



education

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

**FURTHER EDUCATION AND TRAINING**

**GRADE 11**

**ECONOMICS P1**

*Stanmorephysics.com*  
**JUNE 2025**

**MARKS: 150**

**TIME: 2 hours**

**This question paper consists of 13 pages**

## INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK.
  - **SECTION A : COMPULSORY**
  - **SECTION B:** Answer any TWO of the three questions.
  - **SECTION C :** Answer any ONE of the two questions
2. Write the question number above each answer.
3. Answer only the required numbers of questions. Answers in excess of the required number will not be marked.
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 questions.
5. Number the answers correctly according to the numbering system used in this question paper.
6. Read the questions carefully.
7. Start each question on a new page.
8. Leave 2-3 lines between sub sections of questions.
9. Use only black or blue ink.
10. You may use a non- programmable pocket calculator.
11. Write legible and present your work neatly.

**SECTION A: COMPULSORY****QUESTION 1****30 MARKS – 20 MINUTES**

1.1. Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A-D) next to the question number (1.1.1-1.1.8) in the ANSWER BOOK, for example 1.1.9. D.

1.1.1 ... refers to the type of workers that have no education and training pertaining to their job

- A Physical labour
- B Semi- skilled labour
- C Unskilled labour
- D Skilled labour

1.1.2 The... are inputs that are used to produce goods and services.

- A banking services
- B marketing
- C marginal utility
- D factors of production.

1.1.3 The total spending on final goods and services by citizens of a country over a period of time is known as ...

- A gross national expenditure
- B gross domestic expenditure
- C gross national income
- D gross national product

1.1.4 The income that workers earn on monthly basis is known as ...

- A wages
- B salaries
- C disposable income.
- D gross income


1.1.5 To convert basic prices to market prices, one has to....

- A add taxes and add the percentage of profit one has made
- B add taxes on products and subtract subsidies on products
- C add subsidies on products and subtract taxes on products
- D add taxes on production and subtract subsidies on production


1.1.6 The economic system that is based on private ownership and profit motive is known as ... economy.

- 
- A private
  - B mixed
  - C centrally- planned
  - D market

1.1.7 Goods and services that have a financial value are referred to as ... goods

- 
- A economic
  - B basic
  - C free
  - D non-essential

1.1.8 The ... sector consists of industries that are based on natural resources.

- 
- A secondary
  - B tertiary
  - C primary
  - D green

(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.

COLUMN A	COLUMN B
1.2.1 Bureaucracy	A goods that are used to produce other goods
1.2.2 Gross National income (GNI)	B an increase in the production capacity of the country.
1.2.3 Nominal wages	C involves the building of structures such as roads
1.2.4 Residual item	D complex rules and regulations that are applied rigidly.
1.2.5 Physical capital	E industries that collect, purify and distribute water.
1.2.6 Economic growth	F the amount of money in rands that a worker receives for his labour.
1.2.7 Disability grant	G Investment spending by firms
1.2.8 Construction industries	H money payable to people with mental or physical challenges,
	I the amount used to balance the GDP figures where there has been shortfalls.

8 x 1 (8)

- 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 Activities such as excavations for building sand.

1.3.2 When the value of a product is counted more than once.

1.3.3 Financial assistance from the government to individuals and businesses for a specific purpose

1.3.4 The process whereby the government buys goods and services for its consumption.

1.3.5 A country's ability to be successful in comparison to other countries.

1.3.6 The movement of information through various ways such as cell phones, fax et cetera.

(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 Name any TWO components of the secondary sector (2 x 1) (2)

2.1.2 Why do business cycles not occur in a command economy? (1 x 2) (2)

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



2.2.1 Identify ONE economic importance of natural resources from the above information. (1)

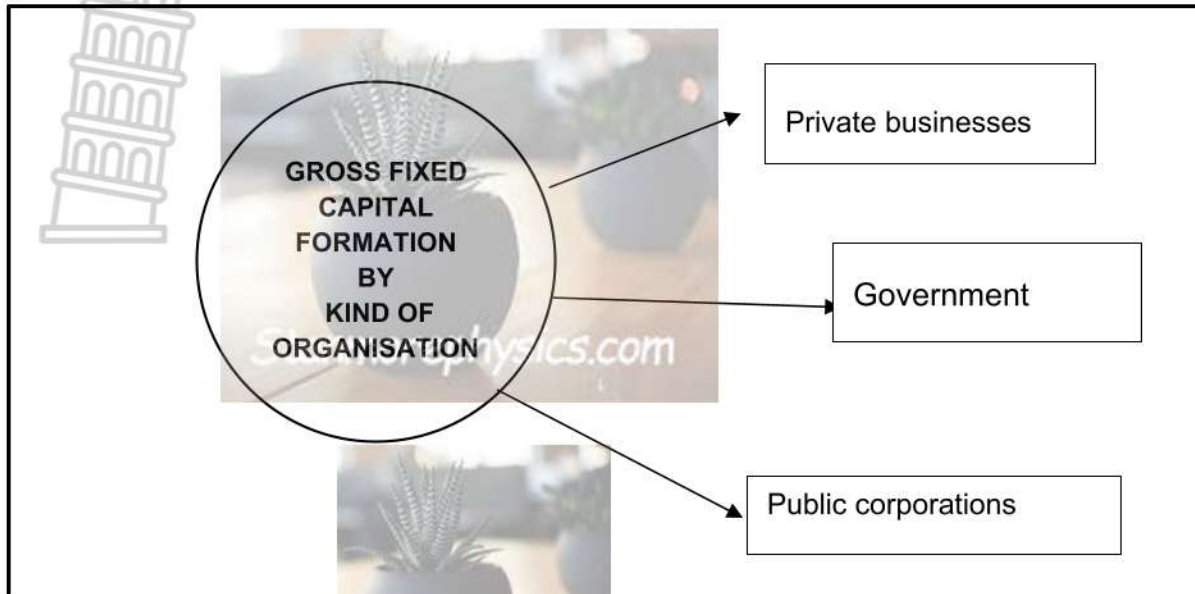
2.2.2 What is the remuneration of natural resources as a factor of production? (1)

2.2.3 Briefly describe the term *finished goods*. (2)

2.2.4 How does climate influence the price of natural resources? (2)

2.2.5 Why are natural resources regarded as the foundation of production? (2 x 2) (4)

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



2.3.1 Identify the organisation responsible to invest in building of roads and other infrastructure in a country. (1)

2.3.2 Give the formula used to calculate Gross Domestic Product (GDP) using the expenditure approach. (1)

2.3.3 Briefly describe the term *capital widening*. (2)

2.3.4 How do savings contribute to investments in the economy? (2)

2.3.5 How can the use of machinery in production make standardisation possible? (2 x 2) (4)

2.4 Briefly discuss non-renewable resources and renewable resources. (8)

2.5 Analyse the influence of technology on the price of natural resources (8)

**[40]**

**QUESTION 3: MACROECONOMICS****40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Give any TWO advantages of capitalism. (2 x 1) (2)

3.1.2 How can the tertiary sector contribute towards the GDP? (2 x 1) (2)

3.2 Study the picture below and answer the questions that follow.

[Adapted from: [cartoonstock.com](http://cartoonstock.com).]

3.2.1 Give the risk faced by the entrepreneur as illustrated in the picture above (1)

3.2.2 Name any ONE factor that can affect profit. (1)

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

3.2.4 How do entrepreneurs play the role of organisers in production? (2)

3.2.5 Why does good decision-making considered essential for successful entrepreneurship. (2 x 2) (4)

3.3 Read the extract below and answer the questions that follow.

**FINAL CONSUMPTION EXPENDITURE BY THE HOUSEHOLD**

Consumers in the economy spent their money on variety of products. Some of these products can last longer than others. The Statistics South Africa has recorded that over the years services are the products that consumers spend the highest amount of money on. Among the goods, the non-durable goods form takes more money from the households' pockets.

[Source: [Businessstech.co.za](http://Businessstech.co.za)]

- 3.3.1 Identify the organisation that keeps records of economic activities in the country in the extract. (1)
- 3.3.2 Name the type of consumer goods that can be used for the longest period. (1)
- 3.3.3 Briefly describe the term *consumption*. (2)
- 3.3.4 How can education as a service help household in the economy? (2)
- 3.3.5 Why do households mostly spend more money on non-durable goods? (2 x 2) (4)
- 3.4 Discuss the economic importance of an entrepreneur. (2 x 4) (8)
- 3.5 How can government spending benefit the economy of a country? (4 x 2) (8)

**[40]**

**QUESTION 4: MACROECONOMICS****40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name any TWO examples of personal services. (2 x 1) (2)

4.1.2 Explain the meaning of the phrase 'demand for labour is a derived demand' (2)

4.2 Study the picture bellow and answer the questions that follow.

[Source: [www.google/images](http://www.google/images)]

- 4.2.1 Identify the picture that shows a person who is regarded as economically marginalised. (1)
- 4.2.2 Mention ONE other reason for people to be economically marginalised. (1)
- 4.2.3 Briefly describe the term *empowerment*. (2)
- 4.2.4 Explain the aim of Black Economic Empowerment as a legislation to empower marginalised group. (2)
- 4.2.5 How can Expanded Public Works Programme (EPWP) be used to assist the marginalised groups? (2 x 2) (4)

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

GROSS DOMESTIC PRODUCT	
items	2024
Compensation of employees	60393
Net operating surpluses	3885
Consumption of fixed capital	1254
<b>GDP at factor cost</b>	<b>65 532</b>
Other taxes on production	1167
Subsidies on production	660
<b>GDP at basic prices</b>	<b>[A]</b>

Adapted from: www.resbank.co.za]

- 4.3.1 Identify the amount paid to owners of labour (workers) above. (1)
- 4.3.2 Name the method used in the table to calculate GDP. (1)
- 4.3.3 Briefly describe the term *gross domestic product*. (2)
- 4.3.4 Explain the composition of net operating surplus. (2)
- 4.3.5 Calculate the value of GDP at basic prices **(A)**. Show ALL calculations (4)
- 4.4 Discuss the economic importance of labour. (8)
- 4.5 Analyse the importance of final consumption spending by households. (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
<b>Introduction</b> The introduction is a lower order-response <ul style="list-style-type: none"> <li>• A good starting point would be to define the main concept related to the question topic.</li> <li>• DO NOT include any part of the question in your introduction.</li> <li>• DO NOT include any part of the introduction in your body.</li> <li>• Avoid mentioning in the introduction what you are going to discuss in the body.</li> </ul>	Max. 2
<b>Body</b> <b>Main part:</b> Discuss in detail/ In depth discussion/ Examine/ Critically discuss/ Analyse/ Compare/ Evaluate/ Distinguish/Differentiate/ Explain. <b>Additional part:</b> Critically discuss/ Evaluate/ Critically evaluate/Deduce/ Compare/ Explain/ Distinguish/ Interpret/Debate/ How/ Suggest.	Max. 26
<b>Conclusion</b> Any high-order conclusion should include <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating facts already mentioned.</li> <li>• Any opinion or value judgment on the facts discussed.</li> <li>• Additional support information to strengthen the discussion/ analysis.</li> <li>• A contradictory viewpoint with motivation, if required.</li> <li>• Recommendations.</li> </ul>	Max. 10
<b>TOTAL</b>	<b>40</b>

**QUESTION 5: MACRO ECONOMICS****40 MARKS – 40 MINUTES**

- Compare and contrast the South African mixed economy with a centrally planned economic system. (26)
- Evaluate the efficiency of service delivery in the South African economy. (10)

**[40]****QUESTION 6: MACRO ECONOMICS****40 MARKS – 40 MINUTES**

- Discuss in detail South Africa s infrastructure and its economic importance. (26)
- How important is transport infrastructure to the economy?

(10)

**[40]**

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



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**MARKING GUIDELINE**

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**MARKS: 150**

**This marking guidelines consists of 19 pages**

## SECTION A: COMPULSORY

### QUESTION 1

30 MARKS – 20 MINUTES

#### 1.1. MULTIPLE CHOICE

- 1.1.1 C Unskilled workers ✓✓
- 1.1.2 D factors of production ✓✓
- 1.1.3 A gross national expenditure ✓✓
- 1.1.4 B salaries ✓✓
- 1.1.5 B add taxes on products and subtract subsidies on products ✓✓
- 1.1.6 D market ✓✓
- 1.1.7 A economic ✓✓
- 1.1.8 C primary ✓✓

( 8 x 2 ) (16)

#### 1.2 MATCHING ITEM

- 1.2.1 D complex rules and regulations that are applied rigidly ✓
- 1.2.2 G an indicator that measures the total income earned by a country's residents domestically or abroad ✓
- 1.2.3 F the amount of money in rands that a worker receives for his labour ✓
- 1.2.4 I the amount used to balance the GDP figures where there has been shortfalls ✓
- 1.2.5 A goods that are used to produce other goods ✓
- 1.2.6 B an increase in the production capacity of the country ✓
- 1.2.7 H money payable to people with mental or physical challenges ✓
- 1.2.8 C Involves the building of structures such as roads ✓

( 8 x 1 ) (8)

#### 1.3 ONE WORD

- 1.3.1 Quarrying ✓
- 1.3.2 Double counting ✓
- 1.3.3 Subsidy ✓
- 1.3.4 Procurement ✓
- 1.3.5 International competitiveness ✓
- 1.3.6 Communication ✓

( 6 x 1 ) (6)

**TOTAL SECTION A: (30)**

**SECTION B**

**QUESTION 2: MACROECONOMICS**

**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any **TWO** components of secondary sector

- Manufacturing ✓
  - Constructions ✓
  - Electricity, gas and water ✓ (2 x 1) (2)
- (Accept any other correct relevant response)

2.1.2 Why do business cycles not occur in a command economy?

Business fluctuations are controlled by the government through its control of investment and consumer expenditure. ✓✓ (2 x 1) (2)

(Accept any other correct relevant response)

**2.2 DATA RESPONSE**

2.2.1 Identify **ONE** economic importance of natural resources from the above information.

- Job creation ✓
- Export opportunities ✓
- Production of finished goods ✓ (1)

2.2.2 What is the remuneration of natural resources as a factor of production?

Rent ✓ (1)

2.2.3 Briefly describe the term *finished goods*.

Goods that are ready to be consumed. ✓✓ (2)

(Accept any other correct relevant response)

2.2.4 How does climate influence the price of natural resources?

Extreme weather events such as droughts, floods, hurricanes, and wildfires can damage infrastructure and reduce the availability of natural resources (e.g., crops, timber, or water), leading to supply shortages and price increases. ✓✓ (2)

(Accept any other correct relevant response)

2.2.5 **Why are natural resources regarded as the foundation of production?**



- The primary sector is regarded as the backbone of production since its focus is on the extraction and exploitation of natural resource ✓✓
  - Therefore, production in the secondary sector depends largely on the success of the primary sector ✓✓ ( 2 x 2 )
- (Accept any other correct relevant response)

(4)

2.3. **DATA RESPONSE**

2.3.1 **Identify the organisation responsible to invests in building of roads and other infrastructure in a country**

Government ✓

(1)

2.3.2 **Give the formula used to calculate Gross Domestic Product (GDP) using the expenditure approach.**

$GDP = C + G + I + (X - M)$  ✓✓

(1)

2.3.3 **Briefly describe the term *capital widening*.**

A situation whereby increases in capital takes place at the same rate as increase in workers ✓✓

(2)

2.3.4 **How do savings contribute to investments in the economy?**

Savings helps banks to give out loans to businesses to buy capital goods needed in their businesses ✓✓

(2)

2.3.5 **How can the use of machinery in production make standardisation possible?**

- Machines are able to produce goods that are exactly of the same quality ✓✓
- It allows for the production of the same quality products machines are made to be accurate ✓✓ ( 2 x 2 )

(4)

2.4 **Briefly discuss non-renewable resources and renewable resources.**

**Non-renewable resources**

- Non-renewable resources are natural resources that cannot be replenished within a human timescale once they are depleted. ✓✓
- Overuse of these resources can lead to exhaustion and environmental harm. ✓✓
- Common examples include fossil fuels (coal, oil, natural gas), and minerals (such as gold, iron, and uranium) ✓

**Renewable resources**

- Renewable resources are natural resources that can be naturally replenished over time and are sustainable if used responsibly. ✓✓
  - These resources are key to long-term environmental sustainability and energy security. ✓✓
  - Examples include solar energy, wind, water (hydropower), biomass, and forests (if reforested) ✓
- (Accept any other correct relevant response)

**(Allocate a maximum of 4 marks for the mere listing of facts/ examples)**

(8)

2.5 **Analyse the influence of technology on the price of natural resources**

- Advancements in technology enable more efficient extraction, processing, and utilization of natural resources leading to reduced production costs. ✓✓
- Technological progress in geological surveying and exploration tools helps identify new deposits of minerals, fossil fuels, and other resources thus increasing the effective supply. ✓✓
- The rise of electronics and electric vehicles has boosted demand for rare earth metals and lithium which can lead to price increases. ✓✓
- The development of technology can be a substitutes which may lead to demand for certain natural resources to decline, causing price decreases. ✓✓

(Accept any other correct relevant response)

**(Allocate a maximum of 2 marks for the mere listing of facts/ examples)**

(8)

[40]

**QUESTION 3: MACROECONOMICS**

**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Give **TWO** advantages of capitalism.

- It produces at the greatest efficiency ✓
  - There is usually a freedom to start any business ✓
  - Entrepreneurship is encouraged through the profit motive ✓ ( 2 x 1 ) (2)
- (Accept any other correct relevant response)

3.1.2 How can tertiary sector contribute towards the GDP?

It is a major contributor towards GDP at more than 65% of the value of the GDP of South Africa ✓✓ ( 2 x 1 ) (2)

(Accept any other correct relevant response)

3.2. **DATA RESPONSE**

3.2.1 Give the risk faced by the entrepreneur as illustrated in the picture above

Financial risks/ loss of profit ✓ (1)

3.3.2 Name any **ONE** factor that can affect profit.

Type of the business ✓  
Government intervention ✓  
Level of competition ✓ (1)

(Accept any other correct relevant responses)

3.3.3 Briefly describe the term *production*.

The process of using inputs to create goods and services ✓✓ (2)

(Accept any other correct relevant responses)

3.3.4 How do entrepreneurs play the role of organisers in production?

They co-ordinate /combine the other three factors of production so that goods can be produced ✓✓ (2)

3.3.5 **Why does good decision-making considered essential for successful entrepreneurship.**



- Effective decisions reduce the likelihood of costly mistakes and help manage uncertainty in dynamic markets. ✓✓
- Good decision-making allows entrepreneurs to respond quickly and appropriately to changes in the business environment, such as shifts in consumer demand or new competition. ✓✓
- Strategic decisions about growth, innovation, and stakeholder relationships contribute to the long-term success and stability of the business. ✓✓

(2 x 2)

(Accept any other correct relevant responses)

(4)

3.3 **DATA RESPONSE**

3.3.1 **Identify the organisation that keeps records of economic activities in the country in the extract.**

Statistics South Africa ✓

(1)

3.3.2 **Name the type of consumer goods that can be used for the longest period.**

Durable goods ✓

(1)

3.3.3 **Briefly describe the term *consumption*.**

The act of using goods and services to satisfy human wants. ✓✓

(2)

3.3.4 **How can education as a service help household in the economy?**

They can obtain skills and knowledge needed in the economy ✓✓  
(Accept any other correct relevant responses)

(2)

3.3.5 **Why do households mostly spend more money on non-durable goods?**

- They can only be used once, so every time one need to use them, they must buy them ✓✓
  - They include goods that satisfy the basic want for food, everyone has to eat ✓✓
  - Those who are sick need to buy medicines to get better health ✓✓
- (Accept any other correct relevant responses)

(2 x 2)

(4)

3.4 **Discuss the economic importance of an entrepreneur.**

- An entrepreneur combines all other production factors in order to ensure that goods that used to satisfy human wants and needs are produced ✓✓
  - Big and small businesses create jobs for labour which is the most important factor of production ✓✓
  - They ensure that factors of production are used efficiently in producing goods and services ✓✓
  - They often make profits part of which they often save ✓✓
- (Accept any other correct relevant response)

**(Allocate a maximum of 4 marks for the mere listing of facts/ examples**

(8)

3.5 **How can government spending benefit the economy of a country?**

- Government allocation of funds helps provide public goods and services ✓✓
  - Creates jobs for members of the communities ✓✓
  - Helps to address previous economic imbalances ✓✓
  - The figures can be used to compare the efforts with other countries of the same level of development ✓✓
- (Accept any other correct relevant response)

**(Allocate a maximum of 2 marks for the mere listing of facts/ examples)**

(8)

[40]

**QUESTION 4: MACROECONOMICS**

**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 **Name any TWO examples of personal services.**

- Hairdressers ✓
- Doctors ✓
- Lawyers ✓

(Accept any other correct relevant response)

( 2 x 1 )

(2)

4.1.2 **Explain the meaning of the phrase' demand for labour is a derived demand'**

Labour is demanded only if there is a demand for goods and services ✓✓  
(1 x 2)

(Accept any other correct relevant response)

(2)

## 4.2 DATA RESPONSE

4.2.1 Identify the picture that shows a person who is regarded as economically marginalised.

Picture A ✓

(1)

4.2.2 Mention ONE other reason for people to be economically marginalised.

- Uneducated people ✓
- Rural people ✓

(Accept any other correct relevant response)

(1)

4.2.3 Briefly describe the term *empowerment*.

It refers to when marginalised groups are having equal access to resources and opportunities ✓✓

(Accept any other correct relevant response)

(2)

4.2.4 Explain the aim of Black Economic Empowerment as a legislation to empower marginalised group. ✓✓

To increase the number of previously disadvantaged people in economic participation ✓✓

(Accept any other correct relevant response)

(2)

4.2.5 How can Expanded Public Works Programme (EPWP) be used to assist the marginalised groups?

- The initiative is to create short-term employment ✓✓
- To empower the marginalized group by allowing them to acquire some skill and earning income from the job ✓✓

( 2 x 2 ) (4)

(Accept any other correct relevant response)

4.3 **DATA RESPONSE**

4.3.1 **Identify the amount paid to owners of labour (workers) above.**

60393 ✓ (1)

4.3.2 **Name the method used in the table to calculate GDP.**

Income method/GDP(P) ✓ (1)

4.3.3 **Briefly describe the term *gross domestic product*.**

The monetary value of final goods and services produced within the borders of a country in a year ✓✓ (2)

4.3.4 **Explain the composition of net operating surplus.**

The rent, interests and profit of entrepreneurs before taxation ✓✓ (2)

4.3.5 **Calculate the value of GDP at basic prices (A). Show ALL calculations**

65 532 ✓  
+1167 ✓  
- 660 ✓  
66039 ✓ (4)

4.4 **Discuss the economic importance of labour.**

- Production cannot take place without labour as all forms of production need labour to take place ✓✓
- Wages and salaries earned for providing labour help to buy goods and services needed by households ✓✓
- Labour that is of higher quality leads to improved productivity.
- Salaries and wages of workers form the largest portion of the total income of any country ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 4 marks for the mere listing of facts/  
examples

(8)

4.5 **Analyse the importance of final consumption spending by households.**



- The more the money spent on durable goods, the more developed a country is ✓✓
- The higher the total final expenditure, the more needs and wants are satisfied, therefore the higher the economic welfare of consumers ✓✓
- A decrease in household expenditure on durable goods is the first indicator of a contraction of economic activity ✓✓
- The classification of consumption expenditure shows the relative importance of each subgroup of goods to households ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 2 marks for the mere listing of facts/  
examples)

(8)

[40]



**TOTAL SECTION B: (80)**

**SECTION C**

Answer any ONE of the two questions in this section.

**QUESTION 5: MACROECONOMICS**

**40 ARKS – 40 MINUTES**


- Compare and contrast the South African mixed economy with a centrally planned economic system. (26)
  - Evaluate the efficiency of service delivery in the South African economy. (10)
- (40)**


**INTRODUCTION**

Economic system is the mechanisms followed in allocation of resources, production and distribution of goods and services. ✓✓ (Max. 2)  
 (Accept any other correct relevant introductions)

**BODY: MAIN PART**

	<b>Mixed economy</b>	<b>Command economy</b>
<b>Description</b>	<ul style="list-style-type: none"> <li>• It is an economic system in which both individuals and government owns factors of production ✓✓</li> <li>• It combines the elements of market economy and command economy ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>• It is an economic system in which a central authority such as government, makes all economic decisions ✓✓</li> </ul>
<b>Characteristics</b>	<p><b>Ownership of production factors</b> ✓</p> <ul style="list-style-type: none"> <li>• Individuals and businesses owns the majority of production factors ✓✓</li> <li>• Government owns some factors of production such as capital and land ✓✓</li> </ul> <p><b>Freedom of choice</b> ✓</p> <ul style="list-style-type: none"> <li>• Economic participants have freedom to choose how they</li> </ul>	<p><b>Ownership of production factors</b> ✓</p> <ul style="list-style-type: none"> <li>• All factors of production, property and businesses are owned by the state ✓✓</li> <li>• Factors of production are employed for the benefits of the society as a whole rather than for a private benefit ✓✓</li> </ul> <p><b>No private initiative and limited choice</b> ✓</p>

	<p>get involved in the economy ✓✓</p> <ul style="list-style-type: none"> <li>• Individuals can choose whether to provide labour or entrepreneurship ✓✓</li> <li>• Consumers can choose the goods and services on which to spend their money ✓✓</li> </ul> <p><b>Government intervention</b> ✓</p> <ul style="list-style-type: none"> <li>• Government produce goods and services that the society consume as a collective e.g. education ✓✓</li> <li>• These goods are called public goods ✓✓</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals have no freedom to decide how to participate in the economy ✓✓</li> <li>• There are very limited opportunities for consumers to choose what they want to consume ✓✓</li> <li>• This is because very few varieties of products are often available ✓✓</li> </ul> <p><b>Collective economic goal</b> ✓</p> <ul style="list-style-type: none"> <li>• All economic decisions taken by government are aimed at benefiting the society in general ✓✓</li> <li>• Goods produced are those the government regard as beneficial to increase the general welfare of the society ✓✓</li> </ul>
<p><b>Advantages</b></p>	<p><b>Freedom of choice</b> ✓</p> <ul style="list-style-type: none"> <li>• Due to profit motive and high level of competition, private sector produce variety of goods and services ✓✓</li> <li>• These gives consumers the freedom to buy goods and services they most desire ✓✓</li> <li>• Competition also can result in lower prices ✓✓</li> </ul> <p><b>Environmental protection</b> ✓</p> <ul style="list-style-type: none"> <li>• Government can help to reduce externalities such as pollution through legislation ✓✓</li> </ul>	<p><b>No wastage cost by competition</b> ✓</p> <ul style="list-style-type: none"> <li>• Competition often waste resources due to overproduction ✓✓</li> <li>• In command economy, this is reduced as there is no competition for supply by other businesses ✓✓</li> </ul> <p><b>Government services</b> ✓</p> <ul style="list-style-type: none"> <li>• The state provides all the social services such as housing, education and health care ✓✓</li> </ul>

		<ul style="list-style-type: none"> <li>The infrastructure of transport, power, and water is all state ✓✓</li> </ul>
<p><b>Disadvantages</b></p>	<p><b>Socio- economic problems still exist ✓</b>                  Despite all efforts mixed economies are still unable to solve problems such as unemployment and business cycles ✓✓                  Worker exploitation, whereby workers earn very low wages still exist ✓✓</p>	<p><b>Lack of motivation ✓</b>                  The workforce has little motivation to work hard or to be innovative as they cannot earn greater wages for hard work or lose their jobs for slacking ✓✓</p>

(Max. 26)

(Accept any other correct relevant response)

**(Allocate maximum of 8 marks including sub-headings for the mere listing of facts/examples)**

**ADDITIONAL PART**

**Service delivery is successful (efficient) because:**

- Basic Education (Grades 0-12) is provided for free to poor communities ✓✓
- Free basic health is available to all who use public health services ✓✓
- Various grants are provided to reduce the level of income inequality and poverty ✓✓
- Government has been providing free housing for poor households ✓✓
- Many rural areas have access to electricity ✓✓
- Some rural areas have been provided with communal taps or boreholes that provide clean water ✓✓

**Service delivery is unsuccessful (inefficient) because:**

- The quality of basic education is low and provides school leavers with limited skills ✓✓
- The health facilities have limited equipment and medicines to provide efficient services ✓✓
- Many people in urban areas live in shacks due to lack of housing ✓✓
- Many citizens receive no proper municipal services such as refuse removal; therefore, they live in polluted environment ✓✓
- Roads are in poor conditions with potholes
- Many rural areas still do not have access to clean water and sanitation ✓✓

(Accept any other correct relevant response)

(Max. 10)

(Allocate a maximum of 2 marks for mere listing of facts/examples)

**CONCLUSION**

Any economic system used by countries should impact positively on the country's economic growth and economic development ✓✓

(Accept any other correct relevant high order response)

(Max. 2)  
(40)

### QUESTION 6: MACROECONOMICS

40 MARKS – 40 MINUTES

- Discuss in detail South Africa's infrastructure and its economic importance. (26)
- How important is transport infrastructure in the economy? (10)

### INTRODUCTION

Infrastructure is the basic facilities needed to run the economy and the country ✓✓  
(Accept any other correct relevant introductions)

### BODY

#### COMMUNICATION INFRASTRUCTURE ✓

- Communication is a movement of information through various ways such as cell phones, telephones, postal services, fax, internet, newspapers, radio, television, social media, etc ✓✓
- South Africa has an efficient system of communication ✓✓
- **Postal services** are mainly provided by the South African Post Office Ltd, which is a company owned by the government ✓✓
- There are various privately owned courier companies ✓✓
- **The media sector** consists of newspapers, magazines, television and radio stations ✓✓
- The state-owned SABC provides television services through an annual payment of a TV license fee ✓✓
- eTV provides a free-to-air television service while the DSTV provides subscription television services via satellite ✓✓
- National and community radio stations provide services to the people of South Africa.
- **Fixed line Telephone** services are mainly provided by TELKOM which was a monopoly until 2006 when the second company NEOTEL was awarded a license to operate ✓✓
- Neotel however, is small and its services are only available in a few provinces ✓✓
- Cell phone services are one of the fastest-growing communication services in South Africa ✓✓

- The four main service providers are Vodacom, MTN, Cell C, and Telkom 8ta ✓✓
- **Internet:** the use of the Internet has been steadily growing in urban areas, but the rural areas are still behind. Many people access the internet via their cell phones ✓✓

### **TRANSPORT INFRASTRUCTURE** ✓

- South Africa has a relatively developed transport infrastructure ✓✓
- The transport system consists of several networks which are: road networks, rail networks, airways, and harbours (ports) ✓✓
- **Road network:** South African road maintenance is the responsibility of the South African National Road Agency Limited (SANRAL) and the nine provinces ✓✓
- SANRAL maintains national roads (e.g. N1, N4) while provinces and municipalities build and maintain their roads ✓✓
- National roads are often toll roads, which means motorists have to pay a certain fee to use the road ✓✓
- Private cars are the most common type of transport in South Africa.
- Minibus taxis are major providers of commuter service to many people to and from various destinations ✓✓
- **Rail network:** is the responsibility of the state-owned Transnet Freight Rail (Spoornet) ✓✓
- Many heavy goods are transported by rail ✓✓
- Passenger rail services are also provided by Metrorail in some provinces (e.g. Gauteng) ✓✓
- The majority of passengers using Metrorail services are in the low-income group ✓✓
- The Gautrain is an 80 km rapid rail network connecting Johannesburg, Pretoria and the OR Tambo Airport.
- The majority of the passengers using Gautrain are in the middle-income group ✓✓
- South African Airways which provide national and international services was privatised for a short period in 2021 -2022 ✓✓
- The privatisation deal failed and currently SAA is fully state owned ✓✓
- S.A Express and Mango are the subsidiaries (divisions) of the SAA that provide national services ✓✓
- Other airlines which are not South African, pay airport taxes to use airports in South Africa ✓✓

### Harbours (ports)

- Harbours are divided into fishing and commercial ports (harbours) ✓✓
- South Africa has eight ports which are Richards' Bay, Durban, East London, Mossel Bay, Cape Town, Port Elizabeth, East London, and Saldanha. ✓✓
- The largest and busiest commercial port is the Durban port ✓✓
- Majority of South Africa 's exports are transported via the sea ✓✓

### ENERGY INFRASTRUCTURE ✓

- The availability of reliable energy is important for the growth of an economy ✓✓  
In South Africa, the sources of energy are:
- *Electricity* from coal (+90%), Nuclear energy (7%) and solar and wind (2%)  
*Liquid fuel* such as diesel, petrol, paraffin ✓✓
- **Electricity:** Eskom is the main supplier of electricity in South Africa, and it also export to the nearing countries ✓✓
- Eskom produces electricity mainly from coal, to a lesser extent from nuclear and water ✓✓
- However, in recent years Eskom has been having operation problems which often result in electricity supply cuts (load shedding) ✓✓
- Nuclear energy is produced in the Koeberg Nuclear plant in the Western Cape province ✓✓
- Water and sun are renewable sources of energy as they are used to produce electric power ✓✓
- Firewood is a renewable source of energy mainly used in the rural areas ✓✓
- **Liquid (synthetic) fuel:** crude oil is imported and refined into petrol, diesel, paraffin and aviation fuel ✓✓
- Sasol also produce synthetic fuel from coal ✓✓
- **Gas:** it is produced off the shores of Mossel Bay in the Western Cape Province ✓✓
- South Africa produces one of the world's largest commercial gas to liquid plant ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 8 marks including sub-headings for the mere listing of facts/examples)

### ADDITIONAL PART

- Allows goods produced in one area to be processed in another area and sold all over the country ✓✓
  - Goods can be exported and imported between countries ✓✓
  - The country can be part of the globalised world ✓✓
  - Allows the growth of tourism as people are touring within the country and across the world ✓✓
  - Provide employment and contribute towards the GDP of a country ✓✓
- (Accept any other correct relevant response) (Max. 10)  
(Allocate a maximum of 2 marks for mere listing of facts/examples)

### CONCLUSION

Efficient communication system is very important for a country so that business can be able to buy raw materials and produce goods and services without delays ✓✓

(Max. 2)

(Accept any other correct relevant higher order response)

**(40)**

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