



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ECONOMICS P1
NOVEMBER 2025

Stanmorephysics.com

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 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 pocket 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 Fluctuations in economic activity that are caused by forces inside the market system are regarded as a/an ... business cycles.

- A endogenous explanation of
- B exogenous explanation of
- C monetarist approach to
- D classical approach to

1.1.2 The sum of marginal propensity to consume (mpc) and marginal propensity to save (mps) in a two-sector model is equal to ...

- A 2.
- B 1.
- C 0,5.
- D 0,75.

1.1.3 When government departments follow too many rules and procedures at the cost of quality service delivery, it is known as ...

- A apathy.
- B efficiency.
- C rent seeking.
- D bureaucracy.

1.1.4 When a country produces more output than other countries given the same input, it is referred to as a/an ... advantage.

- A competitive
- B relative
- C absolute
- D comparative

1.1.5 An import duty that is levied as a fixed amount per unit, weight or size of imported goods is called a/an ... tariff.

- A ad valorem
- B composite
- C single
- D specific

1.1.6 The South African government ensures a more equitable redistribution of income by using a ... tax system.

- A proportional
- B progressive
- C regressive
- D multiple



1.1.7 The industrial development strategy that focuses on improving competitiveness in production is known as the ...

- A Integrated Manufacturing Strategy.
- B National Industrial Policy Framework.
- C National Research and Development Strategy.
- D Industrial Policy Action Plan.

1.1.8 The economically active population consists of people between the ages of ...

- A 15 and 54.
- B 15 and 34.
- C 15 and 64.
- D 15 and 74.

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A–I) next to the question numbers (1.2.1 to 1.2.8) in the ANSWER BOOK, e.g. 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Gross domestic expenditure	A the value of a currency is determined by the forces of supply and demand only
1.2.2 Trend line	B developing countries undergoing rapid economic growth and industrialisation
1.2.3 Medium-term Budget Policy Statement	C the relationship between real output and factor input
1.2.4 Free-floating exchange rate system	D a geographical area that shows a cluster of businesses in a specific sector, such as manufacturing and technology
1.2.5 Emerging markets	E consists of a three-year rolling expenditure and revenue projection of the government
1.2.6 Monetary policy	F changes in interest rates and money supply to influence the economy
1.2.7 Industrial hub	G the amount of money spent on final goods and services within the borders of a country
1.2.8 Productivity	H the value of a currency is pegged by the government
	I shows the general direction in which the economy is moving

(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 A decline in real gross domestic product for at least two consecutive quarters

1.3.2 The curve that illustrates the relationship between tax rates and tax revenue for the government

1.3.3 The exchange of goods and services between different countries

1.3.4 A trade policy that governments use to safeguard local industries against unfair foreign competition

1.3.5 A land reform programme that aims to compensate people who lost their land due to discriminatory laws of the past

1.3.6 The social indicators that relate to the information about the size and structure of a population

(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 Give any TWO examples of leading indicators. (2 x 1) (2)

2.1.2 How can the government exclude free riders from the consumption of public goods? (1 x 2) (2)

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

FINANCIAL ACCOUNT OF BALANCE OF PAYMENTS (BOP) – 2024	
ITEMS	R millions
Net direct investment	68 622
Net portfolio investment	-23 348
Net financial derivatives	4 311
Net other investment	13 481
Reserve assets	A
Balance on financial account	62 869
Memo item: balance on financial account excluding reserve assets	63 066
Unrecorded transactions	-18 613

An increase in reserve assets is indicated by a negative (-) sign and a decrease is indicated by a positive (+) sign.

[Adapted from SARB Quarterly Bulletin, December 2024]

2.2.1 Identify the item that records the purchase of shares in the table above. (1)

2.2.2 Name the sub-account of the Balance of Payments that record transactions relating to debt forgiveness. (1)

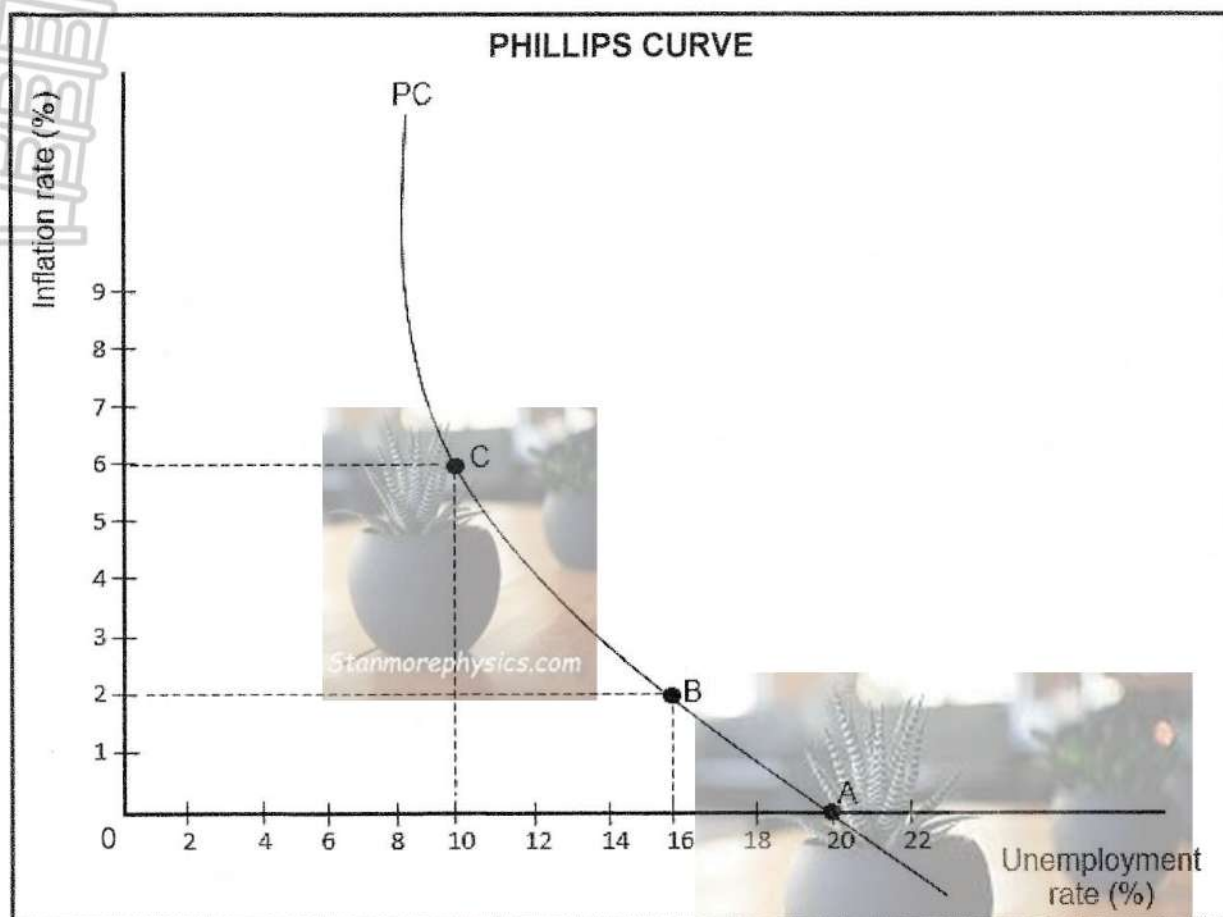
2.2.3 Briefly describe the term *direct investment*. (2)

2.2.4 Explain the purpose of unrecorded transactions in the Balance of Payments. (2)

2.2.5 Use the information above to determine whether there is an increase or decrease in the reserve assets (**A**). Show ALL calculations. (4)



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



- 2.3.1 Identify the level of inflation where the unemployment rate is 10% in the graph above. (1)
- 2.3.2 Give the concept that relates to the level of unemployment where the inflation rate is zero. (1)
- 2.3.3 Briefly describe the concept *new economic paradigm* in relation to business cycles. (2)
- 2.3.4 Explain the relationship between *unemployment* and *inflation* as illustrated by the graph above. (2)
- 2.3.5 How can the government improve efficiency of markets in the economy? (2 x 2) (4)
- 2.4 Briefly discuss *full employment* and *economic equity* as macroeconomic objectives of the government. (2 x 4) (8)
- 2.5 How can the appreciation of the rand impact the South African economy? (4 x 2) (8)

[40]



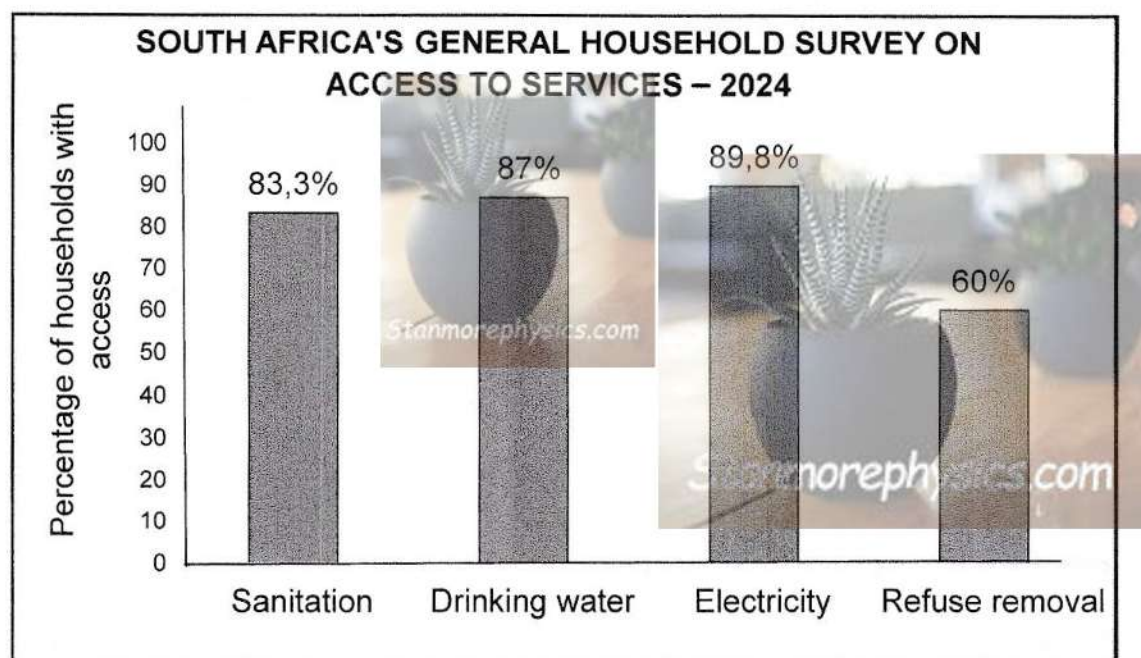
QUESTION 3: ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO international organisations that require member countries to standardise economic and social indicators. (2 x 1) (2)

3.1.2 How can export promotion lead to economic growth? (1 x 2) (2)

3.2 Study the bar graph below and answer the questions that follow.



[Adapted from StatsSA GHS, May 2024]

3.2.1 Identify in the graph above the service to which households have the least access. (1)

3.2.2 Name the social indicator that relates to the migration of people from rural areas to urban areas. (1)

3.2.3 Briefly describe the term *sanitation*. (2)

3.2.4 Explain the impact of an increase in the population on a country's labour force. (2)

3.2.5 How can access to clean water boost a country's economic performance? (2 x 2) (4)



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

TRADE AGREEMENTS

The South African Revenue Service (SARS) administers a number of trade agreements or protocols as well as other international instruments in terms of the Customs and Excise Act, 1964 (Act 91 of 1964).

Among them is the Southern African Customs Union (SACU) agreement between the governments of some Southern African Development Community (SADC) states.

[Adapted from SARS, Trade Agreements, September 2024]

- 3.3.1 Identify in the extract above the trade protocol that aims to reconstruct and develop Southern Africa's social and economic framework. (1)
- 3.3.2 Name the international organisation that facilitates free trade. (1)
- 3.3.3 Briefly describe the term *trade liberalisation*. (2)
- 3.3.4 Explain a benefit of the African Growth and Opportunity Act (AGOA) for South Africa. (2)
- 3.3.5 How can dumping impact producers in importing countries? (2 x 2) (4)
- 3.4 Briefly discuss the *Broad-Based Black Economic Empowerment Programme (BBBEE)* and the *National Skills Development Strategy (NSDS)* as South African growth and development policies and strategic initiatives. (2 x 4) (8)
- 3.5 How can changes in the various economic indicators be used to show improvement in the performance of the economy? (4 x 2) (8)
- [40]**



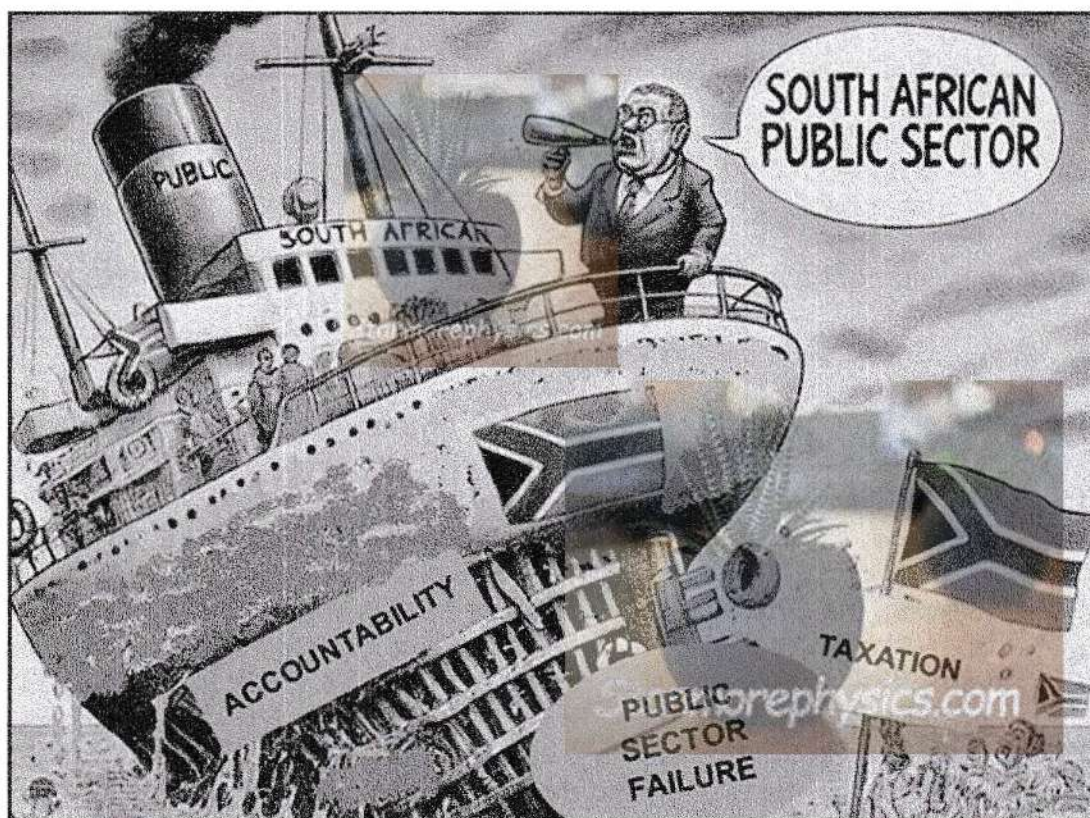
QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name any TWO demand reasons for international trade. (2 x 1) (2)

4.1.2 How can literacy levels be improved in developing countries? (1 x 2) (2)

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



[Adapted from Dall-e, January 2025]

4.2.1 Identify ONE factor in the cartoon above that contributes to poor public sector provisioning. (1)

4.2.2 Name the type of public goods that are supplied free of charge. (1)

4.2.3 Briefly describe the term *public sector failure*. (2)

4.2.4 Explain the effect of an increase in value-added tax (VAT) on businesses. (2)

4.2.5 How can the privatisation of parastatals positively impact the government? (2 x 2) (4)



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

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The implementation of the EPWP focuses on key service delivery interventions, such as waste management, paving of roads, patching of potholes and the maintenance of public facilities.

The programme will be intensified to create job opportunities for the youth, women and rural poor communities that bear the burden of low economic growth and unemployment.

[Adapted from <https://www.gov.za/news/media>]

- 4.3.1 Identify in the extract above a socio-economic problem addressed by the Expanded Public Works Programme. (1)
- 4.3.2 Name the growth and development policy that aims to eliminate poverty and reduce inequality by 2030. (1)
- 4.3.3 Briefly describe the term *labour-intensive*. (2)
- 4.3.4 Explain the impact of poor infrastructure on economic growth. (2)
- 4.3.5 How can the Expanded Public Works Programme help to improve the standard of living? (2 x 2) (4)
- 4.4 Briefly discuss *specialisation* and *innovation* as arguments in favour of free trade. (2 x 4) (8)
- 4.5 Analyse the fiscal policy measures that can be used to dampen 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. <ul style="list-style-type: none"> • A good starting point will be to define 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/Assess/Debate A maximum of 8 marks may be allocated for headings/examples.	Max. 26
Additional part: Critically discuss/Evaluate/Critically evaluate/Deduce/Compare/Distinguish/Suggest/Interpret/Debate/How A maximum of 2 marks may be allocated for mere listing of facts.	Max. 10
Conclusion Any higher-order conclusion should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned • 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 the markets within the four-sector circular-flow model. (26 marks)
- Evaluate the contribution of the business sector to the development of the South African economy. (10 marks)

[40]**QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 40 MINUTES**

- Discuss in detail South African initiatives (endeavours) in regional development. (26 marks)
- How can the government use incentives to promote industrial development? (10 marks)

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