



education

DEPARTMENT: EDUCATION
MPUMALANGA PROVINCE

FURTHER EDUCATION AND TRAINING

GRADE 11

Stanmorephysics.com

ECONOMICS

MONTHLY TEST 1

FEBRUARY 2024

GERT SIBANDE DISTRICT

Stanmorephysics.com

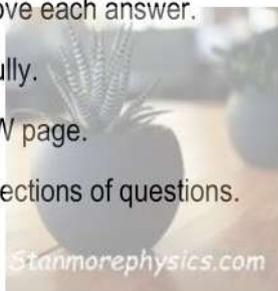
MARKS: 100

TIME: 1 HOUR

This question paper consists of 07 pages

INSTRUCTIONS AND INFORMATION

1. **ANSWER ALL QUESTIONS.**
2. Answers in excess of the required number **will NOT be marked.**
3. Answer the questions in full sentences. The format, content and the context of your responses must comply with the cognitive requirements of the questions.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Write the question number above each answer.
6. Read ALL the questions carefully.
7. Start EACH question on a NEW page.
8. Leave 2–3 lines between subsections of 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

1.1 Various options are provided as possible answers. Choose the answer and write only the letter (A-D) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK, example 1.1.8 D.

1.1.1. Resources are called ... in the production process.

- A. inputs
- B. outputs
- C. intermediate goods
- D. final goods

1.1.2. The ... combines all other factors of production to produce goods and services to satisfy the needs of the consumers.

- A. labor
- B. entrepreneur
- C. government
- D. minister

1.1.3. The South African labor force is characterised by ...

- A. skilled labour.
- B. unskilled labour.
- C. highly skilled labour.
- D. unemployed labour

1.1.4. Factory buildings are examples of ... capital.

- A. floating
- B. working
- C. fixed
- D. variable

1.1.5. Purchasing from BEE-qualifying businesses, small businesses and black owned businesses is known as....

- A. ownership.
- B. preferential procurement.
- C. management.
- D. empowerment

(2 x 5) (10)

- 1.2. Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-G) next to the question number (1.2.1 – 1.2.6) in the ANSWER BOOK.**

COLUMN A	COLUMN B
1.2.1. Economic rent	A. Stock of country's production resources is above the size of the labour force
1.2.2. Free goods	B. People who do not have the same opportunities as others to contribute to the benefit of the economy
1.2.3. Real capital	C. The creation of capital goods in the production of other goods and services.
1.2.4. Marginalised people	D. Extra amount earned by a resource by virtue of its present value
1.2.5. Renewable resource	E. The means of production that can constantly replace themselves and do not get used up
1.2.6. Capital deepening	F. Does not command price because nobody want to pay for it
	G. All actual tools and machinery bought with money capital

(6 x 1) (6)

- 1.3 Give ONE economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. No abbreviations, acronyms and example will be accepted.**

- 1.3.1 Inputs into the production process.
- 1.3.2 Occurs when the amount of capital per worker is increased.
- 1.3.3 They take the initiative to establish businesses
- 1.3.4 Resources that are not replaced by natural processes such as plants and animals

(4 x 1) (4)

TOTAL SECTION A: 20

SECTION B

Answer **THIS ONE** question from this section.

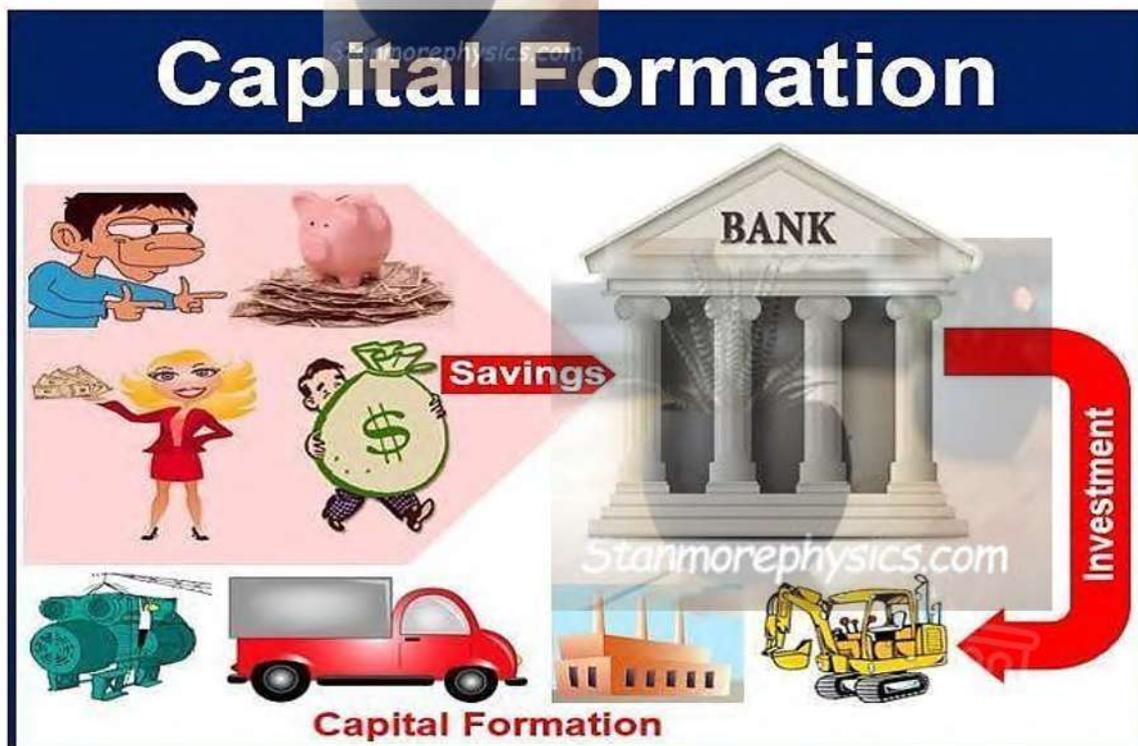
QUESTION 2:

2.1 Answer the following questions.

2.1.1 Name any TWO groups of marginalised groups in the economy. (2 x 1) (2)

2.1.2 Why are intermediate goods and services excluded when calculating the value of GDP? (1 x 2) (2)

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



[Source: <https://marketbusinessnews.com>]

2.2.1 Give an example of a capital good (1)

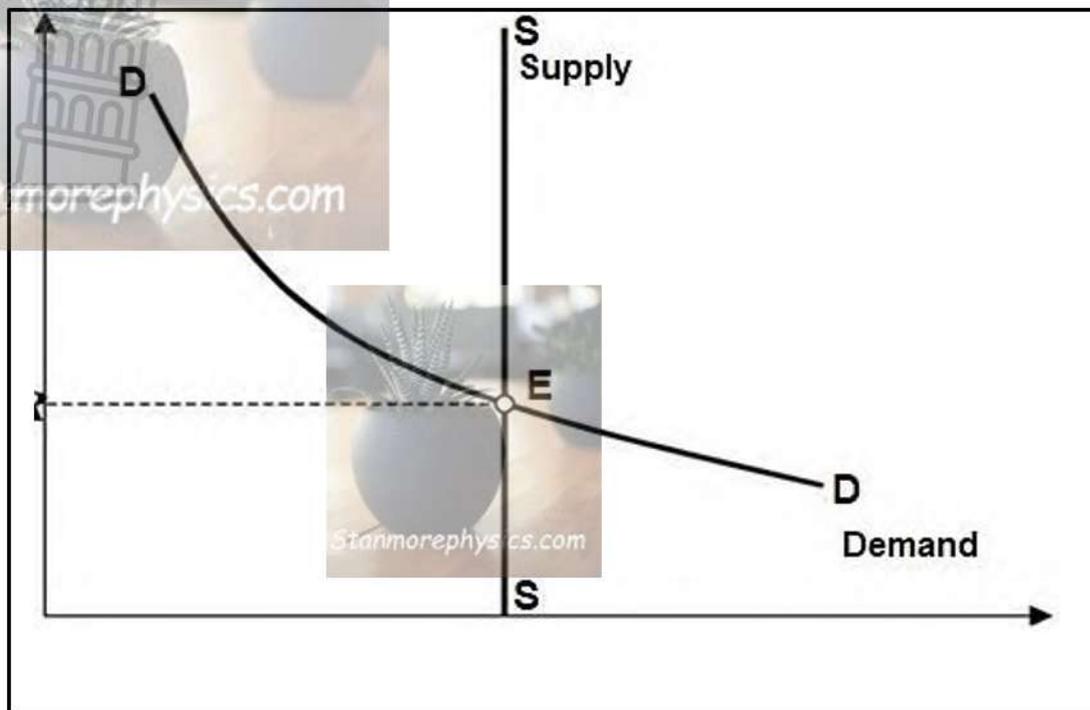
2.2.2 Indicate the remuneration of capital (1)

2.2.3 Briefly describe the term capital formation (2)

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

2.2.5 Why is capital formation important in the South African economy? (2 x 2) (4)

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



[Adapted from [google images](#)]

- 2.3.1 Name an example of a non-renewable resource. (1)
- 2.3.2 What is the importance of natural resources to the economy? (1)
- 2.3.3 Briefly describe the term *natural resource*. (2)
- 2.3.4 Explain the relationship between the scarcity of land and rent. (2)
- 2.3.5 Redraw the graph in your ANSWER BOOK and show what will happen to the price of land (rent) if there is an increase in the demand for land. (4)
- 2.4 Discuss the goods market as found in the circular flow (8)
- 2.5 How is Black Economic Empowerment ensuring community participation in South Africa? (4 x 2) (8)

[40]

SECTION C

Answer THIS ONE question from this section

Your answer will be assessed as follows.

STRUCTURE OF ESSAY	MARK ALLOCATION
INTRODUCTION	Max. 2
BODY <ul style="list-style-type: none"> • Main part: Discuss/Distinguish/Differentiate/Explain/ Analyse/ Evaluate/ Assess • Additional part: Draw/ sketch a graph/ Diagram/ Deduce.../ Outline / Briefly explain/ Expand/ Your own 	Max. 26 Max. 10
CONCLUSION Any relevant higher order conclusion that should include : <ul style="list-style-type: none"> • A brief summary of what has been discussed / analysed without repeating facts already mentioned in the body. • An opinion or valued judgement on the facts discussed • Additional support information to strengthen the discussion/ analysis • A contrary view point with motivation, if so required • Recommendations 	Max. 2
TOTAL	40

QUESTION 3

- Discuss in details the factors that influence the price of natural resource (26)
- How can local mineral processing be promoted in South Africa (10)

TOTAL SECTION C: 40
GRAND TOTAL : 100



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ECONOMICS

MONTHLY TEST 1

MARKING GUIDELINES

FEBRUARY 2024

GERT SIBANDE DISTRICT

MARKS: 100

TIME: 1 HOUR

This question paper consists of 08 pages

SECTION A: COMPULSORY

QUESTION 1

1.1 MULTIPLE CHOICE

- 1.1.1 A. Inputs
- 1.1.2 B. Entrepreneur
- 1.1.3 B. Unskilled labour
- 1.1.5 D. Empowerment

1.2 MATCHING ITEMS

- 1.2.1 D
- 1.2.2 F
- 1.2.3 G
- 1.2.4 B
- 1.2.5 E
- 1.2.6 C



1.2 GIVE THE TERM

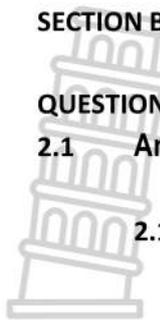
- 1.3.1 Factors of production
- 1.3.2 Capital deepening
- 1.3.3 Entrepreneurs
- 1.3.4 Non-renewable resources



SECTION B

QUESTION 2

2.1 Answer the following questions.



2.1.1 Name any TWO groups of marginalised groups in the economy

- Poor rural communities
 - The disabled
 - Women
 - The elderly
 - Refugees
 - School leaving youth
- (1 x 2) (2)

2.1.2 Why are intermediate goods and services excluded when calculating the value of GDP?

- They are excluded as counting them will lead to doublecounting. ✓✓
- To ensure the accuracy of the figures. ✓✓
- (Accept any other correct relevant response.) (2 X 1) (2)

2.2 DATA RESPONSE

2.2.1 Name an example of capital goods.

- Machines ✓
 - Equipment ✓
 - Tools ✓
- (Accept any other correct relevant response.) (Any 1 x 1) (1)

2.2.2 Indicate the remuneration for capital.

Through interest ✓ (1)

2.2.3 Briefly describe the term *capital formation*.

- Capital formation refers to a process whereby capital goods are produced or purchased. ✓✓
- (Accept any other correct relevant response.) (1 x 2) (2)

2.2.4 Outline the importance of savings important for the creation of capital goods.

- The funds required for the production or purchase of capital goods are obtained from savings. ✓✓
- (Accept any other correct relevant response.) (1 x 2) (2)

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



- Capital goods increase the efficiency of labour and increase all the economic activities ✓✓
- Increases the country's ability to produce wealth ✓✓
- When the stock of fixed capital in a country grows at a rate that is greater than the growth rate of the labour force, it will lead to an increase in real GDP ✓✓
- Creates jobs/job opportunities ✓✓
- Shows how much of the new value added in the economy is invested rather than consumed ✓✓

(Accept any other correct relevant response.)

(Any 2 x 2) (4)

2.3 DATA RESPONSE

2.3.1 Name an example of a non-renewable resource.

- Gold ✓
- Diamonds ✓
- Fossil fuel ✓

(Accept any other relevant correct response.)

(Any 1 x 1)

(1)

2.3.2 What is the importance of natural resources to the economy?

- They form the basis of production in the primary sector/they serve as a source of food. ✓

(Accept any other relevant correct response.)

(Any 1 x 1)

(1)

2.3.3 Briefly describe the term *natural resource*.

- All means made available by nature to be used as inputs in the production process. ✓✓

(Accept any other relevant correct response.)

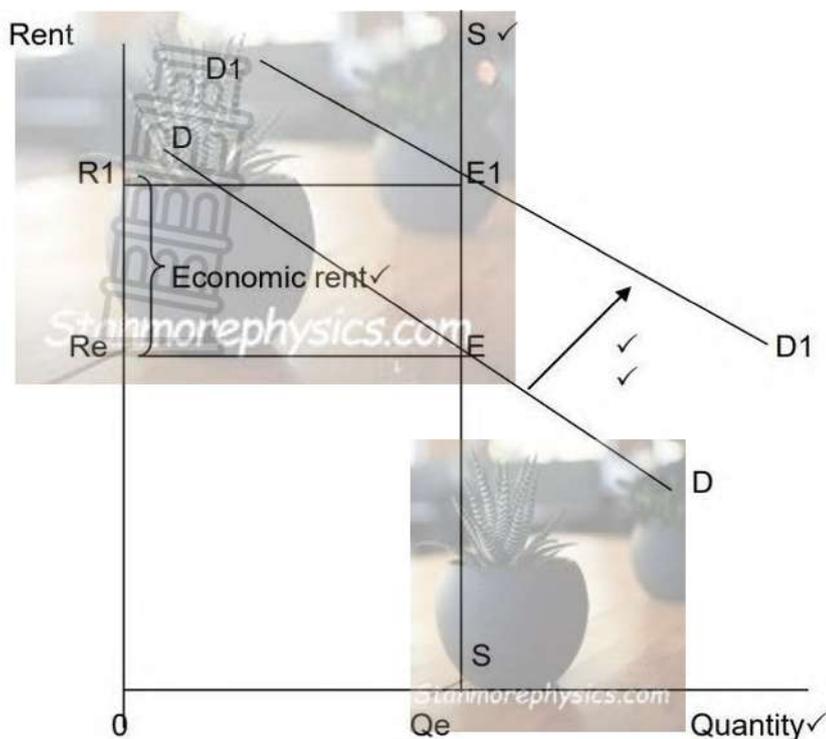
(2)

2.3.4 Explain the relationship between scarcity of land and rent.

- If land is scarce, the rent will be high and if land is readily available, the rent will be lower. ✓✓

(Accept any other relevant correct response.)

(2)



- 1 mark for axis
- 1 mark for S
- 1 mark for shift of DD to D1D1
- 1 marks for Economic rent

(Accept any other relevant correct response.)

Max. (4)

2.4 Discuss the goods market as found in the circular flow

- A market where consumer goods and services are traded. ✓✓
- Goods are defined as tangible items, like food, clothes, cars, etc. that satisfies human needs and wants. ✓✓
- Buying and selling takes place under the following types of goods market:
- Capital Goods market for trading of buildings and machinery. ✓✓
- Consumer goods market for trading of durable goods, semi-durable goods and non-durable goods. ✓✓
- Services are defined as non-tangible actions and include wholesale and retail, transport and financial markets. ✓✓

2.5 How is Black Economic Empowerment ensuring community participation in South Africa?

BEE ensures community participation in South Africa by:

- aiming to distribute wealth as wide as possible throughout communities through the economic empowerment of previously disadvantaged groups. ✓✓
- providing the small and medium enterprises some access to the markets. ✓✓
- involving black owners of businesses and public enterprises, as well as large businesses, so that they are included in all decision-making. ✓✓
- supporting black businesses so that black people can play a larger role in the economy. ✓✓
- allowing access and entrance to the stock exchange for black owners people. ✓✓
(Accept any other correct relevant response.)
(Allocate a maximum of 2 marks for mere listing of facts and examples.)



(4 x 2) (8)

[40]

SECTION C

QUESTION 3

- Discuss in details the factors that influence the price of natural resource (26)
- How can local mineral processing be promoted in South Africa (10)

Discuss in detail the factors that influence the price of natural resources. (26)

INTRODUCTION:

Natural resources are all the gifts of nature such as soil and trees that are used in the production of goods and services. ✓✓
(Accept any other correct and relevant introductions) (2)



BODY MAIN PART

Supply and demand ✓

- The supply of natural resource such as land is fixed, while its demand is ever increasing. ✓✓
- A further increase in the demand for natural resources may result to an increase in prices. ✓✓
- Other natural resources may become obsolete as businesses find alternative methods of producing a product and that would lead to a decrease in the demand for that particular natural resource. ✓✓
- These forces of supply and demand affect the value of rent that is paid as remuneration for natural resources. ✓✓

Climate ✓

- Climate has an important impact on the agricultural land. ✓✓
- In the tropical areas of the world, agricultural land can be used to produce a variety of agricultural crops. ✓✓ e.g. fruits, coffee and rubber. ✓
- Land in the desert has very little value for agriculture. ✓✓
- Useful agricultural land will, therefore, command a much higher rent than land that is of lesser value. ✓✓

Location ✓

- Rent on residential urban land is influenced by proximity of schools, shops and effective transport and communication. ✓✓
- Rent on business perspective is also determined by the business location. ✓✓
- A fast-food outlet in the centre of the city will probably have a higher volume of sales than one located on the outskirts of the city. ✓✓
- The rent paid by the food outlet in the city centre will, therefore, be higher. ✓✓
- Location also influences the cost of transportation. ✓✓
- The further away the resource is from the market, the higher the transport cost will be and the higher the transport cost will be, the lower the rent will be that will be charged.

Quality of resources ✓

- This will also influence the rent that is paid for the natural resources. ✓✓
- The higher the quality of the resources, the higher the quality of goods and services that can be produced with the natural resource as input. ✓✓
- Higher quality of natural resources therefore means there will be higher rent paid for that particular natural resource; the opposite applies in a case of poor quality resource. ✓✓
- This is also the case with rent on mines, the more valuable is the mineral resource in that mine, the higher the rent to be paid. ✓✓
- Rent on mines is also known as dead-rent, It is payable whether the extraction is taking place or not, as long as the mining lease is still on. ✓✓

Technology ✓

- To extract natural resources and convert these into goods and services requires appropriate technology. ✓✓
 - New technology can assist to unlock new resources that are difficult to extract. ✓✓
 - It can also improve the quality of existing natural resources and also to create substitutes. ✓✓
 - All these factors will impact on the rent that a natural resource can command. ✓✓
- (Accept any other correct and relevant response)**

Maximum marks: (26)

ADDITIONAL PART

How can local mineral processing be promoted in South Africa?

- Government can provide funding to SMMEs to assist them with growing their production methods and the know-how of adding value in their products. ✓✓
- Legislations can be passed to limit the number of minerals and raw materials that can be exported without local beneficiation. ✓✓
- Coordination of value chain industries may assist in making it easy for businesses to realize the benefits of local beneficiation. ✓✓
- There should be better education and training of the workforce in order for the country to have workers with the required skills. ✓✓
- Government should provide subsidies to strategic industries that have a potential to create more job opportunities and generate tax revenue. ✓✓
- Tax rebates may be paid to companies as an incentive to encourage them to expand their production. ✓✓
- Government should also provide reliable and advanced infrastructure to ensure that manufacturing is not disrupted. ✓✓

(Accept any other correct and relevant response)

CONCLUSION

When using natural resources to achieve economic objectives, we must be used in an economical, conservative and preservative manner to ensure sustainability ✓✓

(Accept any other correct and relevant conclusion) (2)

[40]