare/Distinguish/Interpret/How?/Suggest A maximum of 2 marks may be allocated for mere listing of facts.	Max. 10
Conclusion Any Higher or conclusion include: • A brief summary of what has been discussed without repeating facts already mentioned in the body • 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: MACROECONOMICS**40 MARKS – 40 MINUTES**

- Discuss in detail entrepreneurship as a factor of production. (26 marks)
- How can the community participate in the local economic planning of South Africa? (10 marks) **[40]**

QUESTION 6: MACROECONOMICS**40 MARKS – 40 MINUTES**

- Discuss in detail South Africa's infrastructure and its economic importance. (26 marks)
- Evaluate the success of internet use as a form of communication in South Africa. (10 marks) **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150



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JUNE 2024

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 18 pages.

SECTION A (COMPULSORY)

QUESTION 1

30 MARKS – 20 MINUTES

1.1. MULTIPLE-CHOICE QUESTIONS

- | | | |
|-------|-------------------------------|--------------|
| 1.1.1 | D - Capital widening ✓✓ | |
| 1.1.2 | B - rent ✓✓ | |
| 1.1.3 | D - gross national product ✓✓ | |
| 1.1.4 | B - production ✓✓ | |
| 1.1.5 | A - Market economy ✓✓ | |
| 1.1.6 | C - bureaucracy ✓✓ | |
| 1.1.7 | A - railway network ✓✓ | |
| 1.1.8 | C - gross domestic product ✓✓ | (8 x 2) (16) |

1.2 MATCHING ITEMS

- | | | | |
|-------|-----|---|-------------|
| 1.2.1 | B - | The amount of money in rands (currency) that a worker receives for his labour. ✓ | |
| 1.2.2 | G - | Public meeting whereby government officials and community members to listen to people's concerns and ideas regarding local development. ✓ | |
| 1.2.3 | E - | The flow of income and expenditure between participants in the economy. ✓ | |
| 1.2.4 | H - | Used to capture errors and omissions in the national accounts using the expenditure method. ✓ | |
| 1.2.5 | C - | The mechanisms followed in allocation of resources, production and distribution of goods and services. ✓ | |
| 1.2.6 | D - | government sector work together for profit and community development. ✓ | |
| 1.2.7 | F - | produces a variety of crops and animal products which provide food for the nation. ✓ | |
| 1.2.8 | A - | It involves the flow of goods and services from producers to the consumers. ✓ | (8 x 1) (8) |

1.3 GIVE ONE TERM

- | | | |
|-------|-----------------------------------|-------------|
| 1.3.1 | Natural resources / Land ✓ | |
| 1.3.2 | Raw materials ✓ | |
| 1.3.3 | Expanded Public Works Programme ✓ | |
| 1.3.4 | Market economy ✓ | |
| 1.3.5 | Forestry ✓ | |
| 1.3.6 | Exports ✓ | (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: MACROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions

2.1.1 Name any **TWO** examples of semi-durable goods.

- Clothing and foot-ware ✓
- Household textiles, furnishings, glassware ✓
- Motor tyres, parts ,accessories ✓
- Recreational and entertainment goods ✓
- Miscellaneous goods ✓

(Accept any other correct and relevant responses)

(Any 2 x 1) (2)

2.1.2 **Why is it important for markets to be efficient in an economy?**

Market efficiency is important in an economy because it;

- promotes healthy competition among businesses. ✓✓
- prevents restrictive practices such as collusion. ✓✓
- protects the consumer against unfair pricing and inferior products. ✓✓
- provides all South Africans with equal opportunities to participate fairly in the economy. ✓✓

(Accept any other correct relevant response)

(Any 1 x 2) (2)

2.2 DATA RESPONSE

2.2.1 **Identify a level of government from the information above.**

- Central / National government. ✓

(1)

2.2.2 **Name the economic system that South Africa is currently using.**

- Mixed economic system. ✓

(1)

2.2.3 **Briefly describe the term *centrally planned economy*.**

- It is an economic system in which a central authority, such as a government, makes all economic decisions. ✓✓

(Accept any other correct relevant response)

(2)

2.2.4 Explain ownership as a characteristic of a centrally planned economy.



- All factors of production, property and businesses are owned by the state. ✓✓
- Factors of production are employed for the benefit of the society as a whole rather than for private benefit. ✓✓
- Government direct labour employment as it sees it fits. ✓✓

(Accept any other correct relevant response).

(Any 1 x 2) (2)

2.2.5 How does freedom of choice benefit the households as consumers of goods and services?

- Consumers are able to buy from sellers who offer goods at a lesser price when they have freedom of choice. ✓✓
- Consumers may have an opportunity to choose the quality and quantity of goods that they prefer when buying. ✓✓
- Freedom of choice allows consumers to satisfy their needs and wants according to their taste and preferences. ✓✓

(Accept any other correct relevant response.)

(Any 2 x 2) (4)

2.3 DATA RESPONSE

2.3.1 Identify ONE leakage from the table above.

- Imports of goods and services. ✓

(1)

2.3.2 List any element of injections into the circular flow?

- Investment spending ✓
- Government expenditure ✓
- Export earnings. ✓

(Any 1 x 1) (1)

2.3.3 Briefly describe the concept Gross National Income.

- The value of all final goods and services produced by the permanent residents of a country for a specific period. ✓✓

(Accept any other correct relevant response)

(2)

2.3.4 What effect will factor income earned in South Africa by foreigners have on the circular flow?

- The flow of income and expenditure will decrease as money will be withdrawn from the circular flow. ✓✓

(Accept any other correct relevant response)

(2)

2.3.5 Calculate the GNI (A) for Seaside Country. Show ALL calculations.

$$(A) = 2\,425 \checkmark + 34 \checkmark - 87 \checkmark$$

$$2\,327 \checkmark$$

(4)

2.4 Discuss the advantages of a centrally planned economy.

- **Equality of income** ✓
 - ❖ workers are paid according to their needs, which gives an even distribution of income. ✓✓
- **No wastage caused by competition** ✓
 - ❖ Competition often wastes resources because of over-production. ✓✓
 - ❖ In a centrally planned economy, this is reduced as there is no competition for supply by other businesses. ✓✓
- **State entrepreneurship** ✓
 - ❖ The state is the only entrepreneur and no private business is allowed to operate which allows for effective planning for use of resources. ✓✓
- **Full employment** ✓
 - ❖ The state employs all the people of working age and this raises the standard of living of the whole population. ✓✓
- **State planning and control** ✓✓
 - ❖ The state plans all production and controls sales of consumer goods in state-owned shops leading to fairer prices and availability of goods. ✓✓
 - ❖ Government uses advertising to educate people not to influence their consumption. ✓✓
- **Government services** ✓
 - The state provides all the social services such as housing, education and healthcare. ✓✓
 - The infrastructure of transport, power and water is all state owned. ✓✓

(Accept any other correct relevant response)**(Allocate a maximum of 4 marks for mere listing of facts or examples)**

(4 x 2) (8)

2.5 **How will an increase in government expenditure affect the economy?**

- Production and aggregate supply in the economy will increase as the government will be providing businesses with more incentives and infrastructural services, which reduces cost of production. ✓✓
- Consumer spending and aggregate demand will increase due to higher social services and and subsidies provided by the government. ✓✓
- Real gross domestic product will increase and lead to a positive economic growth. ✓✓
- Increased expenditure may cause inflationary pressure and price instability due to the problem of scarcity, as supply may not immediately meet the total expenditure in the economy. ✓✓
- The standard of living for the economically vulnerable may improve as access to basic services improves. ✓✓
- More jobs will be created, for example, when the government increases its spending on infrastructural development projects, which decreases the level of unemployment, especially for young people. ✓✓

(Accept any other correct relevant response)

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

(2 x 4) (8)

[40]

QUESTION 3: MICROECONOMICS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions

3.1.1 Name any **TWO disadvantages of a mixed economy**.

- Socio economic problems still exist ✓
- Government spending can be too high ✓
- Private sector ideas may clash with government ideas ✓
- Unfair market practices ✓

(Accept any other correct relevant response).**(2 x 1) (2)**

3.1.2 What is the relationship between final consumption by Households and economic development?

- The more the money spent on durable goods, the more developed a country is, because durable goods are often expensive. ✓✓

(Accept any other correct relevant response).**(1 x 2) (2)****3.2 DATA RESPONSE**

3.2.1 Identify the form of remuneration for natural resources on the graph above.

- Economic rent. ✓

(1)

3.2.2 Name the characteristic of natural resources relating to its quantity.

- Supply of natural resources is limited. ✓

(Accept any other correct relevant response).**(1)**3.2.3 Briefly describe the term *factors of production*.

- Factors of production are resources(inputs) used to produce goods and services. ✓✓

(Accept any other correct relevant response)**(2)**

3.2.4 What is relationship between the remuneration of natural resources and their proximity to markets?

- The closer the land is to markets, the more expensive they become. ✓✓

(Accept any other correct relevant response).**(2)**

3.2.5 How do natural resources contribute to industrialisation of the South African economy?

- Natural resources are exploited and extracted by the primary sector For the purpose of producing goods and services. ✓✓
- Production in the secondary sector also depend largely on the success of the primary sector. ✓✓

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

3.3 DATA RESPONSE

3.3.1 Identify an example of capital goods from the information above.

- computer software ✓
- computer equipment ✓
- construction works ✓

(1)

3.3.2 Indicate the remuneration for capital.

- Interest ✓

(1)

3.3.3 Briefly describe the term *capital formation*.

- An increase in a country's capital stock where money is spent more on building more capital resources. ✓✓

(Accept any other correct relevant response).

(2)

3.3.4 Outline the importance of savings for the creation of capital goods.

- The money for buying capital goods is obtained from savings created by consumers in the financial sector, and contributes to the availability of surplus funds in the economy. ✓✓

(Accept any other correct relevant response).

(2)

3.3.5 Why is capital formation important to the South African economy?

- It helps to increase the production capacity of a country (economic growth). ✓✓
- Enables businesses to keep up with the latest technology ✓✓
- Increase efficiency (productivity) of businesses. ✓✓
- Essential for job creations as businesses employ people to use capital goods ✓✓
- Machines improve standardisation of products possible as they can produce exactly the same quality of products. ✓✓

(Accept any other correct relevant response).

(4)

3.4 Discuss the production and income methods on how they are used to determine gross domestic product.

PRODUCTION METHOD

- Production takes place in primary, secondary and tertiary sector. ✓✓
- The value that is added by each sector until final stage is added together ✓✓
- That is why this method is called value added method. ✓✓
- Only final products are counted, if intermediate goods can be added there will be double counting of the value of some products. ✓✓

- Double counting is when the value of a product is counted twice ✓✓ e.g. as an input and as a final product ✓ (e.g. counting the value of flour for making bread and the value of the loaf of bread produced). ✓

INCOME MENTHOD

- When firms produce goods and services they employ factors of production. ✓✓
- Therefore, the amount of income in the economy is equal to GDP at factor cost. ✓✓
- **These factor costs are:**
 - ❖ Compensation of employees which is wages and salaries paid to workers, ✓✓
 - ❖ Net operating surpluses which are rent, interest on capital and profit of entrepreneurs before taxation. ✓✓
 - ❖ Consumption of fixed capital which is depreciation value of fix assets. ✓✓

(Accept any other correct relevant response).

(Allocate a maximum of 4 marks for mere listing of facts or examples).

(4 x 2) (8)

3.5 Evaluate the South African's government efficiency in delivering socio-economic services.

Service delivery is successful (efficient) because:

- Basic education (Grades 0 -12) is provided for free to poor communities. ✓✓
- Free basic health is available to all who use public health services. ✓✓
- Various grants are provided to reduce the level of income inequality and poverty. ✓✓
- Government has been providing free housing for poor households. ✓✓
- Many rural areas have access to electricity ✓
- Some rural areas have been provided with communal taps or boreholes that provides clean water. ✓✓

Service delivery is unsuccessful (inefficient) because:

- The quality of basic education is low and provide school leavers with limited skills. ✓✓
- The health facilities have no equipment and medicines to provide efficient services. ✓✓
- Many people in urban areas live in shacks due to lack of housing. ✓✓
- Many citizens receive no proper municipal services such as refuse removal; therefore, they live in polluted environment. ✓✓
- Roads are in poor conditions with potholes and are a cause of many roads fatalities. ✓✓
- Many rural areas still do not have access to clean water and sanitation.
- There are still some rural areas without electricity. ✓✓

(Accept any other correct relevant response).

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

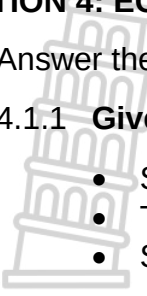
(8)

[40]

QUESTION 4: ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

4.1 Answer the following questions

4.1.1 Give any **TWO** elements of leakages in a circular flow.

- 
- Savings ✓
 - Taxation ✓
 - Spending on imports ✓

(2 x 1) (2)

4.1.2 How does the unfair market practices by state owned Monopolies negatively affect South African consumers?

- State owned Monopolies reduces choices available to consumers as there is only one product available to them. ✓✓
(Accept any other correct relevant response).

(1 x 2) (2)

4.2 DATA RESPONSE

4.2.1 Identify, from the given cartoon, the reason for lack of social and economic services?

- Corruption. ✓

(1)

4.2.2 Which level of government is responsible for the control and the management of municipalities?

- Local government. ✓

(1)

4.2.3 Briefly describe the term *government*.

- Government is a group of officials who set laws and develop policies on how an economy works. ✓✓

(Accept any other correct relevant response).

(2)

4.2.4 Explain the impact of poor service delivery on economic growth.

- Poor services delivery slows down economic growth by reducing the availability of resources, poor infrastructure for economic participants, reduced job opportunities, job losses, low productivity and low standard of living. ✓✓

(Accept any other correct relevant response).

(2)

4.2.5 How does corruption affect service delivery?

- Corruption causes a wasteful use of government resources and reduces efficiency in service delivery. ✓✓
- It is a cause of misused resources which decreases job creation.
- Government is not able to complete projects, which affects the development of rural areas and limits access to clean drinking water, electricity and sanitation.

(Accept any other correct relevant response).

(2 x 2) (4)

4.3 DATA RESPONSE

4.3.1 Identify, from the information above, products that contributed the most in South Africa's manufacturing industry.

- Food and beverages. ✓ (1)

4.3.2 Name the economic sector in which manufacturing is categorised.

- Secondary sector. ✓ (1)

4.3.3 Briefly describe the term *economic structure*.

- Economic structure refers to the arrangement of, and relationships between the different activities in the primary, secondary and tertiary sectors. ✓✓

(Accept any other correct relevant response). (2)

4.3.4 How will a decrease in manufacturing affect job creation?

- Factories will spend less on employing factors of production and thousands of workers will lose their jobs. ✓✓
- There will be lack of in-service training and workers will lose opportunities to improve their skills for better paying jobs. ✓✓

(Accept any other correct relevant response). (2)

4.3.5 Why is the Primary sector important in global markets?

- The primary sector contributes to South Africa's exports including a variety of minerals and agricultural products. ✓✓
- These exports earn money from foreign countries, increasing the country's foreign reserves. ✓✓
- Foreign exchange reserves are needed to pay for the country's imports, and jobs are created in global markets ✓✓

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

4.4 Discuss the disadvantages of South Africa's mixed economy.

- Socio economic problems still exist because South Africa is still unable to solve problems such as unemployment and extreme business cycles. ✓✓
- Workers are exploited, whereby workers earn very low wages. ✓✓
- Government spending in the provisioning of social welfare for the poor is too high due to state dependency. ✓✓
- Public services such as grants, free schooling, free electricity for the poor are costly to the government. ✓✓
- This may lead to an increase in taxation to increase government revenue. ✓✓
- Private sector ideas may clash with government ideas because the government often aims to achieve equal distribution of economic activities



across the country, but businesses are only interested in investing in areas where they can make high profit. ✓✓

- This means often government want to develop rural areas, the private sector is interested in doing business in urban area. ✓✓

(Accept any other correct relevant response).

(Allocate a maximum of 4 marks for mere listing of facts or examples).

(2 x 4) (8)

4.5 Evaluate the contribution of South African businesses in the economy.

South African businesses have contributed positively into the economy by:

- investing more in labour intensive projects with the focus on in service-training and skills development of workers. ✓✓
- re-investing their profits in gross capital formation programmes equipment, tools, transportation assets and electricity. ✓✓
- expanding their business operations and investing in the latest technology to ensure an upliftment of the quality of factors of production needed for production. ✓✓
- diversifying their business operations by bringing in a differentiated product offering within or outside the range they produce. ✓✓
- supporting South African businesses in terms of procuring raw materials and increase the market share for South African produced goods and services locally and abroad. ✓✓
- ensuring the existence of sound business principles towards a long-term involvement in the economy leading to a positive economic growth rate. ✓✓
- using loans to invest in capital goods like machinery, to ensure mass production at a lower cost thus improving their competitiveness. ✓✓

(Accept any other correct relevant response).

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

(8)

[40]

TOTAL SECTION B: 80

SECTION C**QUESTION 5: ECONOMIC PURSUITS****40 MARKS – 30 MINUTES**

- **Discuss in detail entrepreneurship as a factor of production.** (26 marks)
- **How is can the community participate in local economic planning in South Africa?** (10 marks)

INTRODUCTION

Entrepreneur is an individual person who has the ambition and ability to open a successful business. ✓✓ (Max 2)

(Accept any other correct relevant response)

MAIN PART**CHARACTERISTICS OF ENTREPRENEURSHIP**

Entrepreneurs have good decision making skills: ✓

- They make decisions of what to produce and how much to produce and for whom to produce. ✓✓
- This means they have to analyse their market to ensure that the product produced is what the consumer want. ✓✓

Entrepreneur is an organiser ✓

- They organises and coordinates the three other factors of production to ensure efficient production takes place. ✓✓

Driving force behind production ✓

- They take initiative to exploit new ideas which can improve the products or create new ones. ✓✓

They are risk taker: ✓

- They take risk by investing their money in a business without guarantee that it will be successful. ✓✓
- They have the ability to cope with uncertainty and stress that comes with taking risks. ✓✓

ECONOMIC IMPORTANCE OF ENTREPRENEUR

Ensure production takes place ✓

- By combining all other factors of production, they ensure that goods that are used to satisfy human wants and needs are produced. ✓✓

Create employment ✓

- Big and small businesses create jobs for labour, which is an important factor of production. ✓✓
- Very small enterprises often employ only the owner, therefore entrepreneurship can be a source of self - employment. ✓✓
- This take away the reliance on someone to create jobs. ✓✓

They ensure productivity is achieved ✓

- Entrepreneurs ensure that factors of production are used efficiently in producing goods and services. ✓✓
- If they do not ensure efficiency they will suffer losses. ✓✓
- Efficiency in production can lead to economic growth. ✓✓

They contribute to capital formation ✓

- Entrepreneurs often make profits, part of which they often save. ✓✓
- These saving are made available in the form of loans to firms for buying capital goods. ✓✓

REMUNERATION FOR ENTREPRENEURSHIP

- Entrepreneurs' payment for their participation in the production process is called profit. ✓✓
 - The amount of money an entrepreneur receives can be influenced by the following factors:
 - **The type of business:** ✓ a business which affect necessities such as food is often unaffected by economic changes, so profit made can be high. ✓✓ The demand of luxury good is often postponed when economic situation is unfavourable, so this can affect the sales and profit made. ✓✓
 - **The level of competition** ✓: the higher the number of producers of the same product the higher the competition. ✓✓
 - This can affect some entrepreneurs negatively by reducing their profit. ✓✓
 - **Government intervention:** ✓✓ setting of minimum wages can reduce the profit of entrepreneurs as it is higher than market price. ✓✓ (Max. 26)
- (Allocate a maximum of 8 marks for headings/sub-headings and examples).**

ADDITIONAL PART

- The residents of a particular community can participate in local economic planning and activities through the following ways:
 - ❖ **Municipal/local government election:** ✓ planning and implementation of economic activities is done by town councils which are elected by the residents. ✓✓
 - ❖ Community members exercise their right to elect the persons who form the council. ✓✓
 - ❖ **Community forums:** ✓ public meeting whereby government officials and community members to listen to people's concerns and ideas regarding local development. ✓✓
 - ❖ **Using the media:** ✓✓ citizens can use various media e.g. newspapers, radio, social media etc. ✓ to make their opinions known to by the government. ✓✓
 - ❖ **Petitions and legal demonstration:** ✓ citizens can organise legal peaceful march to demonstrate their unhappiness and to hand over a petition (request) of their concerns to the government. ✓✓

(Accept any other correct relevant response).

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

(Max. 10)

CONCLUSION

- It is important for the government to provide incentives to encourage entrepreneurial development and innovation in the economy. This will improve economic productivity and grow. ✓✓

(Accept any other correct and relevant conclusion).

(Max. 2)

[40]



QUESTION 6

- **Discuss in detail South Africa's infrastructure and its economic importance.** (26 marks)
- **Evaluate the success of internet use as a form of communication in South Africa.** (10 marks)

INTRODUCTION

- Infrastructure is the basic facilities needed to run the economy and the country such as energy, roads, transportation and communication. ✓✓

MAIN PART**1 COMMUNICATION INFRASTRUCTURE ✓**

- Communication is a movement of information through various ways such as cell phones, telephones, postal services, fax, internet, newspapers, radio, television, social media etc. ✓✓
- South Africa has an efficient system of communication. ✓✓
- Postal services are mainly provided by the South African Post Office Ltd, which is the company owned by the government. ✓✓
- There are various privately owned courier companies in the country. ✓✓
- The media sector consists of newspapers, magazines, television and radio stations. ✓✓
- The state owned SABC provide television services through annual payment of TV license fee. ✓✓
- eTV provides a free to air television service while the DSTV provide a subscription television services via satellite. ✓✓
- National and community radio stations provides services to the people of South Africa. ✓✓
- Fixed line Telephones services are mainly provided by TELKOM which was a monopoly until 2006 when the second company NEOTEL was awarded license to operate. ✓✓
- Neotel however, is small and its services are only available in few provinces. ✓✓
- Cell phones services is one of the fastest growing communication services in South Africa. ✓✓
- The four main service providers are Vodacom, MTN, Cell C and Telkom 8ta.
- Internet: the use of internet has been steadily growing in urban areas, but the rural areas are still lacking behind. Many people access internet via their cell phones. ✓✓

2 TRANSPORT INFRASTRUCTURE ✓

- South Africa has a relatively developed transport infrastructure. ✓✓
- The transport system consists of a number of networks which are: road network, rail network, airways and harbours (ports) ✓✓
- **Road network:** South Africa road maintenance is the responsibility of the South African National Road Agency Limited (SANRAL) and the nine provinces. ✓✓
- SANRAL maintain national roads (e.g. N1, N4) while provinces and municipalities build and maintain their roads. ✓✓

- National roads are often toll roads, which means motorists have to pay a certain fee to use the road. ✓✓
- Private cars are the most common type of transport in South Africa. ✓✓
- Mini bus taxis are major providers of commuter service to many people to and from various destinations. ✓✓
- **Rail network:** is the responsibility of the state owned Transnet Freight Rail (Spoornet). ✓✓
- Many heavy goods are transported by rail. ✓✓
- Passenger rail services are also provided by Metrorail in some provinces, e.g. Gauteng. ✓✓
- Majority of passengers using Metrorail services are in the low income group. ✓✓
- The Gautrain is an 80 km rapid rail network connected Johannesburg, Pretoria and the OR Tambo Airport. ✓✓
- Majority of the passengers using Gautrain are in the middle income group. ✓✓
- **Airways:** Air ports in South Africa are managed by the Airport Company South Africa. ✓✓
- South African airways which is a state owned enterprise provide national and international services. ✓✓
- S.A Express and mango are the subsidiaries (divisions) of the SAA which provide national services. ✓✓
- Other airlines pay airport taxes to use airports in South Africa. ✓✓
- **Harbours (ports)** are divided into fishing and commercial ports (harbours). ✓✓
- South Africa has eight ports which are Richards' Bay, Durban, East London, Mossel Bay, Cape Town, Port Elizabeth, East London and Saldanha. ✓✓
- The largest and busiest commercial port is the Durban port. ✓✓
- Majority of South Africa 's exports are transported via the sea. ✓✓

3 ENERGY INFRASTRUCTURE

- The availability of reliable energy is important for the growth of an economy. ✓✓
- In South Africa, the sources of energy are:
 - ❖ Electricity from coal (+90%), Nuclear energy (7%), solar & wind (2%). ✓✓
 - ❖ Liquid fuel such as diesel, petro, paraffin ✓
 - ❖ Gas ✓
- **Electricity:** ESKOM is the main supplier of electricity in South Africa, and it also export to the nearing countries. ✓✓
- Eskom produces electricity mainly from coal, to a lesser extent from nuclear and water. ✓✓
- However, in recent years Eskom has been having operation problems which often result in electricity supply cuts (load shedding). ✓✓
- Nuclear energy is produced in Koeberg Nuclear plant in the Western Cape province. ✓✓
- Water and sun are renewable sources of energy as they are used to produce electric power. ✓✓
- Firewood is a renewable source of energy mainly used in the rural areas. ✓✓
- **Liquid (synthetic) fuel:** crude oil is imported and refined into petrol, diesel, paraffin and aviation fuel. ✓✓
- Sasol also produce synthetic fuel from coal. ✓✓

- **Gas:** it is produced off the shores of Mossel Bay in Western Cape Province. ✓✓
 - South Africa produces one of the world's largest commercial gas to liquid plant. ✓✓
- (Allocate a maximum of 8 marks for headings/sub-headings and examples).**
(Max. 26)

ADDITIONAL PART

South Africans have been successful in accessing and using internet because:

- South Africa's digital (internet use) population has grown significantly over the past decade. ✓✓
- Almost 44 million people are connected to the internet, up from 25 million in 2013. ✓✓
- Majority of the South African population, specifically 78.7%, used mobile devices to access the internet in 2022. ✓✓
- This portion is expected to increase to over 90% by 2027. ✓✓
- The country's most popular social media platform is Meta's instant messaging application, WhatsApp. ✓✓
- Facebook and Instagram are ranked second and third among South African internet users. ✓✓
- People between the ages of 25 to 34 years make up the highest share of internet users in the country. ✓✓

South Africans have NOT been successful in accessing and using internet because:

- About 28% of the population do not have access to the internet. ✓✓
- Mobile internet connection speed declined by 1.69 Mbps (13%). ✓✓
- The poorest people in the country have to stay up all night to access cheaper internet rates because they cannot afford daytime broadband prices. ✓✓
- Majority of the population are bound to use internet packages that only allow them to go online at night. ✓✓
- School children and workers from low-income households are pushed to stay late, which could have a negative impact on their health and general well-being. ✓✓
- Rolling blackouts (load shedding), had reduced internet speed and general access significantly. ✓✓

(Accept any other correct relevant response).

(Allocate a maximum of 4 marks for mere listing of facts or examples). (Max. 10)

CONCLUSION

- The South African government can ensure that people living in rural areas without mobile or fixed network coverage can get internet access through a satellite broadband provider. This will improve the overall internet access in the country. ✓✓
- (Accept any other correct relevant response).** (Max. 10)

TOTAL SECTION C: 40
GRAND TOTAL: 150