



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**EDUCATION**

**NATIONAL  
SENIOR CERTIFICATE**

**CAPRICORN SOUTH DISTRICT**

Stanmorephysics.com

**GRADE 11**

**ECONOMICS 2026**

**PROJECT**

**TASK 3**

**MICROECONOMICS**

Stanmorephysics.com

**DATE: 13 MAY 2026**

**MARKS: 50**

**TIME: 1H00**

**This question paper consists of 4 pages**

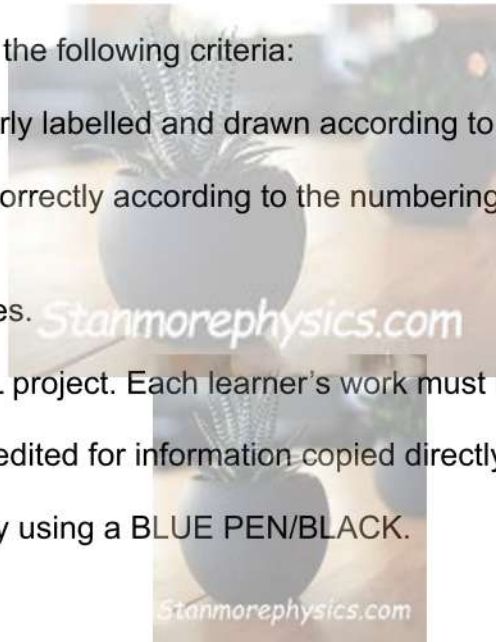
TOPIC: MICROECONOMICS: DYNAMICS OF MARKETS AND STATE

INTERVENTIONS

INSTRUCTIONS AND INFORMATION

Your project should meet the following criteria:

1. Graphs should be clearly labelled and drawn according to scale.
2. Number the answers correctly according to the numbering system used in this question paper.
3. Answer in full sentences.
4. This is an INDIVIDUAL project. Each learner's work must be UNIQUE.
5. Learners will not be credited for information copied directly (plagiarism).
6. Write legibly and neatly using a BLUE PEN/BLACK.



**ECONOMICS GRADE 11**

**PROJECT**

**13 MAY 2026**

**QUESTION 1**

1.1 Give ONE term for each of the following descriptions. Write only the term next to the number in the Answer Book. (1.1- 1.4)

**Abbreviations, acronyms and examples will NOT be allowed.**



1.1.1 The cost of producing one extra unit of output.

1.1.2 A point where  $TR=TC$ .

1.1.3 A commodity whose demand increases with an increase in the price of another commodity.

1.1.4 The cost that is determined by dividing the Total costs by the output produced.



(2x4=8)

**QUESTION 2**

2.1 Briefly explain relative prices and give an example. (4)

2.2 Study the picture below and answer questions that follow:



Source: <https://www.bing.com/images>

2.2.1 What is the relationship between the two commodities? (1)

2.2.2 Name any ONE example of goods with an opposite relationship to the ones in the picture (1)

2.2.3 Briefly describe the term *joint supply*. (2)

2.3. With the aid of a well labelled graph explain the effect of an increase in demand for fresh milk on demand for fresh cream. (Complementary good) (8)

2.4 Differentiate between the following basic market structures with regard to the criteria below: (10)

Criteria	Perfect Market	Monopoly
Number of businesses		
Nature of product		
Entrance		
Control over prices		
Information		

26]

**QUESTION 3**

3.1.1 Give any TWO examples of fixed costs. (2)

3.1.2 Why does the average fixed cost curve keep falling? (2)

3.2 Study the table below and answer questions that follow:

Quantity	Fixed cost	Variable cost	Total cost	Average total cost	Marginal cost
0					
1					
2	A				
3			B		
4					C
5					

Source: Own source

3.2.1 Identify the cost that change with a change with output. (1)

3.2.2 Give the formula for calculating average costs. (1)

3.2.3 Briefly describe the term *economies of scale*. (2)

3.2.4 Why does the marginal revenue curve always lie below the average revenue curve? (2)

3.2.5 Determine the values of **A, B and C**. (6)

[16]



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**GRADE 11**

**ECONOMICS PROJECT  
MARKING GUIDELINES  
MAY 2026**

Stanmorephysics.com

**MARKS: 50**

**TIME: 1HR**

**This question paper consists of 5 pages.**

## ECONOMICS

## PROJECT MARKING GUIDELINES

MAY 2024

MARKS: 50

## QUESTION 1

## 1.1 GIVE ONE TERM

- 1.1 Marginal cost. ✓✓
- 1.2 Profit maximising point ✓✓
- 1.3 Complementary good. ✓✓
- 1.4 Average costs ✓✓

(2x4)(8 marks)



## QUESTION 2

## 2.1.1 Briefly explain relative prices and give an example.

- Prices that show whether a good is cheaper or expensive compared to another good, which influence our decision on which good to buy. ✓✓
  - E.g. if the price of maize meal is higher than that of rice, we might opt for the consumption of rice since rice is relatively better priced than maize meal. ✓✓
- (4)

## 2.2 DATA RESPONSE:

## 2.2.1 What is the relationship between the two commodities?

- Complementary goods ✓ (1)

## 2.2.2 Name any ONE example of goods with an opposite relationship to the ones in the picture

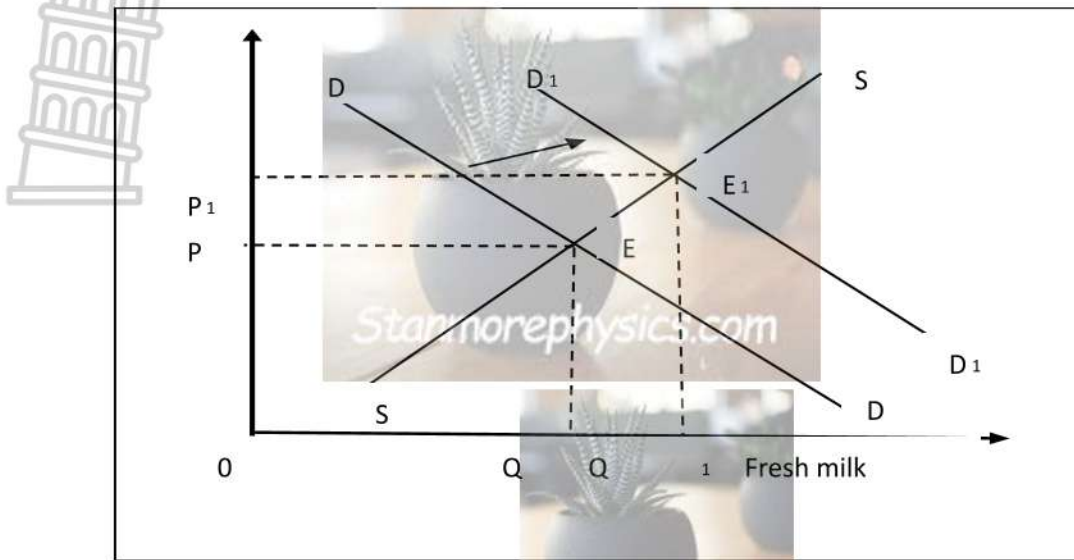
- Tea and coffee are substitute goods. ✓ (1)  
(Accept any relevant response)

2.2.3 Briefly describe the term *joint supply*.

- The production of one good leads to the production of other goods in the process. ✓✓ (2)

2.3. DATA RESPONSE:

With the aid of a well labelled graph explain the effect of an increase in demand for fresh milk on demand for fresh cream (Complementary good)(8)



Source: Own source

Graph marks (4)

The graph depicts a market for fresh milk.

- At price OP, quantity demanded is OQ ✓✓
- Original demand curve is DD ✓✓
- Equilibrium point is E ✓✓
- Demand increases to D1D1, shift to the right ✓✓
- Price increases to P1 ✓✓
- Supply remains constant at SS ✓✓
- Quantity demanded increases to Q1 ✓✓

Allocation of marks  
Axis = 1mark  
Curves = 1 mark  
Equilibrium point = 1mark  
The shift of curve = 1mark

(4)

(8)

2.4 Differentiate between the following basic market structures with regard to the criteria below:

Criteria	Perfect Market	Monopoly
Number of businesses	There are many buyers and sellers ✓	There is one seller who constitute the market. ✓
Nature of product	Products sold are homogeneous/identical. ✓	Products are unique with no close substitutes. ✓
Entrance	Entry is free with no barriers. ✓	There are high barriers to entry into the market. ✓
Control over prices	Businesses are price takers and have no control over price ✓	Firms have control over price and are price setters. ✓
Information	Buyers and sellers have perfect information. ✓	Complete market information exist. ✓

(10)

**QUESTION 3**

3.1.1 Give any **TWO** examples of fixed costs.

- Rent or lease payments ✓
- Insurance ✓
- Salaries ✓
- Property taxes ✓
- Interest expenses ✓

(2)

**Accept any relevant response**

3.1.2 Why does the average fixed cost curve keep falling?

- Because subsequent/increasing output levels of production keep dividing into the same amount of fixed costs. ✓✓ (2)

**3.2 DATA RESPONSES**

3.2.1 Identify the cost that change with a change with output.

- The average variable costs ✓ (1)

3.2.2 Give the formula for calculating average costs.

- Total Costs/Output ✓ (1)

3.2.3 Briefly describe the term *economies of scale*.

- Lower unit costs of production that arise from a business's scale of operation ✓✓.
- This happens because the costs are spread over a large number of goods. ✓✓ (Max 2)

3.2.4 Why does the marginal revenue curve always lie below the average revenue curve?

- For the monopolist to sell one extra unit, it has to reduce price, leading to lower additional revenue ✓✓. (2)

3.2.5 Determine the values of A, B and C.

- A=15 ✓✓
- B=75 ✓✓
- C=15 ✓✓ (6)

**[16]****GRAND TOTAL: 50**