



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF EDUCATION**

**SEKHUKHUNE EAST DISTRICT**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS 2025  
TASK 1**

**ASSIGNMENT**

**MACROECONOMICS  
QUESTION PAPER**

**DATE : 06 MARCH 2025**  
**MARKS : 50**  
**DURATION : 60 MINUTES**

**This question paper consists of 05 pages**

### INSTRUCTIONS AND INFORMATIONS



1. Answer all the questions
2. Number the answers correctly according to the numbering system used in the task.
3. Read the questions carefully.
4. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the question.
5. Use only black or blue ink.
6. You may use a non-programmable calculator
7. Write neatly and legibly.

**QUESTION 1**

- 1.1. Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A – F) next to the question numbers (1.1.1 to 1.1.5) in the answer book.

<b>COLUMN A</b>	<b>COLUMN B</b>
1.1.1 Foreign sector	A. It is for long-term savings and loans.
1.1.2 Exogenous factors	B. The recurrent patterns of expansion and contraction in economic activities in a country.
1.1.3 National budget	C. Factors of production are traded for the production of goods and services.
1.1.4 Business cycle	D. It involves transactions with other countries.
1.1.5 Capital market	E. It indicates the general direction of the economy. F. It outlines the anticipated state income and projected state expenditure for the financial year. G. It is also known as Monetarist school of thought.

(5x1) (5)

- 1.2. Give ONE term for each of the following descriptions. Write only the term next to the question number (1.2.1. to 1.2.5) in the answer book. Abbreviations, acronyms and examples will NOT be accepted.

1.2.1. Level of consumption expenditure that occurs regardless of the level of disposable income.

1.2.2. The value of all final goods and services produced within the borders of a country within a specific period of time.

1.2.3. An indicator that moves in the same direction and at the same time as the economy.

1.3.4. It indicates the severity of cyclical fluctuations in business cycles.

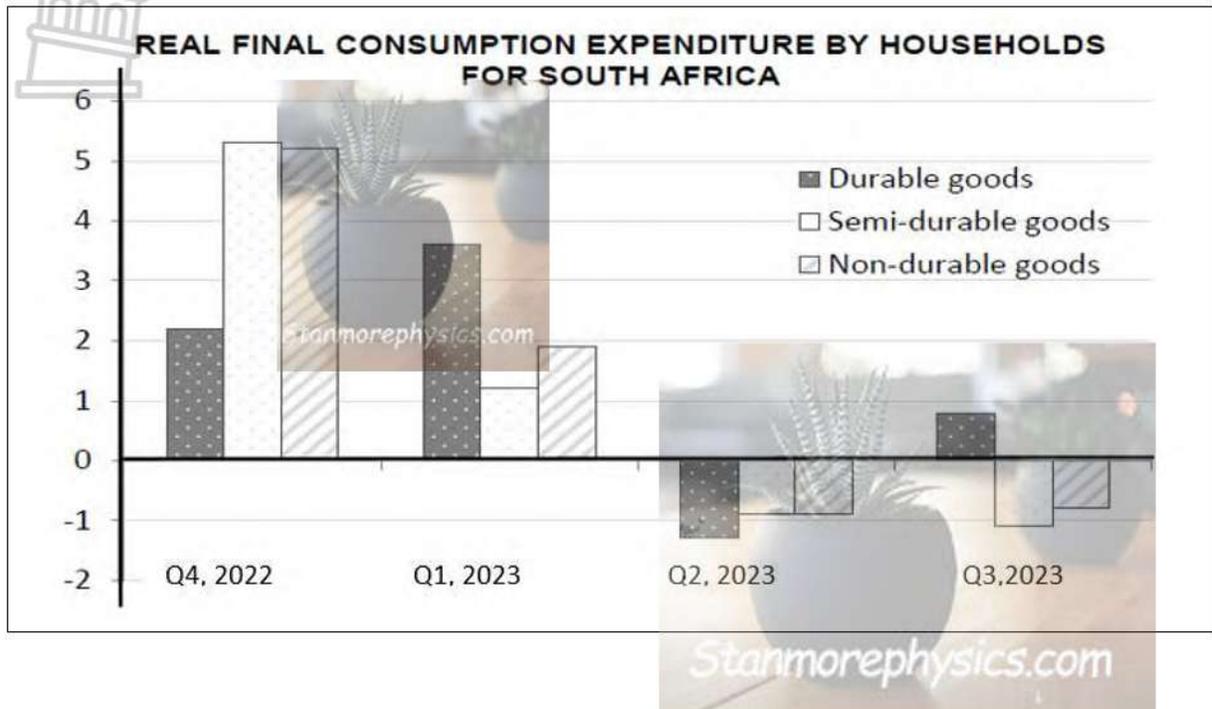
1.3.5. It refers to an increase in the productive capacity of goods and services in a country.

(5x1) (5)

**[10]**

**QUESTION 2**

Study the information below and answer the questions that follow

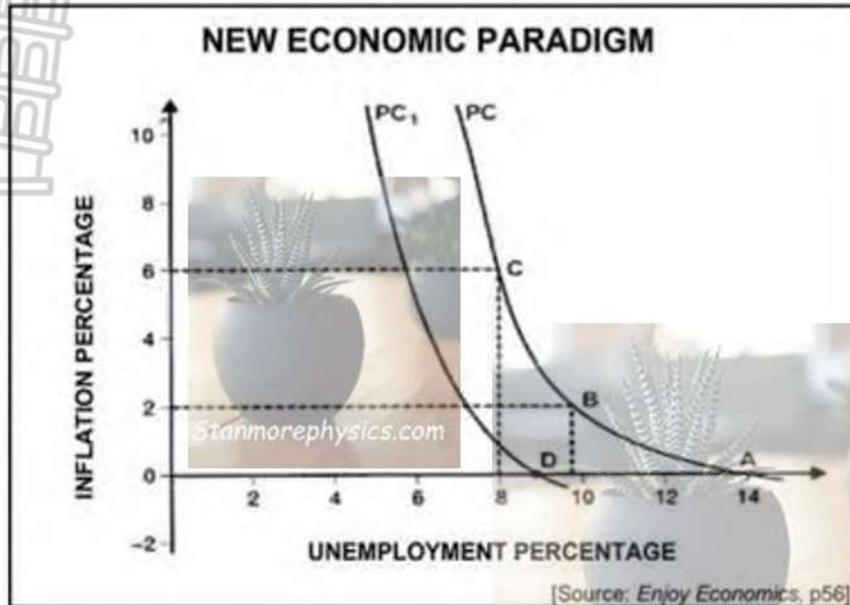


- 2.1 Identify the category of consumer goods that recorded growth in the third quarter of 2023 (1)
- 2.2. Give ONE example of non-durable goods. (1)
- 2.3. Briefly describe the term *consumption*. (2)
- 2.4. Why are savings regarded as leakages in the circular flow model? (2)
- 2.5. How can an increase in interest rate influence households in the circular flow? (4)

**[10]**

**QUESTION 3**

Study the information below and answer the questions that follow



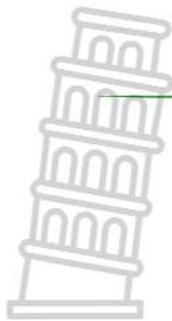
- 3.1 Provide a name for the graph given above. (1)
- 3.2 What is the original rate of unemployment in the graph above? (1)
- 3.3 Briefly describe the term *new economic paradigm*. (2)
- 3.4 Explain any factor that can cause Phillips curve to shift to the left. (2)
- 3.5 Draw a graph to illustrate the effect of demand-side and supply-side policies in smoothing out business cycles. (4)

**[10]****QUESTION 4**

Discuss the following reasons for public sector failure.

- Management failure (4)
- Apathy (4)
- Lack of motivation (4)
- Special interest groups (4)
- Politicians (4)

**[20]****GRAND TOTAL: 50**



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**GRADE 12**

**ECONOMICS 2025  
TASK 1  
ASSIGNMENT  
MACROECONOMICS  
MARKING GUIDELNES**

**MARKS: 50**

**This marking guidelines consists of 5 pages**

## QUESTION 1

### 1.1. MATCHING TYPE QUESTION

- 1.1.1. D. ✓ It involves transactions with other countries.  
1.1.2. G. ✓ It is also known as Monetarist school of thought.  
1.1.3. F. ✓ It outlines the anticipated state income and projected state expenditure for the financial year  
1.1.4. B. ✓ The recurrent patterns of expansion and contraction in economic activities in a country.  
1.1.5. A. ✓ It is for long-term savings and loans.

(5x1) (5)

### 1.2. ONE TERM/CONCEPT

- 1.2.1. Autonomous consumption ✓  
1.2.2. Gross Domestic Product. ✓  
1.2.3. Coincident indicator ✓  
1.3.4. Amplitude. ✓  
1.3.5. Economic growth ✓

(5x1) (5)

[10]

## QUESTION 2

### DATA RESPONSE QUESTION

2.1 Identify the category of consumer goods that recorded growth in the third quarter of 2023

Durable goods ✓ (1)

2.2 Give ONE example of non-durable goods.

- Food ✓
  - Beverages ✓
  - Fuel ✓
- (Accept any correct response) (1)

2.3 Briefly describe the term *consumption*.

- The act of using resources to satisfy current needs and wants. ✓✓ (2)  
(Accept any correct response)



2.4. **Why are savings regarded as leakages in the circular flow model?**

- Savings flow from households to the banking system which reduces the amount of money in circulation. ✓✓
- Savings reduces the flow of money that could be spend on goods and services. ✓✓

(Accept any correct response)

(2)

2.5. **How can an increase in interest rate influence households in the circular flow?**

- Households will borrow less money from the financial institution due to higher interest rates. ✓✓
- Consumers will buy fewer goods and services as credit becomes more expensive. ✓✓
- Households will receive more returns on savings that have flexible interest rates. ✓✓

(Accept any correct response)

(4)

[10]

**QUESTION 3**

**DATA RESPONSE QUESTION**

3.1 **Provide a name for the graph given above.**

Phillips curve ✓

(1)

3.2 **What is the original rate of unemployment in the graph above?**

14% ✓

(1)

3.3. **Briefly describe the term *new economic paradigm*.**

It refers to government policies designed to ensure a high rate of economic growth without having supply constraints and price inflation. ✓✓

(2)

(Accept any correct response)

3.4. **Explain any factor that can cause Phillips curve to shift to the left.**

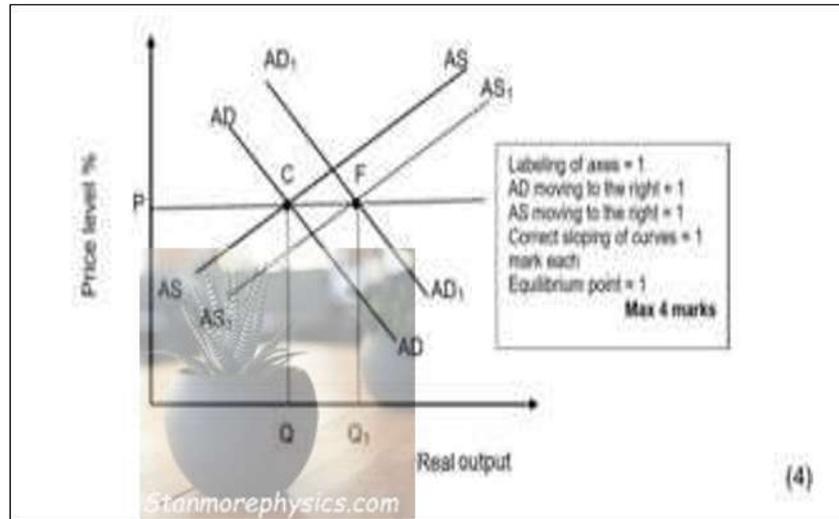
- Improved productivity can lead to lower production costs which reduces inflation ✓✓
- Greater competition can lead to lower prices and reduced inflation. ✓✓
- New technology can reduce costs and lead to lower inflation ✓✓
- Increased trade openness can lead to increase competition, lower prices and reduced inflation. ✓✓

(Accept any correct response)

(2)



3.5. Draw a graph to illustrate the effect of demand-side and supply-side policies in smoothing out business cycles.



[10]

**QUESTION 4**

**Discuss the following reasons for public sector failure.**

**Management failure**

- The state might oversupply some goods and undersupply some goods. ✓✓
  - In this way the management was not able to satisfy the needs of the consumers. ✓✓
  - There will be wastage leading to public sector failure. ✓✓
  - People in parastatals might lack management failure and end up implementing wrong policies. ✓✓
  - Sometime the management cannot explain how they spend the money and this may result in corruption. ✓✓ (Max. 4)
- (Accept any correct response)

**Apathy**

- Government servants do not provide efficient service because of corruptions ✓✓
  - Corruption and poor service delivery results in poor accountability. ✓✓
  - Parastatals employees lack the interest because they know that they will get paid. ✓✓
  - Complex rules and procedures might lead to inefficiencies and the public sector might fail to provide goods and services in time. ✓✓ (Max. 4)
- (Accept any correct response)



### Lack of motivation

- Nationalizing companies may demotivate workers to work hard. ✓✓
- Frontline workers rarely receive incentives for successful delivery. ✓✓
- Demotivated workers tend to work at a slower pace, leading to decrease in productivity ✓✓ (Max.4)

(Accept any correct response)

### Special interest groups

- There are special interest groups such as unions and businesses who can influence the government to act to their advantage. ✓✓
- They can use their political power to raise to raise demand for public services.
- They can use their bargaining power to fight for higher wages. ✓✓
- The special interest group will improve their wellbeing at the expense of another group. ✓✓ (Max. 4)

(Accept any correct response)

### Politicians

- Lack of accountability by politicians results in corruption. ✓✓
- These lead them not fulfilling the promises made to individuals. ✓✓
- Politicians are not accountable for their actions. ✓✓
- Politicians may promote project, services or policies to secure votes for their re-election. ✓✓ (Max. 4)

(Accept any correct response)

[20]

**GRAND TOTAL: 50**