



GAUTENG PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

ASSIGNMENT

26 FEBRUARY 2025

GRADE 12

ECONOMICS

TERM 1

TIME: 1 HOUR

MARKS: 50

This Assignment consists of 7 pages including the cover page

INSTRUCTIONS AND INFORMATION

1. This is an individual task and is **not** an open book task.
2. This task should be completed under controlled conditions
3. Number the answers correctly according to the numbering system used in this question paper.
4. Answer all the questions
5. Read the questions carefully.
6. 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.
7. Use only black or blue ink.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

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 number.

1.1.1. The method used determine the gross GDP @ market prices by adding the spending of the four main sectors of the economy

- A. Production
- B. Income
- C. Expenditure
- D. National Accounts

1.1.2. Fluctuations that are caused by changes in the building and construction industries.

- A. Kondratieff
- B. Kuznets
- C. Juglar
- D. Kitchin

1.1.3 Goods that can be used by everyone irrespective of they are prepared to pay a price for it or not

- A. Economics goods
- B. Free goods
- C. Publics goods
- D. Community goods.

(6)

1.2. Choose a description from **COLUMN B** that matches the item in **COLUMN A**. Write only the letter next to the questions (1.2.1-A)

Column A	Column B
1.2.1 Length	A. 3-year rolling expenditure and revenue projections for the national and provincial governments, presented against the backdrop of economic and fiscal goals and prospects for the economy.
1.2.2. Medium Term expenditure framework.	B. The vertical difference between a trough and the next peak of a cycle.
	C. Used to determine a complete cycles of fluctuations in the economy

(2)



1.3. Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. No abbreviations, acronyms or examples will be accepted.

1.3.1. The portion of income allocated to spending when deriving the multiplier.

1.3.2. A mechanism for lawmakers to enquire, seek information and hold the executive accountable. (2)

(10)



QUESTION 2

2.1 Study the information below and answer the questions that follow:

R millions		2016	2017	2018	2019	2020	2021
At current prices							
Primary sector	(6630J)	366 536	394 946	408 834	424 299	494 584	633 202
Agriculture, forestry and fishing	(6631J)	114 905	126 640	121 246	109 710	143 788	158 777
Mining and quarrying	(6632J)	251 631	268 306	287 588	314 590	350 796	474 425
Secondary sector	(6633J)	880 312	930 683	974 749	1 014 197	949 362	1 054 009
Manufacturing	(6634J)	594 166	635 419	668 094	697 576	654 550	740 233
Electricity, gas and water	(6635J)	125 723	135 534	143 270	150 939	157 189	171 389
Construction (contractors)	(6636J)	160 423	159 730	163 385	165 682	137 624	142 388
Tertiary sector	(6637J)	3 041 993	3 266 821	3 446 020	3 619 669	3 598 611	3 908 095
Wholesale and retail trade, catering and accommodation	(6638J)	594 486	631 789	670 007	701 085	658 259	756 061
Transport, storage and communication	(6639J)	375 966	397 780	406 015	417 542	373 686	402 825
Finance, insurance, real estate and business services ..	(6640J)	992 299	1 068 220	1 139 110	1 206 137	1 226 055	1 313 656
Community, social and personal services	(6642J)	1 079 243	1 169 032	1 230 889	1 294 905	1 340 611	1 435 553
General government services	(6643J)	375 698	401 769	428 613	451 551	470 400	486 881
Other	(6647J)	703 544	767 264	802 276	843 354	870 211	948 671
Gross value added at basic prices	(6645J)	4 288 841	4 592 450	4 829 603	5 058 166	5 042 558	5 595 306

Source: South African Reserve Bank

- 2.1.1. Name the institution that prescribes the systems of national accounts that South Africa uses. (1)
 - 2.1.2. Identify the method used to calculate GDP from the above. (1)
 - 2.1.3. Briefly explain the term *gross value added*. (2)
 - 2.1.4. Why *current prices* are higher than *constant prices*? (2)
 - 2.1.5. Analyse the benefits of using the Systems of National accounts. (4)
- (10)

QUESTION 3

3.1 Study the information and answer the questions that follow:

Business Cycles

The South African economy has experienced significant supply constraints over the past decade, including severe and ever-intensifying electricity-supply disruptions and a gradual deterioration in rail infrastructure. The insufficient electricity generation capacity has been exacerbated by long delays in the completion of two large coal-fired power stations (Medupi and Kusile) and a continuous increase in unplanned outages at existing power stations, despite the steady addition of independently produced renewable energy to the national grid.

In addition, the price of electricity has increased significantly – by 241% – from December 2009 to December 2022, compared with an increase of 92.8% in the overall consumer price index over the same period. The rapidly rising cost and unreliable availability of electricity in South Africa has become a growing constraint to output growth in the domestic economy.

[Source: South African Reserve bank-2023]

- 3.1.1. In what way can the government reduce the cost of doing business to ensure economic growth? (2)
- 3.1.2. How does the “rapidly rising” cost of electricity impact infant industries? (4)
- (6)

QUESTION 4

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



Source: <https://sl.bing.net/dF4GeryKe8O>

- 4.1.1. By what means can free riders be excluded from using goods/services? (2)
 - 4.1.2. How does public sector failure cause social instability? (2)
 - 4.1.3. Discuss the necessity of the public sector in the South African economy. (4)
- (8)

QUESTION 5

- 5.1 Discuss the Keynesian approach on the multiplier and justify its relevance in the context of a country experiencing a recession. (8)
 - 5.2 With reference to the Phillips curve analyse the relationship between inflation and unemployment. (8)
- (16)

GRAND TOTAL: 50 MARKS