



BOHLABELA DISTRICT

GRADE 11

ECONOMICS
CLASS TEST NO 3

2026

MARKS: 90
TIME: 1 HOUR

Stanmorephysics.com

This question paper consists of 7 pages including the cover page.

INSTRUCTIONS AND INFORMATION

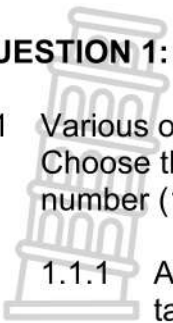
- 1 This paper consists of **THREE** questions, answer them all.
- 2 Number the answers correctly according to the numbering system used in this question paper.
- 3 Write the question number above each question.
- 4 Read the questions carefully.
- 5 You may use a non-programmable pocket calculator.
- 5 Write neatly and legibly.



SECTION A

QUESTION 1: ECONOMIC SYSTEMS

1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A-C) next to the question number (1.1.1-1.1.5), e.g. 1.1.6 B



1.1.1 A tax system where people who earn more pay more tax is called ... taxation.

- A proportional
- B regressive
- C progressive
- D international

1.1.2 An economic system in which economic decisions are solely made by demand and supply is known as a ... economy.



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

1.1.3 A mixed economy is one that consists of ...

- A firms and factories.
- B large and small firms.
- C goods and services.
- D public and private sector.

1.1.4 Decision making in a centrally planned economy are ...

- A decentralised.
- B neutralised.
- C centralised
- D concentrated.

1.1.5 An economic system is a way of answering the following basic economic questions of ... to produce.

- A what, how and for whom
- B what, how and where
- C where, how and for whom
- D where, what and how

(5 x 2) (10)

TOTAL SECTION A: 20

SECTION B

QUESTION 2: ECONOMIC SYSTEMS

2.1 Answer the following questions.

2.1.1 Give any TWO examples of social services which are provided by the government. (2 x 1) (2)

2.1.2 Why is South Africa's economic system regarded as a mixed economy? (1 x 2) (2)

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



[Source: <https://www.bing.com>]

2.2.1 Identify the group of people that benefits as a result of capitalism from the above cartoon? (1)

2.2.2 What is the alternative name for the free market economy? (1)

2.2.3 Briefly describe the term *economic system*. (2)

2.2.4 How can unemployment contribute to poverty? (2)

2.2.5 Why is a free-market economy bad to the environment? (2 x 2) (4)

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

SOCIALIST COUNTRIES OF THE WORLD

Countries that have constitutional references to socialism and are thus considered to be socialist states include: Bangladesh , Eritrea, Guyana, India, Nepal, Nicaragua , Portugal, Sri Lanka, and Tanzania .

The list was actually much longer in years past, with nations such as Yugoslavia and the U.S.S.R. ruled by governments built around socialist and even communist principles. However, many formerly socialist economies have changed to include more elements of capitalism over the past half-century, and have begun deleting socialism from their constitutions as well as their economies. For example, Algeria removed all references of socialism from its constitution in 1989.

[Adapted from: <https://worldpopulationreview.com>]

- 2.3.1 Identify any ONE country that changed from a capitalist state to a mixed economy in the extract above. (1)
- 2.3.2 Who allocate resources in a centrally planned economy? (1)
- 2.3.3 Briefly describe the term *command economy*. (2)
- 2.3.4 How does a socialist economy ensure income equality? (2)
- 2.3.5 Why would consumers/households be happier in a centrally planned economy? (2 x 2) (4)
- 2.4 Briefly explain the disadvantages of a centrally planned economy. (4 x 2) (8)
- 2.5 Why would you recommend the free market economy as the best economic system for the country? (4 x 2) (8)
- TOTAL SECTION B: 40**

SECTION C

Your answer will be assessed as follows:

STRUCTURE OF YOUR ESSAY	MARK ALLOCATION
Introduction	Max.2
Body Main part: Discuss in details/In-depth discussion/Examine/Critically discuss/Analyze/Compare/Distinguish/Differentiate/Explain/Assess /Debate Additional part: Give own opinion/Critically discuss/Evaluate/ Critically evaluate/Draw a graph and explain/Use the graph given and explain/Complete the given graph/Deduce/Compare/Explain/ Distinguish/Interpret/Briefly debate/How?/Suggest	Max. 26 Max. 10
Conclusion Any higher order conclusion should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40

QUESTION 3: ECONOMIC SYSTEMS

- Compare and contrast the south African mixed economy with the centrally planned economy. (26)
- Evaluate the efficiency of service delivery in South Africa.? (10)

TOTAL SECTION C: 40

TOTAL SECTION B: {90}



BOHLABELA DISTRICT

GRADE 11

ECONOMICS
CLASS TEST NO 3
MARKING GUIDELINE
2026

MARKS: 90

This MARKING GUIDELINE consists of 8 pages including the cover page.

SECTION A

QUESTION 1: ECONOMIC SYSTEMS

1.1 MULTIPLE CHOICE

- 1.1.1 A / progressive ✓✓
- 1.1.2 B / market ✓✓
- 1.1.3 D / public and private sector ✓✓
- 1.1.4 C / centralised ✓✓
- 1.1.5 A / what, how and for whom ✓✓



(5 x 2) (10)

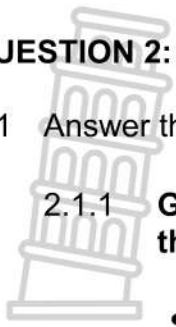
TOTAL SECTION A: 20



SECTION B

QUESTION 2: ECONOMIC SYSTEMS

2.1 Answer the following questions.



2.1.1 Give any **TWO** examples of social services which are provided by the South African government.

- Education ✓
- Health ✓
- Housing ✓
- community amenities ✓
- Social security ✓

(Accept any other correct relevant response) (2 x 1) (2)

2.1.2 Why is South Africa's economic system regarded as a mixed economy?

- It is an economic system in which both individuals and government owns factors of production. ✓✓
- It combines the elements of market economy and command economy. ✓✓

(Accept any other correct relevant response) (1 x 2) (2)

2.2 DATA RESPONSE

2.2.1 Identify the group of people that benefits as a result of capitalism from the above cartoon?

The rich ✓ (1)

2.2.2 What is the alternative name for the free market economy?

Capitalism ✓ (1)

2.2.3 Briefly describe the term *economic system*.

The mechanisms followed in allocation of resources, production and distribution of goods and services. ✓✓

(Accept any other correct relevant response) (2)

2.2.4 How can unemployment contribute to poverty?

Unemployed people cannot meet their basic needs as they do not have income resulting in them suffering from poverty. ✓✓

(Accept any other correct relevant response) (2)

2.2.5 **Why is a free-market economy bad to the environment?**



- It leads to over exploitation of natural resources which may lead to the exhaustion of some of the natural resources. ✓✓
- The pursuit of profit lead to over production and increased pollution which damages the environment. ✓✓

(Accept any other correct relent response) (2 x 2) (4)

2.3 **DATA RESPONSE**

2.3.1 **Identify any ONE country that changed from a capitalist state to a mixed economy in the extract above.**

- Algeria ✓
- Yugoslavia ✓
- USSR ✓



(1)

2.3.2 **Who allocate resources in a centrally planned economy?**

Government/State/Central planning committee ✓

(1)

2.3.3 **Briefly describe the term *command economy*.**

An economic system in which a central authority, such as a government, makes all economic decisions. ✓

(Accept any other correct relent response) (2)

2.3.4 **How does a socialist economy ensure income equality?**

Workers are paid according to their needs, which leads to an even distribution of income. ✓✓

(Accept any other correct relent response) (2)

2.3.5 **Why would consumers/households be happier in a centrally planned economy?**

- Workers are paid according to their needs, which lead to an even distribution of income. ✓✓
- The state employs all the people of working age and this raises the standard of living if the whole population. ✓✓
- The state provides all the social services such as housing, education and healthcare. ✓✓

(Accept any other correct relent response) (2 x 2) (4)

2.4 **Briefly explain the disadvantages of a centrally planned economy.**

- 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. ✓✓
- Lack of motivation and innovation can result in low economic growth. ✓✓
This situation can be made even worse by poor planning by the

government. ✓✓

- Centrally planned economies usually focus on the production of capital goods, rather than consumer goods, which lead to shortages and rationing. ✓✓
- Consumers seldom have any choice of goods as there is no competition allowed for the state enterprises. ✓✓
- Freedom of movement and speech is often restricted resulting in people basic rights being violated. ✓✓
- The state sets target for production and may use force to achieve them. ✓✓

(Accept any other correct relevant response)

(Allocate a maximum of 4 marks for mere listing of facts/examples) (4 x 2) (8)

2.5 Why would you recommend capitalism as an economic system?

- The free market system produces at the greatest efficiency because of existence of competition. ✓✓
- Competition encourages producers to produce good quality products at lower cost. ✓✓
- There is usually freedom to start any business, own property and write and say one's opinions. ✓✓
- Owners of factors of production can decide how and when they want to participate in the economy. ✓✓
- Consumers are free to choose the products they want to consume as long as they are willing to pay the prices. ✓✓
- Individuals can act immediately to benefit from profitable opportunities that arise. ✓✓
- Entrepreneurship is encouraged through profit motive resulting in businesses producing goods and services that give them high profit. ✓✓
- People are encouraged to develop new products and processes and to introduce them to consumers and businesses. ✓✓
- The market system can lead to high levels of economic growth because businesses strive to increase production to gain maximum profits. ✓✓
- There is no limitation to the amount of goods to be produced resulting to higher economic growth. ✓✓
- Foreign capital flows easily to free enterprise economy where exchange rate and price stability often prevail. ✓✓

(Accept any other correct relevant response)

(4 x 2) (8)

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

TOTAL SECTION B: 40

SECTION C

Your answer will be assessed as follows:

QUESTION 3: ECONOMIC SYSTEMS

- **Compare and contrast the south African mixed economy with the centrally planned economy.** (26)
- **Evaluate the efficiency of service delivery in South Africa.?** (10)


INTRODUCTUION

A mixed economy is an economic system in which both individuals and government owns factors of production. ✓✓ (Max. 2)
 (Accept any other correct relent conclusion)

**Body
Main Part**



Characteristics	Centrally planned economy	Mixed economy
Ownership of factors of production ✓	<ul style="list-style-type: none"> • All factors of production, property and businesses are owned by the state. ✓✓ • Factors of production are used for the benefit of the society as a whole rather than for private benefit. ✓✓ 	<ul style="list-style-type: none"> • Individuals and businesses own the majority of factors of production. ✓✓ • Government owns some factors of production such as capital and land. ✓✓
Decision making ✓	<ul style="list-style-type: none"> • All economic decisions are taken by government and are aimed at benefiting the society in general. ✓✓ • Goods produced are those the government regard as suitable to increase the general welfare of the society. ✓✓ 	<ul style="list-style-type: none"> • Economic decisions are made by both the government and the private sector. • Government produce goods and services that the society consume as a collective e.g. education, health services, roads. These goods are called public goods. ✓✓ • The private sector/market produces private goods and services. ✓✓
Freedom of choice ✓	<ul style="list-style-type: none"> • Economic participants have no freedom to decide how to participate in the economy. ✓✓ • There are very limited opportunities for consumers and producers to choose 	<ul style="list-style-type: none"> • Economic participants have freedom to choose how they get involved in the economy. ✓✓ • Individuals can choose whether to provide labour or entrepreneurship. ✓✓ • Consumers can also choose

	<p>what they want to consume and produce. ✓✓</p>	<p>the goods and services on which to spend their income. ✓✓</p>
<p>Distribution of income ✓</p>	<ul style="list-style-type: none"> Workers are paid according to their need, which leads to an even distribution of income. 	<ul style="list-style-type: none"> Distribution of income and wealth is very uneven. There tends to be a few very wealthy people and large number of poor people.
<p>Profit motive ✓</p>	<ul style="list-style-type: none"> The state is the only entrepreneur and no private business is allowed to operate which allows for effective planning for use of resources. ✓✓ 	<ul style="list-style-type: none"> Entrepreneurs in the private sector are motivated by profit while government is motivated by social development. ✓✓
<p>Price mechanism ✓</p>	<ul style="list-style-type: none"> The prices of all goods and services are set by the government planning committee. ✓✓ The market forces of demand and supply do not function. ✓✓ 	<ul style="list-style-type: none"> The government through the planning committee only set prices for public goods and services. ✓✓ The market forces of demand and supply determine the prices of private goods and services. ✓✓
<p>Economic growth ✓</p>	<ul style="list-style-type: none"> Lack of motivation and innovation can result in low economic growth. ✓✓ 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. ✓✓ Centrally planned economies usually focus on the production of capital goods, rather than consumer goods, which lead to shortages. ✓✓ 	<ul style="list-style-type: none"> The element of a market system can lead to high levels of economic growth. ✓✓ Businesses strive to increase production to gain maximum profits. ✓✓ There is no limitation to the amount of goods to be produced. ✓✓
<p>Businesses cycles ✓</p>	<ul style="list-style-type: none"> Business cycles do not exist as every economic activity happen as planned. ✓✓ The planning authorities provide communication between consumers and producers. ✓✓ 	<ul style="list-style-type: none"> Business cycles occur due to the existence of an element of a market economy. ✓✓ Business cycle fluctuations can result in high inflation and high unemployment. ✓✓

(Accept any other correct relevant response)

(Max. 26)

(Allocate a maximum of 8 marks for mere listing of examples/headings)

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 no 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. ✓✓
- There are still some rural areas without electricity. ✓✓

(Accept any other correct relevant response)

(Max. 10)

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

CONCLUSION

In reality there is no country that is purely market economy or purely command economy, all countries have some element of both government and individuals participating in economic decision making. ✓✓

(Accept any other correct relevant higher order conclusion)

(Max. 2)

(40)

TOTAL SECTION C:

40

TOTAL SECTION B: {90}