



education

Department of
Education
FREE STATE PROVINCE



ASSIGNMENT



GRADE 12

ECONOMICS

2023

MARKS: 50

This question marking guideline consists of 6 pages.

SECTION A (COMPULSORY)

QUESTION 1

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 1.1.4) in the ANSWER BOOK, for example 1.1.3 D.

- 1.1.1 National income will increase when ...
- A $I + G + X = S + T + M$.
 - B $I + G + X > S + T + M$.
 - C $I + G + X < S + T + M$.
 - D $I + G + X - S + T + M$.
- 1.1.2 The type of business cycle caused by changes in net investments by government and businesses is called ...
- A Kondratieff.
 - B Business.
 - C Jugler.
 - D Kitchin.
- 1.1.3 If the marginal propensity to consume (mpc) is 0,6 in a 2-sector model, the marginal propensity to save (mps) will be ...
- A 4.
 - B 6.
 - C 9, 4.
 - D 0, 4.
- 1.1.4 The components of the fiscal policy used by the state to influence the economy are government spending and ...
- A interest rates
 - B exchange control
 - C open market transaction
 - D taxation

(4 x 2) (8)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A–C) next to the question number (1.2.1–1.2.3) in the ANSWER BOOK.

COLUMN A		COLUMN B
1.2.1	Trend line	A. The interest rate at which the Reserve Bank lends money to other banks.
1.2.2	Multiplier	B. An economic indicator showing the general direction in which the economy is moving.
1.2.3	Repo rate	C. Relates to how much national income changes as a result of an injection such as an investment.
		D. Occur when money is earned or paid between the economic participants.

(3)

(3 x 1)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 The sector that needs to be included for the economy to be regarded as an open economy.

1.3.2 Expansion and contraction in the economic activities.

1.2.3 The proportion of additional income that households choose to spend on goods.

(3 x 1) (3)

TOTAL SECTION A: [14]

QUESTION 3

3.1 Briefly explain “*open market transactions*” and “*cash reserve requirements*” as instruments of the monetary policy. (2 x 4) (8)

3.2 Evaluate South Africa's efforts in reducing costs to promote supply-side policies. (8)

[16]

