KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

CURRICULUM GRADE 10 -12 DIRECTORATE

NCS (CAPS) SUPPORT

LAST PUSH LEARNER REVISION DOCUMENT

ECONOMICS PAPER 1 & 2

GRADE 12

2025

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PAPER 1: MACROECONOMICS

CIRCULAR FLOW

ACTIVITY 1

1.1 Various options are provided as possible answers to the following questions. 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, for example 1.1.6 D

1.1.1 Money withdrawn from the economy is called …
- A. Injections.
- B. Imports.
- C. Leakages
- D. Money flow.

1.1.2 The method used to derive total remuneration on factors of production is called the …. method
- A. Production.
- B. Income
- C. Expenditure.
- D. Circular.

1.1.3 Expenditure by businesses on capital goods for production purposes is known as…
- A. investments spending
- B. government spending.
- C. export.
- D. import.

1.1.4 A market that provides short term deposits, loan and investment is known as… market.
- A. money
- B. exchange
- C. capital.
- D. product market.

1.1.5 Earning received from the export of goods and services are regarded as …
- A. leakages
- B. injections
- C. investment
- D. export

1.1.6 The circular flow that includes the foreign sector is called a/an... economy
- A. monetary
- B. open
- C. fixed
- D. closed

1.1.7 The market where labour is sold and bought is known as the … market
   A. factor
   B. goods
   C. financial
   D. product

1.1.8 Spending that is dependent on the level of income…
   A. autonomous spending
   B. consumer spending
   C. national spending
   D. induced spending

2×8=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 1.2.7) in the ANSWER BOOK, e.g. 1.2.8 H

COLUMN A	COLUMN B
1.2.1 Gross national product	A. Income and expenditure between the participants in the circular flow
1.2.2 Real flow	B. A small initial increase in spending produces a proportionately larger increase aggregate national income
1.2.3 Money flow	C. Where both short-term and long-term monetary assets are traded.
1.2.4 Capital market	D. Shows the way that goods and services are produced and consumed in the economy
1.2.5 Economic equilibrium	E. Value of final goods and services produced within the country
1.2.6 Financial market	F. Where long term funds are borrowed and save by consumer and business enterprise
1.2.7 Multiplier effect	G. Value of all final goods and services produced by the permanent residents of the country for specific period
	H C+G+I = S+T+M

1×7=7

1.3 **Give the correct term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.6)**

1.3.1 The total market value of all final goods and services produced by within the borders of the country
1.3.2 A representation of the economy showing how the economic participants interact with another
1.3.3 Consumption that is independent of the level and changes of income
1.3.4 The flow of goods and services between the participants in the circular flow
1.3.5 The proportion of additional income that consumers do not spend on goods and services.
1.3.6 The year with very small price changes or price fluctuation.

1×6=6

ACTIVITY 2

2.1.1 Name any TWO types of consumer goods (2)
2.1.2 How do subsidies positively affect the price of goods and services? (2)
2.1.3 Why is System of National Accounts important in determining the national aggregates. (2)

2.2 Study the extract below and answer the questions that follow

The Multiplier effect

The consumption function consists of autonomous consumption and induced consumption. However, every time there is an injection into the circular flow of income there is likely to be a multiplier effect.
The size of the multiplier depends upon households' marginal propensity to consume (mpc) and marginal propensity to save (mps.) For instance, if 60% of all new income in a given period is spent on South African products, the marginal propensity to consume would be 0,6.

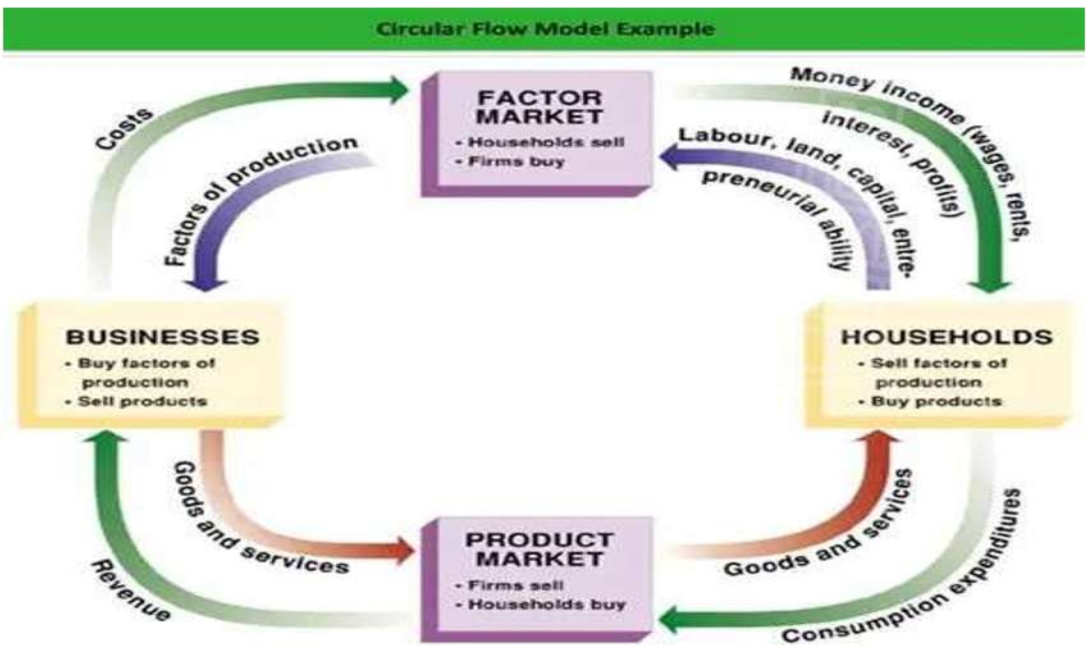
(Adapted from www.economicsonline.co.za)

2.2.1 Identify an example of a leakage in the extract above (1)
2.2.2 Name one factor that determines the size of multiplier (1)
2.2.3 Briefly describe the term *induced consumption.* (2)
2.2.4 Why does the size of multiplier increase as marginal propensity to consume increase? (2)
2.2.5 Using the marginal propensity to consume (mpc) of 0.6, calculate the change in national income if there was an investment of R250M. show all calculations (4)

ACTIVITY 3

3.1.1 Name TWO examples of direct tax. (2)
3.1.2 Why are households important participants in the circular flow? (2)

3.2 Study the diagram below and answer questions that follow



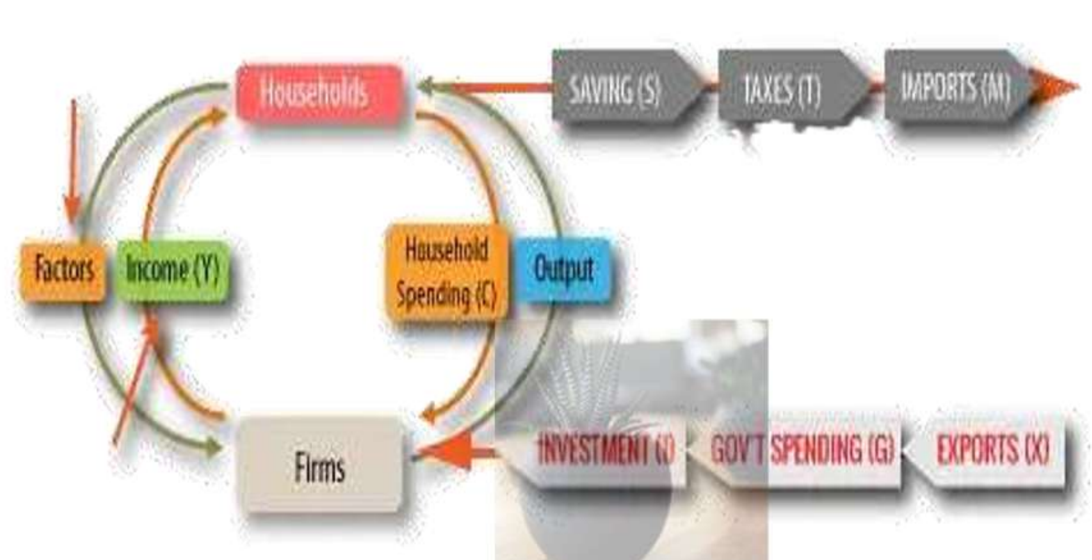
3.2.1 Identify the remuneration for natural resources (1)
3.2.2 Name any other economic participant not mentioned above (1)
3.2.3 Briefly describe the term *factor market* . (2)
3.2.4 Explain the importance of factors of production in the circular flow? (2)
3.2.5 How can foreign direct investment (FDI) influence the national income? (4)

ACTIVITY 4

4.1 Give TWO examples of injections (2)

4.2 **Study the diagram below and answer the questions that follow**

The Two sector model



4.2.1 Identify the market where goods and services are traded from the diagram above. (1)
4.2.2 Name any one example of money flow. (1)
4.2.3 Briefly describe the term l*eakages*. (2)
4.2.4 Explain the interaction between the government and foreign sector. (2)
4.2.5 How does an increase in personal income tax influence households spending? (4)

ACTIVITY 5

5.1 Why does the value of the multiplier in a four sector model smaller than that of a two sector model?(8)
5.2 Discuss production method and income method as used to determine GDP (8)
5.3 How does inflow of money contribute to economic growth? (8)
5.4 How can business sectors contribute more meaningfully to the economy? (8)
5.5 How do subsidies contribute to gross domestic product? (8)

ACTIVITY 6

6.1 List any TWO examples of public goods (2)

6.2 Study the table below and answer questions that follow

THE MORE YOU EARN, THE MORE YOU PAY RATE OF TAX FOR INDIVIDUALS	
TAXABLE INCOME (RANDS)	**RATE OF TAX (2021/2022)**
1 – 216 200	18% of taxable income
216 201 – 337 800	38 916 + 26% of taxable income above 216 200
337 801 – 467 500	70 532 + 31% of taxable income above 337 800
467 501 – 613 600	110 739 + 36% of taxable income above 467 500
613 601 – 782 200	163 335 + 39% of taxable income above 613 600
782 201 – 1 656 600	229 089 + 41% of taxable income above 782 200
1 656 601 and above	587 593 + 45% of taxable income above 1 656 600
	Source: http://www.teasury.gov.za

6.2.1 Identify the type of tax depicted on the above table (1)
6.2.2 Name the income tax system represented in the table above (1)
6.2.3 Briefly describe the term *tax revenue* (2)
6.2.4 Explain the impact of high tax rate on consumers (2)
6.2.5 Use the information above to calculate the income tax payable by a person earning an annual income of R320 000 (4)

ACTIVITY 7

7.1 Mention any 2 methods used to calculate Gross domestic products (2)

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

National account 2022	**RANDS**
Gross domestic product at market price	**R568 250**
Primary income from the rest of the world	R990 550
Primary income to the rest of the world	R787 980
Gross National Product at Market price	**A**

7.2.1 Name the International Institution that guides the compilation of South Africa's National Account Aggregate. (1)
7.2.2 Give one example of primary income from the rest of the world. (1)
7.2.3 Describe the term g*ross domestic product.* (2)
7.2.4 How does an increase in government spending affect the size of the multiplier. (2)
7.2.5 Calculate the value of A. Show all calculations. (4)

ACTIVITY 8

8.1 Name TWO types of financial markets (2)

8.2 Study the table below and answer the questions that follow:

SOUTH AFRICAS GROSS DOMESTIC PRODUCT (GDP) – 2023	
Primary sector Secondary sector Tertiary sector	295 000 558 000 2 015 300
Gross value added at basic prices	**2 868 300**
Taxation on products Subsidies on products	78 500 41 265
Gross domestic product at market prices	**A**

8.2.1 Identify the sector that deals with extracting of raw materials (1)

8.2.2 Name one example of taxes on product (1)

8.2.3 Briefly describe the term *basic price*. (2)

8.2.4 Explain the effect of subsidies on products on the final market price of goods (2)

8.2.5 Calculate the gross domestic product at market price (A) show all workings (4)

ACTIVITY 9

9.1 Name any TWO types of consumer goods (2)

9.2 Study the table below and answer the questions that follow

NATIONAL ACCOUNT AGGREGATES – SOUTH AFRICA	
Summary of gross domestic product **(At current prices)**	**R million** **2024**
Compensation of employees	2 510 326
Net operating surplus	1 130 210
Consumption of fixed capital	613 605
Gross value added at basic prices	**3 795 141**
Other taxes on production	86 008
Other subsidies on production	9 935
Gross value added at basic prices	**A**

9.2.1 Identify income earned by labour from the above table. (1)

9.2.2 Name the method of calculating GDP used in the table above (1)

9.2.3 Briefly describe the term *basic prices* (2)

9.2.4 Why subsidies are removed when calculating GDP? (2)

9.2.5 Calculate the gross domestic product at basic prices (A). Show all calculations (4)

ACTIVITY 10

10.1 Differentiate between taxes on production and taxes on product. (8)

10.2 Differentiate between real flow and money flow (8)

10.3 Analyse the relationship between the financial sector and other participants in the circular flow (8)

ACTIVITY 11

- Discuss in detail the market within the four-sector model (26)
- Evaluate the functions of market in the circular flow (10)

BUSINESS CYCLES

ACTIVITY 1

1.1 Various options are provided as answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number.

1.1.1 Estimating unknown data based on known data is called….

A. Prediction
B. Amplitude
C. Expansion
D. extrapolation

1.1.2 Business cycle indicators that change the direction before the economy changes are known as… indicators

A. leading
B. Lagging
C. Coincident
D. Composite

1.1.3 the inverse relationship between inflation and unemployment is best illustrated by the …curve

A. Lorenz
B. Laffer
C. Indifference
D. Phillips

1.1.4 cycles that last 3-5 years and caused by change in inventory is known as …

A. Kuznets
B. kitchin
C. Kondrattief
D. Juglar

1.1.5 The lowest turning point of a business cycle is know as…

A. trough
B. Peak
C. Boom
D. Slump

1.1.6 The new economic paradigm associated with smoothing business cycles is captured in… side policies.

A. demand only
B. demand and supply
C. supply only
D. fiscal

1.1.7 Buying and selling of government securities to control money supply is known as….

A. Cash reserve
B. Moral suasion
C. Interest rate
D. Open market transaction

1.1.8 a statistic used to measure some aspect of the economy is known as …

A. Forecasting
B. social indicator
C. real GDP
D. economic indicator

1.1.9 A business cycle that is obtained when the effects of irregular events are removed from time series data, is a(n) … business cycle.

A. actual
B. Natural
C. Leading
D. New

1.1.10 Action taken by government in respect of taxation and expenditure to influence economic activity is a(n) … policy.

A. monetary
B. fiscal
C. exchange
D. credit

(2x10) 20

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write ONLY the correct letter next to the question number.

COLUMN A	COLUMN B
1.2.1 Moral suasion	A Measured from peak to peak or trough to trough
1.2.2 New economic paradigm	B A business cycle approach based on forces outside the market system
1.2.3 Length	C A supply side policy to smooth out fluctuations in the economy
1.2.4 Phillips Curve	D Shows the general direction of the economy
1.2.5 Monetarist approach	E The smoothing of business cycles using demand and supply side policies
1.2.6 Open market transactions	F A business cycle approach based on forces inside the market system
1.2.7 Reduction of costs	G Persuasion of banks by the SARB to Offer credit responsibly
1.2.8 Trend line	H used to control money supply through buying and selling of government bonds and securities
	I Indicates the relationship between the unemployment rate and the inflation rate

(1x8) 8

1.3 Provide the economic concept for each of the following descriptions. Write only the term/concept next to the question number. NO abbreviations, acronyms or examples will be accepted.

1.3.1 A summary of various indicators into a single value.

1.3.2 Successive periods of growth and decline in economic activities.

1.3.3 A negative economic growth rate for at least two consecutive quarters.

1.3.4 Indicators that change before the economy changes.

1.3.5 A business cycle approach based on forces inside the market system.

1.3.6 The curve that shows the relationship between inflation and unemployment.

1.3.7 it measures the vertical distance between the trough and trend line

1.3.8 An indication of the general direction of the economy.

1.3.9 Removal of unnecessary restrictions by law

1.3.10 An action taken by the SARB to occasionally change the balance that banks are required to keep.

(1x10) 10

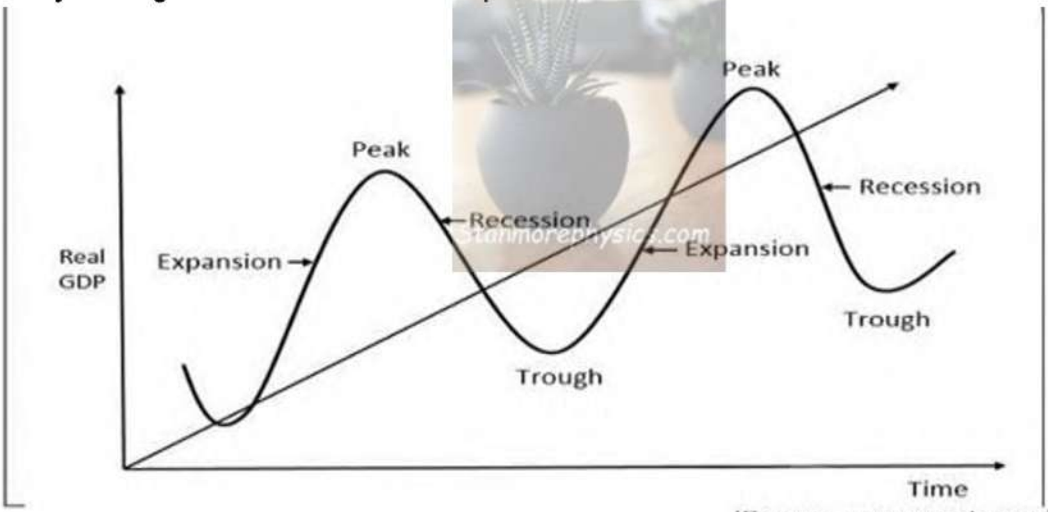
ACTIVITY 2

2.1 Answer the following questions:

2.1.1 Name TWO policies in which the new economic paradigm is embedded. (2)

2.1.2 How is the complete cycle of fluctuations determined in the economy? (2)

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



[Source: www.google.com]

2.2.1 Identify the point where inflation is the highest. (1)

2.2.2 Name the feature that shows the general direction of the economy (1)

2.2.3 Briefly describe the concept *real business cycles*. (2)

2.2.4 Why is the recession an undesirable situation the economy? (2)

2.2.5 How can the government lower the demand in the business cycle? (4)

2.3 Briefly discuss *amplitude* and *trend line* as features underpinning the forecasting of business cycles. (8)

ACTIVITY 3

3.1 Answer the following questions:

3.1.1 Name TWO types of business cycles.
(2)

3.1.2 How can competition stimulate aggregate supply?
(2)

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

BUSINESS CYCLES

The analysis of the source of shocks has been a recurrent theme in business cycle literature. Not only is it relevant for understanding the forces driving the economic fluctuations but, in addition, the identification of sources of shocks is needed to inform the optimal policy response.

Producers and consumers will not respond to the same extent to the initiating forces, and therefore the duration of business cycles differs. Business cycles ranges from 3 years (Kitchin) to more than 50 years (Kondratieff)

[Adapted from: www.google.com]

3.2.1 Identify ONE factor from the extract which might cause economic fluctuations.
(1)

3.2.2 Name the type of business cycle caused by changes in investment in equipment and machinery.
(1)

3.2.3 Briefly describe the concept *moving averages*.
(2)

3.2.4 Why is the government intervention necessary under exogenous explanations.?
(2)

3.2.5 How can fiscal policy be used to stimulate a depressed economy?
(4)

3.3 How can the government use fiscal policy to stabilise the business cycle fluctuations?
(8)

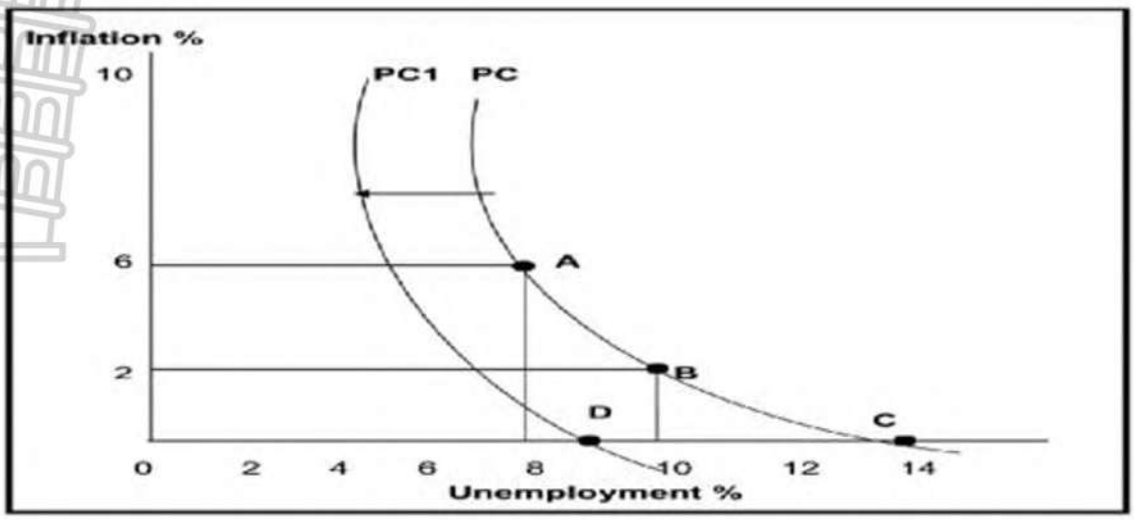
ACTIVITY 4

4.1 Answer the following questions:

4.1.1 Name TWO theories used to explain the causes of the business cycles.
(2)

4.1.2 How can demand-side policies be used to stimulate economy activity.
(2)

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



4.2.1 Identify the original unemployment rate in the graph above. (1)

4.2.2 Name the graph illustrated above. (1)

4.2.3 Briefly describe the term *new economic paradigm*. (2)

4.2.4 Explain any factor that cause the above curve to shift to the left. (2)

4.2.5 Why is it necessary to dampen an overheating economy? (4)

ACTIVITY 5

5.1 Answer the following questions:

5.1.1 Name TWO turning points of a business cycles (2)

5.1.2 Why do economists use moving averages in their analysis of economic trends? (2)

5.2 Study the cartoon below and answer the questions that follow:

5.2.1 Identify the socio-economic challenge shown by the above cartoon. (1)

5.2.2 Name the lower turning point of a business cycle (1)

5.2.3 Briefly describe the term *economic recession*. (2)

5.2.4 Explain the relationship between GDP and business cycles. (2)

5.2.5 Why does inflation tend to fall during recessions? (4)

5.3 Distinguish between endogenous and exogenous explanations of business cycles. (8)

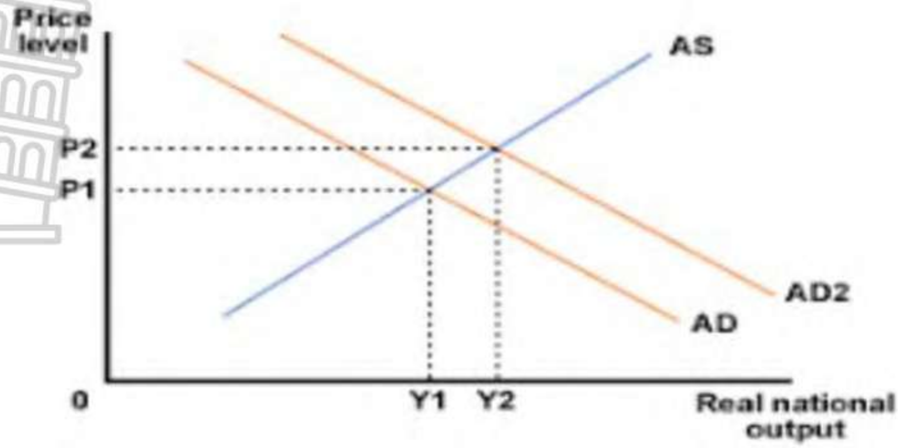
ACTIVITY 6

6.1 Answer the following questions:

6.1.1 Name any TWO instruments of the monetary policy. (2)

6.1.2 How does unemployment relate to lagging indicators? (2)

6.2 Study the graph below and answer the questions that follow:



6.2.1 Identify the original equilibrium price.
(1)

6.2.2 Give a formula to calculate aggregate demand for a closed economy.
(1)

6.2.3 Briefly describe the term *real business cycle*.
(2)

6.2.4 Explain the use of expansionary fiscal policy to stimulate economic activity.
(2)

6.2.5 Redraw the graph in your ANSWER BOOK and complete it to show the effect of demand and supply side policies in smoothing business cycles.
(4)

6.3 Briefly discuss *improving efficiency of inputs* and *improving efficiency of markets* as supply-side policies to smooth out business cycles.
(8)

ACTIVITY 7

7.1 Answer the following questions:

7.1.1 Name any TWO features of the Phillips curve. (2)

7.1.2 Why is the amplitude of a business cycle important? (2)

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

7.2.1 Identify the turning point represented by the letter T in the graph above? (1)

7.2.2 Name the indicator that changes at the same time as the economy changes. (1)

7.2.3 Briefly describe the concept *lagging indicator*. (2)

7.2.4 Explain the reason for the inverse relationship between unemployment rate and inflation . (2)

7.2.5 How can the government use fiscal policy to achieve economic growth? (4)

7.3 Analyse the importance of price stability in preventing extreme fluctuations in business cycles. (8)

ACTIVITY 8

8.1 Answer the following questions:

8.1.1 Name TWO periods of the business cycles. (2)

8.1.2 Why is extrapolation important in the forecasting of business cycles. (2)

8.2 Study the cartoon below and answer the questions that follow:

Source: pharmacyeconomics.com

8.2.1 Identify ONE exogenous factor which can cause business cycles in the extract above? (1)

8.2.2 Name any ONE fiscal policy instrument that can be used to influence the economy. (1)

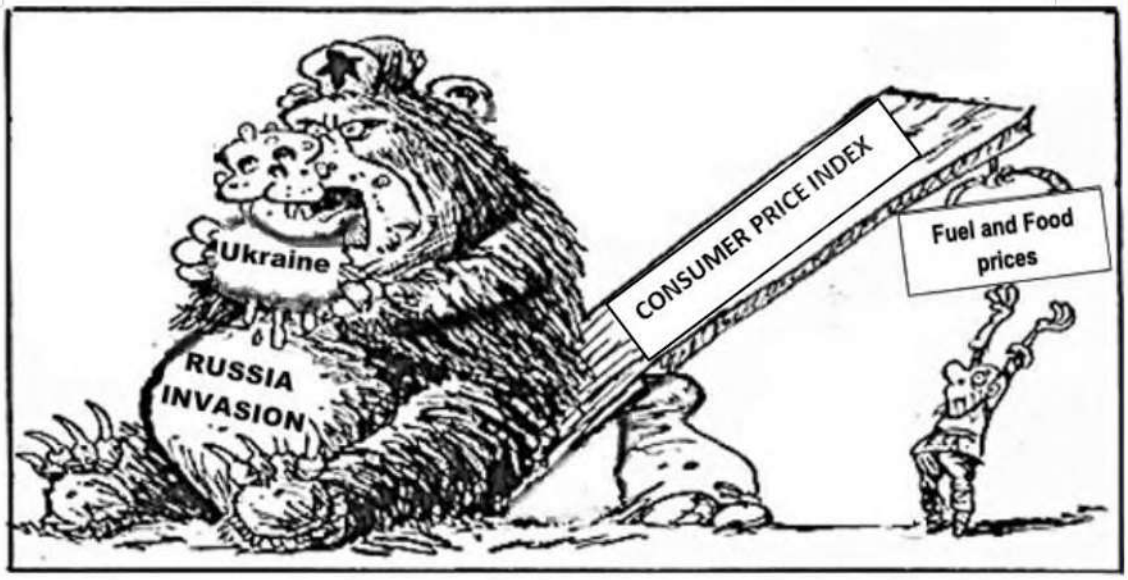
8.2.3 Briefly describe the term *real economic growth*. (2)

8.2.4 Explain the purpose of a trend line in a business cycle? (2)

8.2.5 How can the government improve the efficiency of markets to revive the economy? (4)

ACTIVITY 9

9.1 Study the cartoon below and answer the questions that follow:



[Adapted from studyey.home.blog/2022/07/02]

9.1.1 Identify a concept that relates to the changes in cost of living in the cartoon above. (1)

9.1.2 Name the approach of business cycles illustrated in the cartoon above. (1)

9.1.3 Briefly explain the term *recession*. (2)

9.1.4 Explain the impact of the Ukraine/Russia war on local food prices. (2)

9.1.5 How can government use monetary policy to stimulate economic activity? (4)

9.2 With an aid of a graph explain the effect of demand side policies in smoothing out business cycles. (8)

ACTIVITY 10

- Discuss in detail the features underpinning the forecasting of business cycles. (26)

ACTIVITY 11

- Discuss in detail the new economic paradigm in smoothing out the business cycles. (26)

PUBLIC SECTOR

ACTIVITY 1

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

1.1.1 Goods which are deemed to be socially harmful are called…goods.
- A. demerit
- B. communal
- C. merit
- D. collective

1.1.2 The relationship between tax rate and tax revenue for the government is illustrated by the …
- A. Phillips curve
- B. Laffer curve.
- C. Lorenz curve
- D. Indifference curve

1.1.3 The business where government owns more than 50% shares is called…
- A. public business
- B. parastatals
- C. nationalisation
- D. privatization

1.1.4 Long and time consuming procedures that hampers service delivery is known as …
- A. corruption
- B. inefficiency

C. bureaucracy.
D. Competent

1.1.5 Goods that exclude the free riders are called…goods
A. consumables
B. private
C. collective goods
D. public goods

1.1.6 The budget that is presented in October to inform parliament of changes in the budget since February is known as…
A. main budget
B. meduim term budget policy statement
C. meduim- term expenditure framework
D. national budget

1.1.7 Transfer of ownership of entities from the private sector to the public sector is called …
A. privatisation
B. commercialisation
C. deregulation
D. nationalisation.

1.1.8 A duty of an individual or organization to explain their decisions and actions and accept responsibility for their behavior is known as …
A. effectiveness
B. self –interest
C. transparency
D. accountability.
(16)

1.2 Choose a description from the COLUMN B that matches the item in COLUMN A. Write only the letter (A-F) next to the question numbers (1.2.1. to 1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B
1.2.1 Community goods	A	The government 's plan for government revenue for the coming fiscal policy
1.2.2 Privatisation	B	This shows the income and expenditure estimates for a three-year period
1.2.3 Taxation	C	Deals with economic and other issues specific to a province
1.2.4 Corruption	D	Transfer of ownership from public to the private sector
1.2.5 Medium- Term Expenditure Framework	E	Removal of unnecessary restrictions by law
1.2.6 Parastatals	F	Dishonest action taken by people in position of responsibility
1.2.7 Regional government	G	Public goods that are non- excludable and non-rival in consumption
1.2.8 National budget	H	Refers to a company which is partly or wholly owned by government
	I	A compulsory payment by citizens and businesses to government without direct benefit

(8)

1.3 Give ONE term for each of the following descriptions. Write only the correct term next to the question number in the answer book. Abbreviations, Acronyms and examples will NOT be accepted.

1.3.1 A graph that shows the relationship between tax rates and tax revenue.

1.3.2 Money paid by the government to a person / institution without any counter performance.

1.3.3 The percentage at which banks lend money to their most preferred clients.

1.3.4 A policy that target taxes and government expenditure to influence economic activity.

(

5)

ACTIVITY 2

2.1.1 Give any TWO reasons for the necessity of the public sector.
(2 x 1)2

2.1.2 Why is it necessary to calculate a country's total loan debt?
(1 x 2)2

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

Source: Google cartoons

2.2.1 Identify an objective of the state related to gross domestic product from the above cartoon.
(1)

2.2.2 Name any one level of the general government in South Africa.
(1)

2.2.3 Briefly describe the term *unemployment*.
(2)

2.2.4 Explain the effect of high rate of unemployment on the economy.
(2)

2.2.5 How can the government increase the level of economic growth in the economy?
(4)

ACTIVITY 3

3.1.1 Name TWO problems of public sector provisioning
(2 x 1)2

3.1.2 Why is it important for the government to establish price stability?
(1 x 2)2

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

R **billions/ percentage of GDP**	**2023/2024**	**2024/2025**
	MEDIUM- TERM EXPENDITURE FRAMEWORK	
Revenue(R)	**1853.2**	**1977.6**
Percentage of GDP	--------	27.3%
Expenditure	**2176.8**	**2281.1**
Percentage of GDP	**A**	**31.5%**
Budget balance	**-323,6**	**-304.2**
Percentage of GDP	-4.8%	-4.2%
Gross domestic product	**6805.3**	**7233.7**

(Adapted from : The National treasury : Budget Review)

3.2.1 Identify the term that refers to the three year budget from the table above.
(1)

3.2.2 Name the government department that is responsible for preparing MTEF.
(1)

3.2.3 Briefly describe the term *medium- term budget policy statement*
(2)

3.2.4 Explain whether South Africa has maintained its budget deficit as a percentage to GDP according to international benchmark in 2023/2024
(2)

3.2.5 Calculate the value of **A** (expenditure as a percentage of GDP), Show all calculations.
(4)

ACTIVITY 4

4.1.1 Name any TWO sources of state revenue.
(2 x 1)

4.1.2 Why are public goods and services are more readily in developed countries compared to developing countries?
(2)

4.2 **Study the extract below and answer the questions that follows:**

NERSA's 12.7 % electricity increase sparks community outrage

There have been mixed reactions from taxpayers following the National Energy regulator in South Africa (NERSA) approving 12.7% increase in electricity tariffs for 2025/2026 financial year .this tariffs will impact household from 1 April and municipal customers from 1 July this year. This comes on top 18, 65% implemented last year.

Source: Business times report: 2 February 2025

4.2.1 Identify the organisation responsible for regulating electricity price in South Africa. (1)

4.2.2 Name the state-owned enterprise that provides electricity in South Africa. (1)

4.2.3 Briefly describe the term *parastatals.* (2)

4.2.4 Explain the impact that load shedding has on the economy. (2)

4.2.5 How can the government address the electricity crises in a country? (4)

ACTIVITY 5

5.1.1 Name any TWO government pricing policies when supplying public goods and services. (2 x 1)2

5.1.2 Why should the public sector participate in the management of the economy? (1 x 2)2

5.2 **Study the image below and answer questions that follow:**

Source : Google: dreamstime.com

5.2.1 Identify the problem of public sector provisioning depicted in the above image. (1)

5.2.2 Provide the alternative term for the above problem. (1)

5.2.3 Briefly describe the term *public sector failure* (2)

5.3.4 Explain the impact of mismanagement of funds on service delivery (2)

5.3.5 How can government effectively reduce public sector failure? (4)

ACTIVITY 6

6.1 Read the extract below and answer the questions that follow:

Explosive allegations hit South Africa police

President Cyril Ramaphosa addresses police corruption by taking decisive and structured actions of establishment of a Judicial commission of enquiry. The president announced the creation of a commission chaired by acting deputy chief justice Mbuyiseli Madlanga.

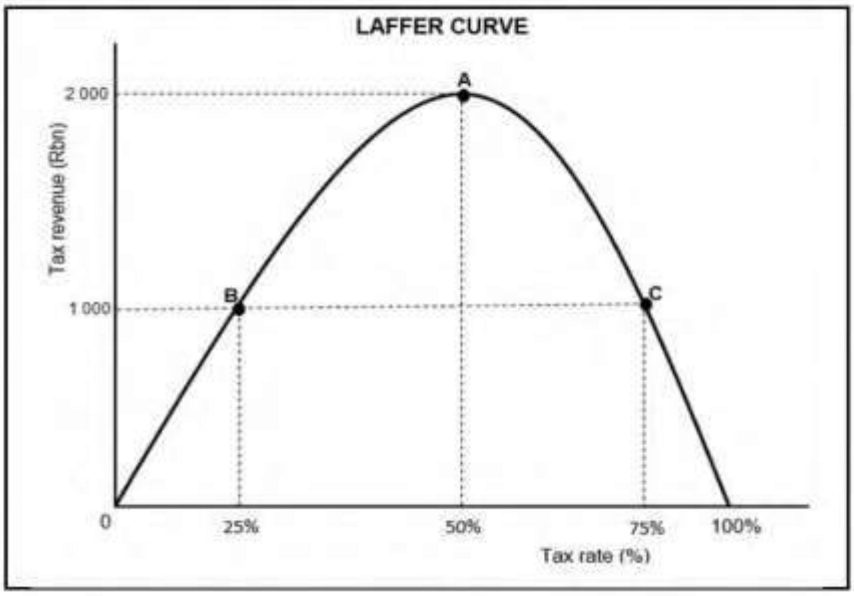
The commission is tasked with investigating of infiltration by criminal syndicates with the South African Police Service (SAPS) law enforcement, intelligence, and associated institutions in the criminal justice system. In response to serious allegations, Ramaphosa placed the minister of police on temporary leave and appointed Firoz Cachalia as the interim Police minister.

Source :*diplomaticinside.com*

6.1.1 Identify the feature that contribute to public sector failure in the above extract. (1)
6.1.2 Name any ONE objective of public sector. (1)
6.1.3 Briefly describe the *Rent seeking* (2)
6.1.4 Why would corruption allegations lead to economic instability? (2)
6.1.5 How can the government solve the issue of public sector provisioning in South Africa? (4)

ACTIVITY 7

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



7.1.1 Identity the tax rate at which the government maximises tax revenue. (1)
7.1.2 Name any form of indirect tax paid by households to the government. (1)
7.1.3 Briefly describe the term *progressive tax system* (2)
7.1.4 Explain the effect of regressive tax system on income distribution. (2)
7.1.5 Why will tax revenue decrease if the government impose very high tax rates? (4)

ACTIVITY 8

8.1 Briefly explain non- rivalry and non-excludability as characteristics of public goods. (8)
8.2 How can the South African municipalities improve efficiency in service delivery? (8)

8.3 Briefly discuss the medium term expenditure framework and medium term budget policy statement.
(4 x 2)

8.4 Discuss privatization as problems of public sector provisioning. (8)

ACTIVITY 9

9.1 Discuss in detail the main objectives of the public sector in the economy.
(26)

9.2 How successful is the South African government in providing services to the public?
(10)

ACTIVITY 10

10.1 Discuss in detail the reasons for public sector failure (link them to typical problems experienced through public sector provisioning
(26)

10.2. How can the unfair distribution of income in South Africa be resolved?
(10)

INTERNATIONAL TRADE

ACTIVITY: 1

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

1.1.1 The systematic record of all the transactions of the country's inhabitants with the rest of world is known as …

A. trade balance
B. terms of trade
C. balance of payment
D. unrecorded transaction

1.1.2 Buying of financial assets such as shares in companies on the stock exchange of another country is known as …

A. direct investment
B. portfolio investment
C. capital investment
D. other investment

1.1.3 The ratio of export prices in relation to import prices in known as the…

A. trade agreement
B. free floating exchange rate
C. international trade
D. terms of trade

1.1.4 The price of one country's currency expressed in terms of another county's currency is known as…

A. exchange rate
B. Market

C. foreign exchange market
D. trade deficit

1.1.5 An international institution that assist countries with ongoing balance of payment problems is known as…
A. World Bank
B. United Nations
C. International Monetary Fund
D. World Trade Organisation

1.1.6 Investment contracts that base their value on the underlying assets, such as currencies and commodities, are know as…
A. other investments
B. direct investments
C. financial derivatives
D. portfolio investments

1.1.7 Assistance provided by the International Monetary Fund to correct countries' balance of payment problems is known as…
A. Transfers
B. Special Drawing Rights
C. Special Deposit Funds
D. Foreign Direct Investment

1.1.8 The difference between tangible exports and tangible imports are known as……
A. Trade balance
B. Current transfer
C. Reserves assets
D. Trade deficit.

(8x2)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 number (1.2.1 to 1.2.6) in the answer book, e.g. 1.2.7 J

COLUMN A	COLUMN B
1.2.1 Specialisation	A. Capital outflows exceeds capital inflows
1.2.2 Financial account deficit	B. Financial capital held by the monetary authorities to finance disequilibrium.
1.2.3 Debt forgiveness	C. An item in the balance of payment that caters for any ommissions and errors.
1.2.4 Reserve assets	D. Focusing on production/provision of a particular product type of goods and services.
1.2.5 Unrecorded Transaction	E. Money received without any productive service rendered
1.2.6 Transfer payment	F. when an organisation or a country is released from its obligation to repay a loan

(6x1) 6

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. Acronyms and abbreviations will NOT be accepted.

1.3.1 The increase in the price of currency through market forces of demand and supply.

1.3.2 When a country can produce specific goods and services at lower average cost than other countries.

1.3.3 A decrease in the price of currency in terms of another country's currency due to government intervention.

1.3.4 The state payment to individuals without any services rendered.

1.3.5 A system where the price of a currency is determined by market forces.

1.3.6 Compares a country's export prices with its import prices by means of indexes

(6x1)6

ACTIVITY 2

2.1.1 Name any TWO sub accounts of the balance of payment. (2)

2.1.2 What is the purpose of the unrecorded transactions in the balance of payment? (2)

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

BALANCE OF PAYMENT 2021

1. Current account	**2024**
Merchandise exports	1 175 547
Net gold exports	71 678
Service receipts	210 415
Income receipts	96 507
Less: Merchandise imports	1 222 944
Less: Payments for services	217 939
Less: Income payments	250 552
(A)	-35 674
Balance on the current account	**-172 062**
2. **Capital Transfer Account**	**236**
Net lending to (+) borrowing from (-) rest of world	**-172 726**

[*Adapted from SARB Quarterly Bulletin, March 2023*]

2.1.1 Identify the item in the current account that is unique in South Africa. (1)

2.1.2 Name the item (A) that is missing from the current account in the table above. (1)

2.1.3 Briefly describe the term *balance of payment*. (2)

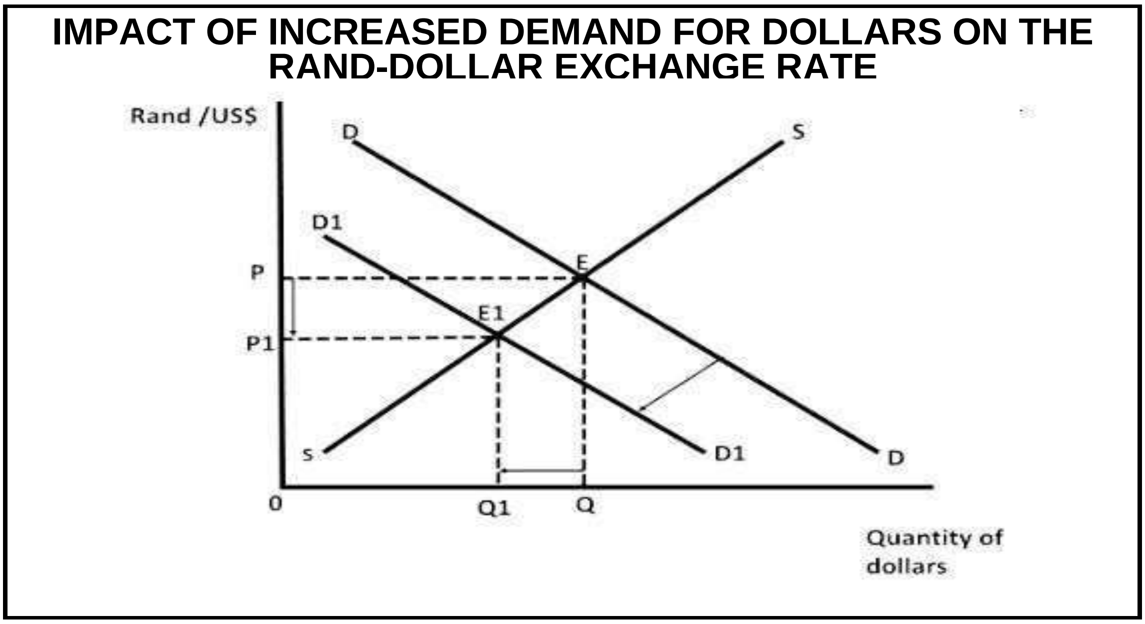
2.1.4 Explain the negative impact of a decrease in terms of trade on the economy. (2)

2.1.5 Determine the value of trade balance using the information given in the table above. Show all the

calculations.
(4)

ACTIVITY 3

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



3.1.1	Identify the original exchange rate in the graph above.	(1)
3.1.2	Name any ONE country that uses a free-floating exchange rate system.	(1)
3.1.3	Briefly describe the term *exchange rate*.	(2)
3.1.4	Explain the effect of an increase in supply of rands on the value of rand.	(2)
3.1.5	How does the surplus on the current account benefit the economy.	(4)

ACTIVITY 4

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

Years	2022	2023			
Quarters	Q 1-4	Q 1	Q 2	Q 3	Q 4
Current account items	R bn	R bn	R bn	R bn	R bn
Exported goods	1176	1193	1233	1258	1260
Net gold exports	72	56	50	70	93
Service receipts	210	208	213	215	215
Income receipts	97	123	106	117	121
Current transfers	-35	-36	-35	-36	-36
Imported goods	1223	1207	1314	1284	1250

Service payments	218	221	229	226	230
Income payments	251	266	230	303	241

[Adapted from SARB Bulletin, 2023]

4.1.1 Identify the current account item used to record donations? (1)

4.1.2 Name the balance of payments account that records investments. (1)

4.1.3 Briefly describe the term *trade balance.* (2)

4.1.4 Why are net gold exports calculated separately in the South Africa's trade balance? (2)

4.1.5 Calculate the balance on the current account for the second quarter of 2023. Show ALL calculations. (4)

ACTIVITY 5

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

SOUTH AFRICA'S BALANCE OF PAYMENTS – SECOND QUARTER 2023

The balance of payments consists of consists of a current account, capital transfer and financial account. South Africa's trade balance switched from a surplus of R41.9 billion in the first quarter of 2023 to a deficit of R27,2 billion in the second quarter. The deterioration in the trade balance came about as the value of merchandise imports increased substantially. This has impacted the terms of trade.

(Adjusted from SARB, Statistical Press Release, September 2023)

5.1.1 Identify the account in the balance of payments that records foreign direct investment. (1)

5.1.2 Name the item that records errors and omission in the balance of payments? (1)

5.1.3 Briefly describe the term *special drawing right.* (2)

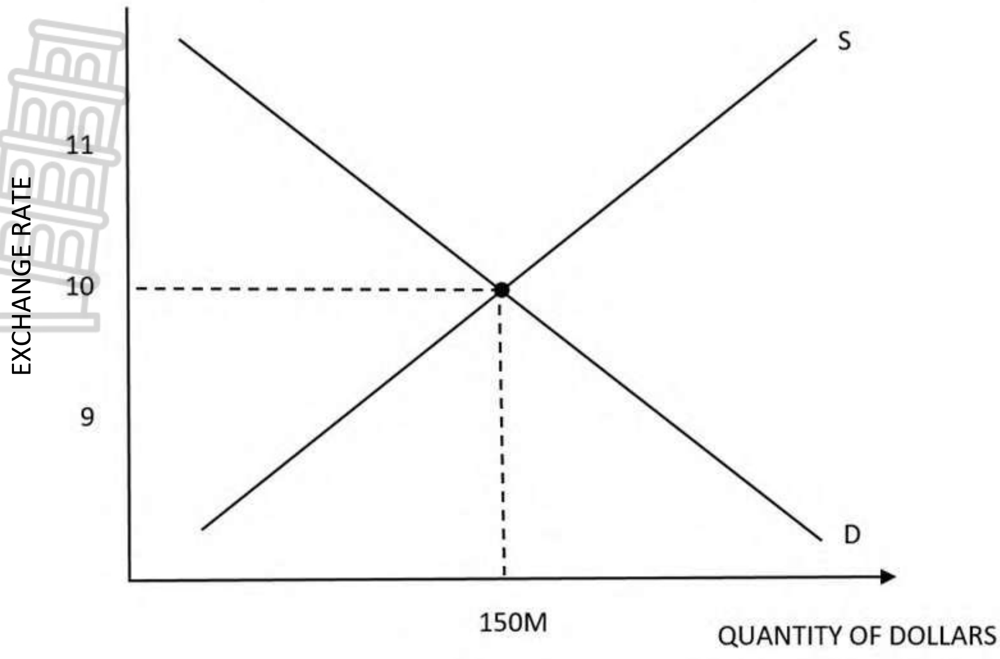
5.1.4 Explain the impact of an increase in export prices on South Africa's trade balance. (2)

5.1.5 How can import control be used to correct the Balance of Payments deficit? (4)

5.2 Evaluate the impact of the depreciating rand on the South African economy. (8)

ACTIVITY 6

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



6.1.1 Identify the equilibrium exchange rate from the information in the graph. (1)

6.1.2 Give any ONE cause of demand for foreign exchange. (1)

6.1.3 Briefly describe the term *transfer payment* (2)

6.1.4 Why is terms of trade important in international trade? (2)

6.1.5 Redraw the graph above, and indicate what would happen in the market when the demand for dollars' increases. (4)

6.2 Briefly discuss *direct investments* and *portfolio investments* as sub-account of the financial account. (8)

ACTIVITY 7

7.1 **Study the table below and answer the questions that follows**

SOUTH AFRICA'S TERMS OF TRADE			
YEAR	**Index of import prices**	**Index of import prices**	**Term of Trade**
Jul 2021	123,0	146,9	119.4
Jul 2022	134,2	168,7	**A**
Jul 2023	160,6	176,6	109.9

[Adapted from Trading economics.com / SARB]

7.1.1 Identity the institution that prepares the term of trade in South Africa. (1)

7.1.2 Give ONE reason for an increase in import prices during July 2022 (1)

7.1.3 Briefly describe the term *Globalisation.*
(2)

7.1.4 Explain the effect deterioration in the terms of trade have on a country's welfare.
(2)

7.1.5 Calculate the term of trade for July 2022 (A). Write down the formula first and show ALL calculations.
(4)

7.2 How does the free-floating exchange rate system affect the economy?
(8)

ACTIVITY 8

8.1 **Study the extract below and answer the questions that follow.**

MOVEMENT IN THE CURRENT ACCOUNT OF THE BALANCE OF PAYMENT

The surplus on the current account of the balance of payments narrowed markedly from R311 billion in the second quarter to R226 billion in the third quarter of 2022. The value of South Africa's exports of goods decreased slightly, while the value of merchandise imports increased. South Africa's terms of trade (including gold) deteriorated somewhat in the third quarter of 2022 as the rand price of imports of goods and services increased more than the price of exports.

[Adapted from quarterly bulletin, SARB, December 2022]

8.1.1 Identify the economic concept, in the extract above, rely more on export and import prices.
(1)

8.1.2 Give the current account item for recording donations.
(1)

8.1.3 Briefly describe the term *international trade.*
(2)

8.1.4 Why did South African merchandise exports experience a decline in 2021 in relation to the COVID 19 pandemic?
(2)

8.1.5 Calculate the percentage change of the surplus in the current account of balance payment in the second and third quarter of 2022. Show all your calculations.
(4)

ACTIVITY: 9

- Discuss in detail the reasons for international trade.
(26)
- Analyse the impact of a weaker currency (rand) on the South African economy
(10)

INTERNATIONAL TRADE POLICIES

ACTIVITY 1

1.1 Various options are provided as answers to the following questions. Choose the answer and write only the letter (A-D) next to the question numbers (1.1.1-1.1.8) in the ANSWER BOOK.

1.1.1 The exchange of goods and services across international borders is called…
- A. export promotion
- B. import substitution
- C. international trade
- D. globalisation

1.1.2 A policy where the government implements measures to increase the quantity and variety of exported goods and services. Is known as…
- A. export promotion
- B. import substitution
- C. international trade
- D. globalisation

1.1.3 Abolishment of government intervention in trade flows is known as …
- A. sanctions
- B. protectionism
- C. trade liberalisation
- D. embargo

1.1.4 A trade protocol where member countries agree to the removal of all tariffs and maintain the same external restriction on non- members is referred to as…
- A. economic union
- B. common market
- C. pree trade area
- D. customs union

1.1.5 A tariff that is levied as a fixed amount per unit, weight or size of imported goods is known as…
- A. ad valorem
- B. specific
- C. composite
- D. quota

1.1.6 A global body that deals with the rules of free trade between countries is known as…
- A. World bank
- B. United Nations
- C. International Monetary Fund
- D. World Trade Organisation

1.1.7 The withdrawal of capital investment from a company or a country is called…
- A. disinvestment

B. protectionism
C. embargo
D. sanctions

1.1.8 When production costs decrease as the quantity produced increases is referred to as …
A. absolute advantage
B. economies of scale
C. trade balance
D. comparative advantage (8x2)
(16)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the correct letter next to the question number (A-I) next to the question number (1.2.1-1.2.8) in the answer book.

COLUMN A	COLUMN B
1.2.1. Import substitution	A. A form of government support that doesn't earn certain types of government income but provides benefits through other means.
1.2.2. Free trade	B. A policy whereby the state discourages the importing of certain goods and services in order to protect local industries against unequal competition from abroad.
1.2.3. Embargo	C. A United States initiative with the purpose to assist the economies of African countries and improve trade relations.
1.2.4. Protectionism	D. Tariffs calculated on the value of a good,
1.2.5. Ad valorem	E. Producers and consumers are free to buy goods from anywhere in the world without government's interference.
1.2.6. Economic union	F. A trade protocol where member countries also establish a single authority responsible for joint monetary policy, one central bank and a common foreign economic policy.
1.2.7.Africa Growth and Opportunity Act (AGOA)	G. An official state ban on trade or other activities with a particular country.
1.2.8. Indirect subsidies	H. An organisation aimed to promote free trade among Argentina, Brazil, Paraguay and Uruguay.
	I. Goods that were imported are replaced with locally produced goods.

(8x1)(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. Acronyms and abbreviations will not be accepted.

1.3.1 Duties or taxes levied on goods as they enter the country.
1.3.2 A situation where manufacturers export product to another country at a price below the cost of producing product in their country of origin.
1.3.3 The practice of charging different prices to different consumers for the same goods.

1.3.4 A policy where government implements measures aimed to increasing the quantity and variety of goods and services sold to other counties.
1.3.5 A trade protocol where member countries agree to the removal of all tariffs and government- imposed restrictions.
1.3.6 The increasing interconnection and interdependence of countries driven by the exchange of goods and services across borders.

(6x1)(6)

ACTIVITY 2

2.1 Study the picture below and answer questions that follow.

Source:google.com

2.1.1 Identify the term that indicates the selling of goods and services abroad in the picture above. (1)
2.1.2 Name any one method South Africa uses to promote exports. (1)
2.1.3 Briefly describe the term *export promotion*. (2)
2.1.4 Explain the effect of imports on the balance of payments. (2)
2.1.5 How can a country benefit from export promotion? (4)

ACTIVITY 3

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

3.1.1 Identify a term for taxes on imports. (1)

3.1.2 Name the trade policy that uses tariffs to restrict goods entering its country. (1)

3.1.3 Briefly describe the term *embargo.* (2)

3.1.4 Explain foreign exchange control as a measure to restrict imports. (2)

3.1.5 How will the United States tariffs impact South Africa's competitiveness ? (2x2) (4)

ACTIVITY 4

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

17th BRICSSUMMIT

The summit was held under the theme "Strengthening Global South Cooperation and Promoting a More Inclusive and Sustainable Global Governance," focusing on six major agenda items. These included global health, trade, investment and development financing, climate change response, governance of artificial intelligence, reform of the global security architecture, and the institutional development of the BRICS mechanism.

Adapted from: Wikipedia.org

4.1.1 Identify any ONE item that was discussed in summit from the above extract. (1)

4.1.2 Name any one member that joined the BRICS group after South Africa. (1)

4.1.3 Briefly describe the term *free trade*. (2)

4.1.4 Explain the role of the World Trade Organisation (WTO) (2)

4.1.5 How has South Africa benefit from being a member of BRICS? (2x2)(4)

ACTIVITY 5

5.1 Study the extract below and answer the question follow

THE IMPACT OF TRADE POLICIES ON GLOBAL TRADE

Developing countries often relies on import substations as strong measure to develop their economies. As an important trade policy tool ,tariffs serves as a mechanism to protect domestic industries and generate government revenue**.** However high import duties can increase costs for businesses and consumers, hence hinders economic growth and competitiveness.

Source: google.com

5.1.1 Identify the method of import substitution mentioned in the above extract. (1)

5.1.2 Give the government policy designed to increase the volume of exports. (1)

5.1.3 Briefly describe the term *trade policy*. (2)

5.1.4 Explain the impact of product diversification on the economy? (2)

5.1.5 How can developing countries expand their domestic market? (4)

ACTIVITY 6

6.1. **Study the picture below and answer follow questions**

Source: google.com

6.1.1 Identify the trade policy depicted by the above picture. (1)

6.1.2 Name any ONE form of economic integration used in world market. (1)

6.1.3 Briefly escribe the term *trade liberalisation.* (2)

6.1.4 Explain the benefit of free trade for consumers. (2)

6.1.5 How can South African government intensify international trade relations (4)

ACTIVITY 7

7.1 Study the extract below and answer questions follow.

WORLD TRADE ORGANISATION REPORT ON TRADE AND INCLUSIVENESS The income levels between economies have narrowed. The open trade stimulated economic growth and has improved living conditions for many people around the world. The interlinkages of trade and inclusiveness across and within economies, discussing how trade policies need to be complimented by domestic policies to make the benefit of trade more inclusive.

7.1.1 Identify the organisation that promote free trade between countries. (1)

7.1.2 Name any ONE member country of the SADC. (1)

7.1.3 Briefly describe the term *deregulation.* (2)

7.1.4 Explain the importance of AGOA on South African economy. (2)

7.1.5 How can globalisation negatively affect South African economy? (4)

ACTIVITY 8

8.1 Study the picture below and answer the questions follow

8.1.1 Identify the trade policy depicted by the above picture. (1)

8.1.2 Give ONE example of trade protocol that South Africa participate in. (1)

8.1.3 Briefly describe the term *trade bilateral*. (2)

8.1.4 Why is it important for developing countries to participate in economic integration. (2)

8.1.5. How can South African government reduce the impact of increased tariffs by USA. (4)

8.2 Briefly discuss *trade tariffs* and *diverting trade* as import substitution strategy (8)

8.3 Evaluate the success of free trade to developing economies, (8)

ACTIVITY 9

9.1 Answer the following questions.

9.1.1 Name any TWO import substitution methods that can be applied to protect domestic industries. (2)

9.1.2 How can the government tariffs to protect local industries? (2)

9.2 Study the cartoon below and answer questions follow.

INTERNATIONAL TRADE RESTRICTIONS

[Adapted fromwww.guyparsons.com]

9.2.1 Identify a trade restriction that bans imported goods. (1)

9.2.2 Name the international organisation that promotes free trade. (1)

9.2.3 Briefly describe the term *dumping*. (2)

9.2.4 Explain the importance of protecting infant industries from foreign competition. (2)

9.2.5 How can the economy benefit from free trade as a policy on international trade? (2 x 2) (4)

ACTIVITY 10

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

SPENDING ON IMPORTS
South Africa want to spend money only on essentials, which are anything that is not, and cannot be produced domestically. This method is designed to increase spending on domestic products and subsequently stimulate the manufacturing industry and decrease unemployment. Source: hpps.//www.occorian.com.

10.1.1 Identify one advantage of import substitution from the extract above. (1)

10.1.2 Name the international organisation that promotes the removal of trade barriers in Southern Africa. (1)

10.1.3 Briefly describe the term *protectionism*. (2)

10.1.4 Explain the negative impact that protectionism might have on the South African economy. (2)

10.1.5 How can the economy benefit from free trade? (2 x 2) (4)

10.2 Briefly discuss *specialisation* and *economies of scale* as arguments in favour of free trade.(2 x 4) (8)

10.3 How would dumping negatively affect the South African economy? (8)

ACTIVITY 12

Discuss in detail export promotion. (26)

Evaluate the success of protectionism as a trade policy. (10)

ACTIVITY 13

Discuss the arguments in favour of protectionism. (26)

How can South Africa benefit from trading in global markets (10)

ECONOMIC GROWTH AND DEVELOPMENT

ACTIVITY 1

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 to 1.1.5). E.g. 1.1.6 B

1.1.1 The return of land to those who were dispossessed due to discriminatory laws is known as …
A. Black Economic Empowerment.
B. land redistribution.
C. land distribution
D. land restitution.

1.1.2 Interest rate that commercial banks offer to their clients is known as…
A. repo
B. prime
C. fixed
D. preference

1.1.3 A strategy to promote economic growth, increase employment and redistribute income is…
A. Growth Employment and Redistribution
B. Integrated Manufacturing Strategy
C. New Growth Path.
D. Broad Based Black Economic Empowerment.

1.1.4 The improvement in the lives of the people is known as …
A. social indicator.
B. economic indicator.
C. economic development.
D. economic growth.

1.1.5 An economic indicator used to measure the standard of living is known as …
A. per capita income.
B. nominal income.
C. wages.
D. gross domestic product.

(5x2) (10)

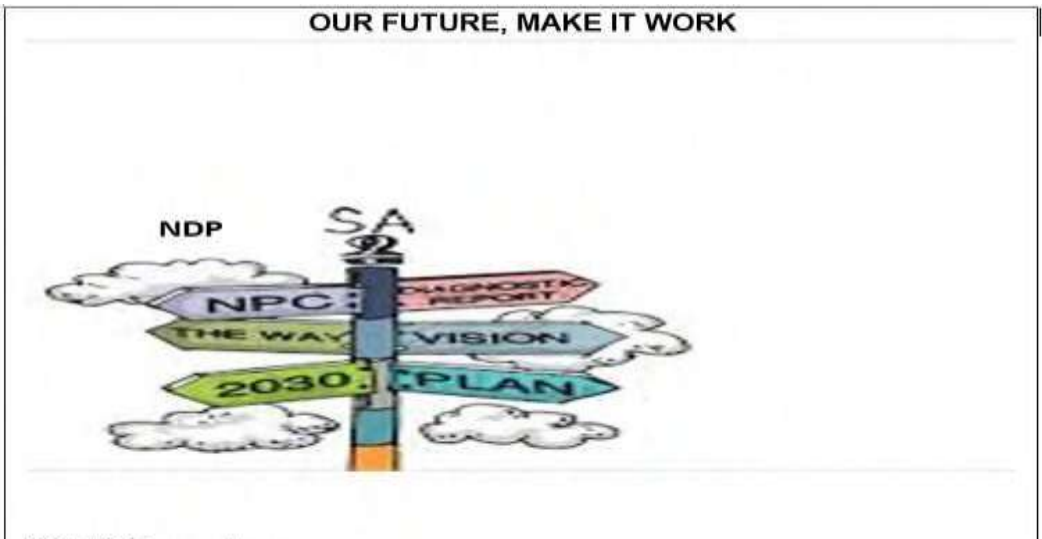
ACTIVITY 2

2.1 Answer the following questions.

2.1.1 Name any TWO wealth taxes. (1x2) (2)

2.1.2 Why is wealth tax used to achieve economic growth? (2)

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

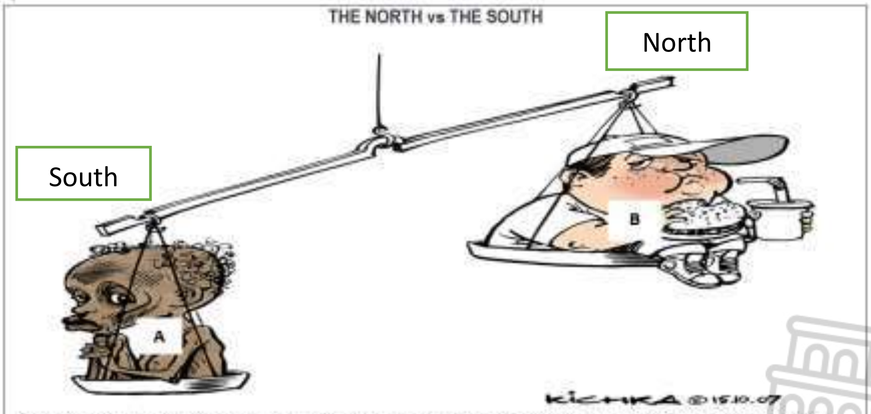


SOURCE: google.com

2.2.1 Identify the policy with vision 2030 from the extract above. (1)
2.2.2 Name the policy used by the South African Reserve bank to influence the economy. (1)
2.2.3 Briefly describe the term *economic development.* (2)
2.2.4 Why do African countries struggle to become more economically developed? (2)
2.2.5 How can an increase in investments lead to economic growth? (2x2) (4)

ACTIVITY 3

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



20 of the leading global economies are in the "South". In the "South" Some countries are 80 times richer than their neighbours. Some argue that the world is divied between a "Global North" and a "Global South".

SOURCE: Cartooning for peace

3.1.1 Identify the concept that best describe income inequality. (1)
3.1.2 Name any ONE example of cash benefit. (1)
3.1.3 Briefly describe the term *economic growth.* (2)
3.1.4 Why do developed countries have a higher life expectancy than developing countries? (2)
3.1.5 How can countries in the global south reduce poverty? (2x2) (4)

3.2 Briefly discuss *Reconstruction and Development Programme* and *Growth Employment and Redistribution Programme*

3.3 How can fiscal policy be used to promote economic development. (4X2)(8)

ACTIVITY 4

4.1 Answer the following questions

4.1.1 Name TWO land reform programmes. (2x1) 2

4.1.2 Why is South Africa regarded as a developing country?

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

South African economy faces an uphill battle as the economy stagnates

South Africa's economy remains under significant strain, with gross domestic product (GDP) growth lagging behind population increases over the past decade. South Africa 2025, economic output grew by a mere 0.7% annually in the past ten years.

This slow pace resulted in stagnating or declining GDP per capita, further deepening the country's entrenched unemployment and inequality.

SOURCE: Cape Argus

4.2.1 Identify the annual economic growth rate from the extract above. (1

4.2.2 Name any one measure of the standard of living in the North—South divide (1)

4.2.3 Briefly describe the term *fiscal policy.* (2)

4.2.4 Why is technology important for economic growth? (2)

4.2.5 How can South Africa as a developing country improve its life expectancy? (2x2)(4)

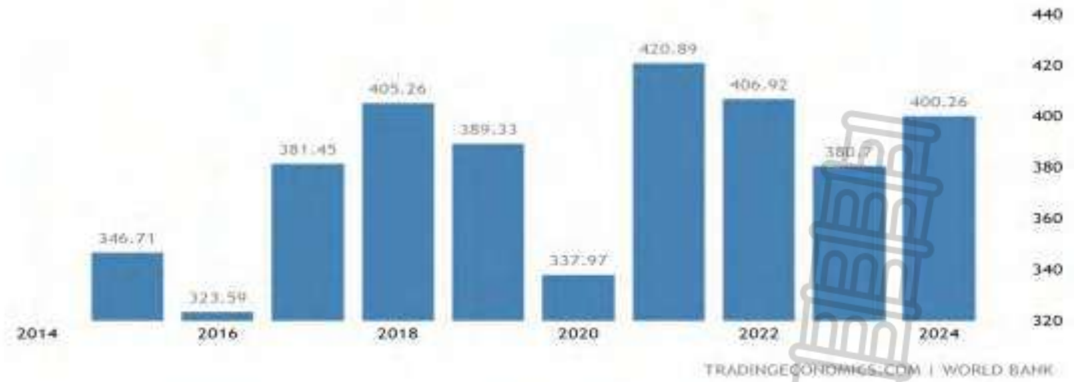
4.3 Differentiate between *economic growth* and *economic development.* (8)

4.4 How can Black Economic Empowerment contribute towards economic growth? (8)

ACTIVITY 5

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

South Africa's GDP (Rbn)



South Africa's economy is currently experiencing sluggish growth.

5.1.1 Identify the year with the lowest economic growth rate in the graph above. (1)

5.1.2 Name the policy applied by Treasury to influence the economy (1)

5.1.3 Briefly describe the term *economic growth.* (2)

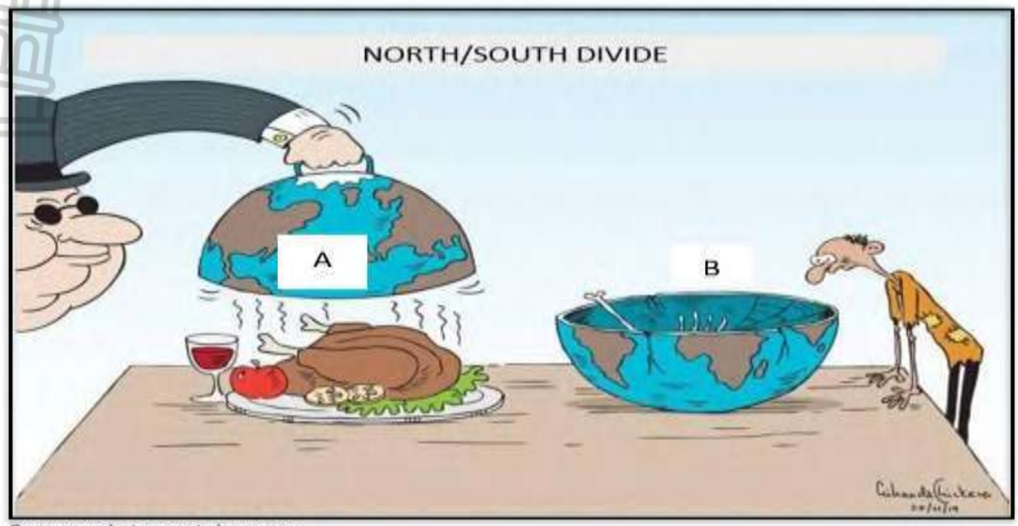
5.1.4 Why is the cost of doing business in South Africa still too high?

5.1.5 How can small, medium and micro enterprises contribute to economic growth and development. (4)

5.2 How can investment spending be utilised efficiently to stimulate economic development? (8)
5.3 How can monetary policy be used to stimulate the economy? (8)

ACTIVITY 6

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



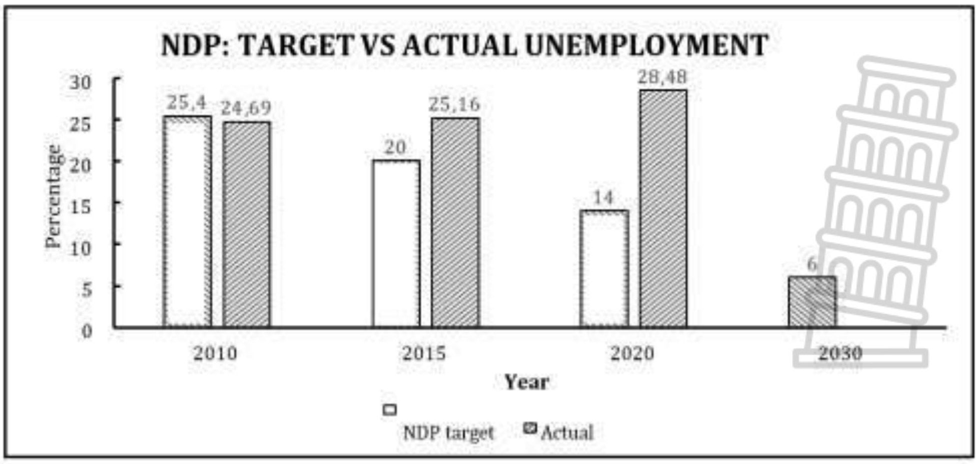
Source: internet images

6.1.1 Identify the picture that represents the countries of the North from the cartoon above. (1)
6.1.2 Name ONE measure of income inequality. (1)
6.1.3 Briefly describe the term *globalisation.* *(2)*

6.1.4 Why economic growth may not lead to economic development? (2)
6.1.5 How do countries in the north divide contribute to the destruction of the environment? (2x2) (4)
6.2 Discuss *the National Development Plan* as a growth and development policy. (4x2) (8)

ACTIVITY 7

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



7.1.1 Identify the year with the highest actual unemployment rate from the above. (1)
7.1.2 Name an economic policy that uplifts previously disadvantaged groups in the workplace.
7.1.3 Briefly describe the term *north/south divide.* (2)
7.1.4 Why is it important for the South African government to support small businesses (2)
7.1.5 How can tourism impact positively to economic development? (4)

ACTIVITY 8

- Discuss in detail the South African growth and development policies and strategic initiatives. (26)
- Evaluate broad-based black economic empowerment (BBBEE) in promoting economic development in South Africa. (10)

ACTIVITY 9

- Discuss in detail the demand-side approach in promoting economic growth and development in South Africa. (26)
- Analyse the importance of promoting small businesses to the South African economy. (10)

INDUSTRIAL DEVELOPMENT

ACTIVITY 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to question number.

1.1.1 A track of land that forms a passageway allowing access from one area to another is known as ….
- A. Corridor
- B. Special economic zone
- C. Spatial development initiative
- D. Industrial development zone

1.1.2 A cash incentive that aims to provide investment in the training of the South African labour force is known as …
- A. Critical infrastructure programme
- B. Skill support programme
- C. Custom free incentives
- D. Small business support programme

1.1.3 An international benchmark criterion for regional development that requires democratic decision making is known as…
- A. Free-market orientation
- B. Integration
- C. Partnership
- D. Good governance

1.1.4 Geographical areas that have a wider industrial development objective is known as …
- A. Corridor
- B. Manufacturing zones
- C. Special economic zones
- D. Infrastructure

1.1.5 Cost-sharing grants by government to improve roads is known as….
- A. Expanded public works
- B. Critical infrastructure
- C. Small business support
- D. Skills development **(5 x 2 = 10)**

1.2 Choose a description from Column B that matches an item in Column A. Write only the letter (A) next to the question number.

COLUMN A	COLUMN B
1.2.1 Integrated manufacturing strategy 1.2.2 Industrial development 1.2.3 Industrial development zone 1.2.4 National industrial policy framework 1.2.5 Strategic investment program	A. Extensive increase in organized economic activity to manufacture, mine, farm and deliver services B. Cash incentive intended to encourage business in manufacturing, computer and development fields. C. Coordinate government actions to increase the competitiveness of South African businesses D. Purpose built industrial estates that are physically enclosed and link to international port E. Passageway allowing access from one area to another usually advantageous to business F. Sets out the governments broad approach towards industrialization.

(5x1) =5

1.3 Give one term for each of the following descriptions. Write only the letter next to the question number.

1.3.1 A regional development initiative that attracts infrastructure and business investment to neglected area.

1.3.2 A strategy to strengthen the institutional capacity to deliver services that facilitate economic and social development

1.3.3 Policies that are aimed at increasing the economic live hood of specific areas.

1.3.4 The total industrial capacity of an economy that is available for use

1.3.5 Effort by governments to move manufacturing and other business from metropolitan areas to rural areas

(5x1)5

ACTIVITY 2

2.1 Answer the following questions

2.1.1. Name any TWO key growth sectors of integrated manufacturing strategy. (2)

2.1.2 Name TWO South Africa's industrial development policies (2)

2.1.3 Name any TWO incentives used by South African government to improve industrial development (2)

2.1.4. Name TWO industrial development strategies. (2)

2.1.5. Name any TWO regional development benchmark criteria. (2)

2.2 **Study the extract below and answer the questions that follows**

FOCUS ON SPECIAL ECONOMIC ZONES
The new Special Economic Zone programme originated from developments in the national economic policies and strategies, such as National industry Policy Framework .The SEZ policy helped to address challenges with the current industrial development zones, which form part of Spatial Development Initiative.
Adapted from Business Report,2023

2.2.1 Identify the initiative strategy that aim to encourage investment in underdeveloped regions from the above extract. (1)

2.2.2. Name the government department that is responsible for industrial development in South Africa (1)

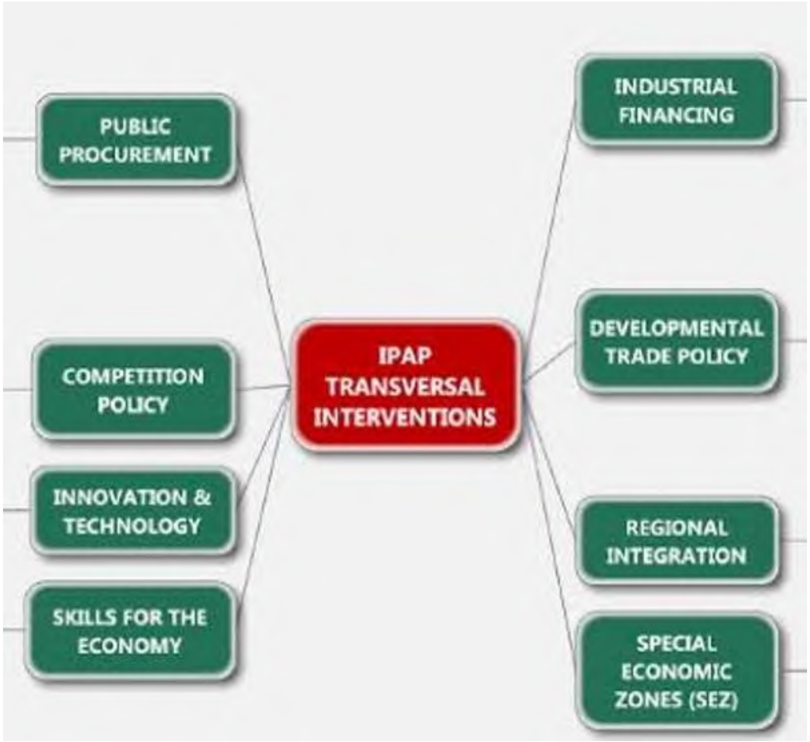
2.2.3. Briefly describe the term *Industrial Development Zone* (2)

2.2.4 Explain the importance of Special Economic Zone strategy (2)

2.2.5 How does the foreign investment grant help to promote regional industrial development? (4)

ACTIVITY 3

3.1 Study the diagram below and answer the questions that follow.



www.google.com

3.1 .1 Identify the geographical area where specific economic activities have been identified in the diagram above. (1)

3.1.2 Name the industrial development policy that sets out the government broad approach. (1)

3.1.3. Briefly describe the term *innovation* (2)

3.1.4 Explain the challenge faced in the implementation of Industrial Policy Action Plan. (2)

3.1.5 How does industrial development promote entrepreneurship? (4)

ACTIVITY 4

4.1 Study the information below and answer the questions that follow

SEZ HOW?

The SEZ programme attracted 234 investors, creating 15 000 direct jobs	Offer Duty -free incentives, Foreign Investment Grant and Skills Support programme Tax incentives

SOURCE: WWW. GOOGLE,COM

4.1.1 Identify the financial incentive that allows the importing of intermediate goods without paying any tariffs from above (1)

4.1.2 Name any ONE special economic zone in South Africa (1)

4.1.3 Briefly describe the term *corridors.* (2)

4.1.4 Explain the importance of public-private partnership in spatial development initiatives (2)

4.1.5 How can corporate tax be used to attract investments into special economic zones (4)

ACTIVITY 5

5.1 Study the extract below and answer the questions that follow

COEGA INDUSTRIAL DEVELOPMENT ZONE
South Africa loses jobs, four new companies are investing a combined R49 m at the Coega industrial development zone (IDZ) in Nelson Mandela Bay. This creates employment for at least at 100 people. The investment comes aimed the devastating state of an already depressed economy with South Africa losing more jobs than it creates. The unemployment rate is sitting at a staggering 40,4 %
SOURCE: www.google.com

5.1.1 Identify the South Africa initiative for regional development from the extract above. (1)

5.1.2 Name any ONE corridor in South Africa (1)

5.1.3 Briefly describe the term *regional development* (2)

5.1.4 Explain the importance of infrastructure development in previously neglected areas (2)

5.1.5 How can industrial development improve the competitiveness of the South Africa's manufacturing sector? (4)

ACTIVITY 6

6.1 Study the extract below and answer the following questions.

INVESTMENT BRINGS ENDLESS POSSIBILITIES

The special economic zone in Atlantis, launched on Thursday, is expected to attract large-scale investment that will create jobs and bolster manufacturing in the area and the Western Cape.

The 124.5-hectare area is designated for the establishment of a green technology hub in the Western Cape. This means that the special economic zone will oversee the manufacture of green technologies, alternative waste management, energy efficient technology and alternative building material, among others.

www.citizens.co.za

6.1.1 Identify one benefit from Atlantis SEZ from the above extract (1)

6.1.2 Name any one IDZ found in KwaZulu Natal (1)

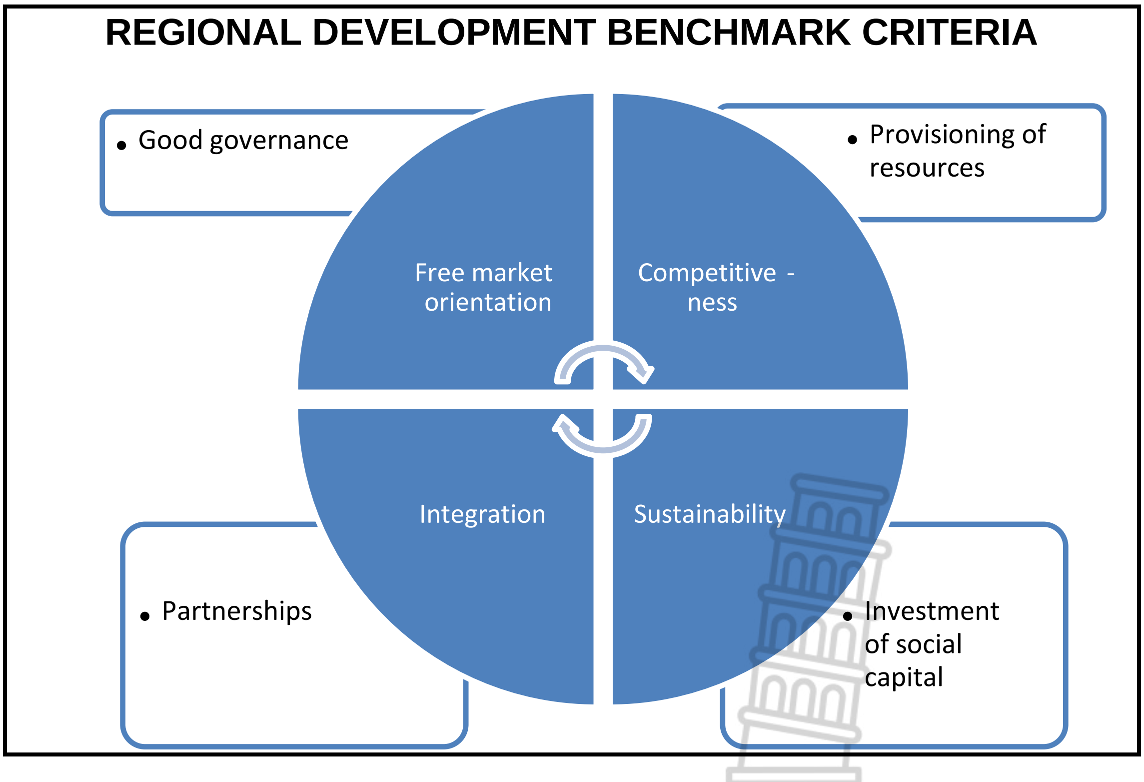
6.1.3 Briefly describe the term *corridor*. (2)

6.1.4 Explain the importance of public - private partnerships in regional development (2)

6.1.5 How can the integrated manufacturing strategy (IMS) promote industrialisation in South Africa? (4)

ACTIVITY 7

7.1 Study the diagram below and answer the question that follows



7.1.1 Identify the international benchmark that requires democratic decision making in the above diagram (1)

7.1.2 Name the institution that focus on developing the global competitiveness of South Africa manufacturing enterprise (1)

7.1.3 Briefly describe the term *industrial development*. (2)

7.1.4 Explain the importance of key input for industrial development such as energy (2)

7.1.5 How does improved infrastructure contribute to industrial development (4)

ACTIVITY 8

8.1 Briefly discuss good governance and investment in social capital as the benchmark criteria for regional development (8)

8.2 Discuss the aims of regional development (8)

8.3 Briefly discuss Small Business Support Programme (SBSP) and Skill support Programme (SSP) as incentives for industrial development in South Africa (8)

8.4 Discuss spatial development initiatives as South Africa's endeavors in regional development(8)

8.5 Discuss industrial development zones (IDZ) as South Africa's initiative in regional development (8)

8.6 Briefly explain competitiveness and sustainability as regional development benchmark criteria. (8)

8.7 Discuss the challenges faced by South Africa in promoting industrial development (8)

8.8 Evaluate the appropriateness of South Africa's industrial development policy in terms of international benchmark. (8)

ACTIVITY 9

- Discuss in detail South Africa's initiatives (endeavours) in regional development. (26)
- How can Small Business Development Programme stimulate regional development? (10)

ECONOMIC INDICATORS

ACTIVITY 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers e.g. 1.1.4 E

1.1.1 The statistics used to assess the performance of an economy is called …. indicator

A. interest rate
B economic
C money supply
D social

1.1.2 The number of employed persons as a percentage of the economically active population (EAP) is called the …

A employment rate.
B economic growth.
C productivity rate.
D labour productivity

1.1.3 The South African Reserve Bank policy that aims to stabilise prices by combating inflation is called……. policy.

A fiscal
B demand
C supply
D monetary

1.1.4 An indicator that compares a country's export prices to its import prices by means of indexes is called …

A exchange rate
B production prices
C terms of trade
D consumer prices

1.1.5 The rate at which banks borrow money from the Reserve Bank is called … rate

A repo

B interest

C wage

D prime lending

(2x5) 10

ACTIVITY 2

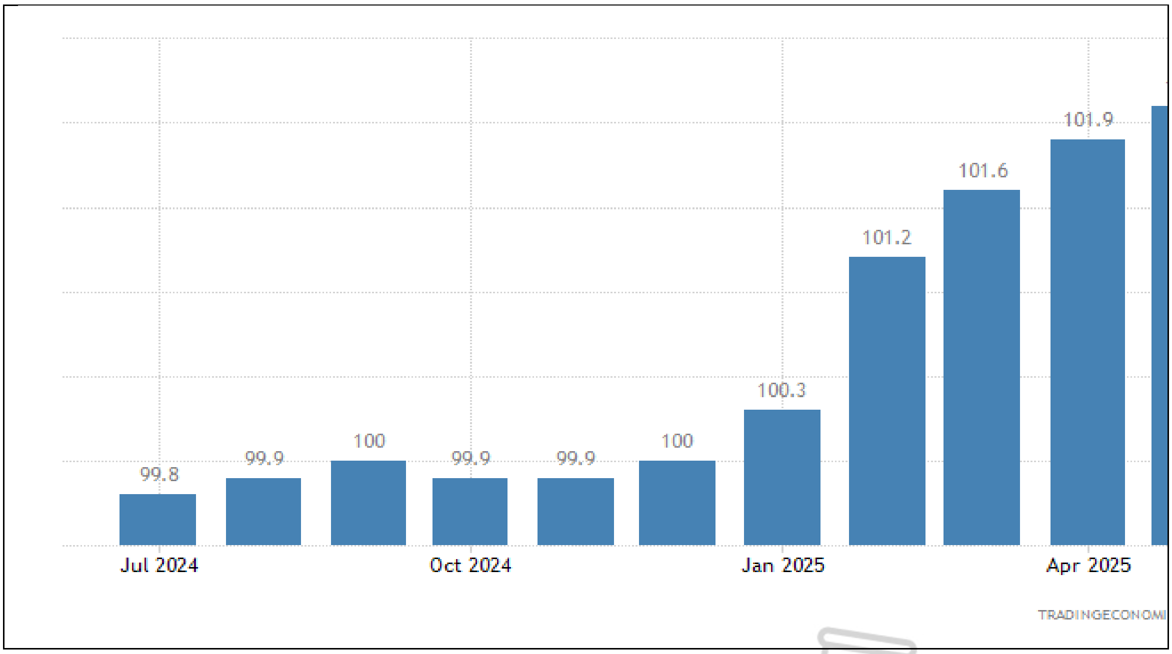
2.1 Answerr the following questions

2.1.1 Name any TWO employment indicators. (2)

2.2 Study the graph below and answer the questions that follow:

SOUTH AFRICAN CONSUMER PRICE INDEX 2024-2025

-



2.2.1 Identify the inflation rate indicator that is depicted above. (1)

2.2.2 Name any ONE of the productivity indicator (1)

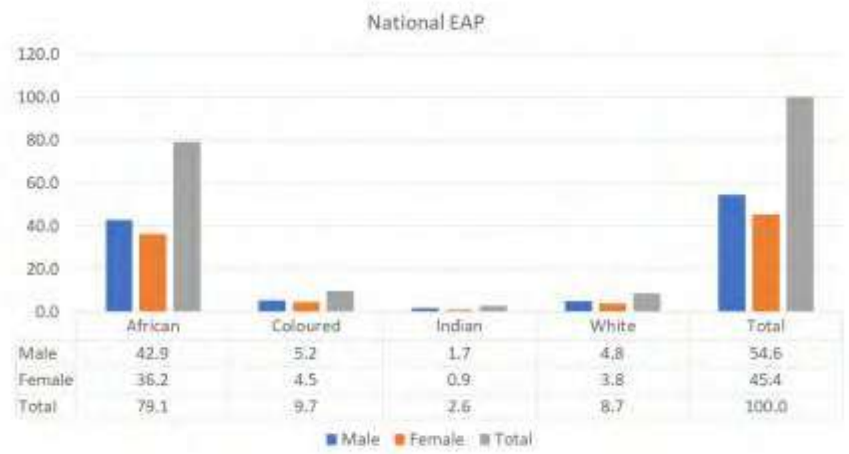
2.2.3 Briefly describe the term *Producer Price Index* (2)

2.2.4 Explain the purpose of economic indicator? (2)

2.2.5 How can the government improve the productivity of the South African Labour Force? (4)

ACTIVITY 3

3.1 Study the graph below and answer the following questions



www.bing.com

*

3.1.1 Identify the percentage of African males that are economically active from the above graph (1)
3.1.2 Name any ONE example of foreign trade indicators (1)
3.1.3 Briefly describe the term *labour productivity* (2)
3.1.4 Why it is important for the government to prepare economic indicators. (2)
3.1.5 How can the government create sustainable employment opportunities (4)

ACTIVITY 4

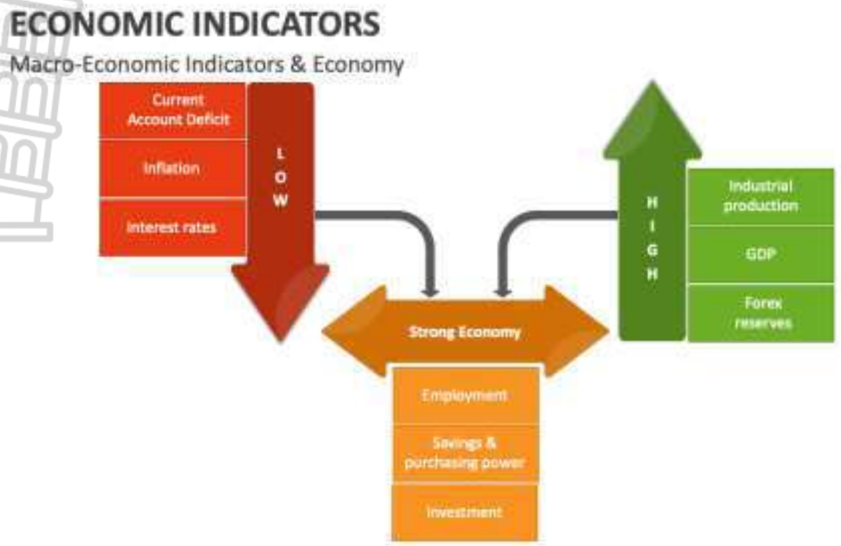
4.1 Study the cartoon below and answer the following questions

www.bing .com

4.1.1 Identify the monetary authority responsible for money supply from the above cartoon (1)
4.1.2 Name any ONE price change indicator (1)
4.1.3 Briefly describe the term economically active population (2)
4.1.4 Explain the importance of managing money supply in the economy (2)
4.1.5 How does South Africa comply with international institutions that standardize indicators (4)

ACTIVITY 5

5.1 Study the information bellow and answer the question that follow



5.1.1 Identify any one economic indicator in the information above (1)

5.1.2 Name the indicator that reflects an increase in the economy of the country in the above? (1)

5.1.3 Briefly describe the term *economic indicator* (2)

5.1.4 Explain the importance of measuring economic indicators in the country (2)

5.1.5 How does poor performance of economic indicators affect the economy of the country? (4)

ACTIVITY 6

6.1 study the table below and answer the questions that follows.

Hypothetical Terms of Trade figures

Year	Indexes of average Export prices	Indexes of average import prices	Terms of Trade
1	100	100	100
2	102	100	102
3	106	104	101.92
4	110	110	100
5	108	106	A

Source:google.com

6.1.1 identify the terms of trade for year 3 in table above (1)

6.1.2 Name the international institution that publishes the information above. (1)

6.1.3 Briefly describe the term *terms of trade* (2)

6.1.4 Explain the relationship between export prices and the terms of trade. (2)

6.1.5 Why is it important for the government to keep track of money supply in a country? (4)

ACTIVITY 7

7.1 Answer the following questions

7.1.1 Discuss the role of international institutions in the standardisation of a country's indicators. (8)

7.1.2 Differentiate between *producer price index* and *consumer price index* as economic indicators. (8)

7.1.3 Discuss productivity as an economic indicator? (8)

7.1.4 How does services delivery impact economic development in South Africa? (8)

7.1.5 Discuss the importance of measuring the performance of the economy? 8)

7.1.6 Discuss employment as an economic indicator. **(8)**

ACTIVITY 8

- Discuss the various economic indicators in detail. (26)
- How did the COVID-19 pandemic negatively influence the South African economy? (10**)**

SOCIAL INDICATORS

ACTIVITY 1

1.1 Various option are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to question number

1.1.1 All persons between the age of 15 and 65 who supply labour for productive activities

A. Unemployment rate
B. Employment rate
C. Inflation rate
D. Economic active population

1.1.2 The probable number of years that a person will live after birth is known as…

A. Exchange rate
B. Life expectancy
C. Infant mortality
D. Inflation

1.1.3 The percentage of the population living in poverty in a country is indicated by …

A. Gin coefficient
B. Life expectancy
C. Per capita income
D. Head count index

1.1.4 The increase in the population of cities and towns through the movement of people from rural areas is known…

A. Immigration
B. Migration
C. Urbanisation
D. Emigration

(2X4) 8

1.2 **Choose a description from Column B that matches an item in Column A. Write only the letter (A) next to the question number.**

COLUMN A	COLUMN B
1.2.1 Social Indicator 1.2.2 Life expectancy 1.2.3 Under five mortality 1.2.4 Human development index	A. Used by United Nations to compare the standard of living among different countries B. The number of children who die before the age of five C. Changing data that is used to inform us of the changes in the economy D. The number of years the person is expected to live. E. Monitors identifiable and definable issues related to human well-being

(1X4) 4

1.3 Give one term for each of the following descriptions. Write only the letter next to the question number.

1.3.1 Real GDP divided by the number of workers employed.

1.3.2 The number of children who will die before the age of one

1.3.3 The social indicator used to indicate the efficiency of the education system.

1.3.4 The number of employed person expressed as a percentage of economically active population.

(1X4) 4

ACTIVITY 2

2.1 Answer the following questions.

2.1.1 Name any TWO social indicators (2)

2.1.2 Name any TWO indicators related to services. (2)

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

Source: www.google.com

2.2.1 Identify the social indicator that relates to hungry people from the above picture. (1)

2.2.2 Name the indicator that measures the number of years a new-born baby is expected to live. (1)

2.2.3 Briefly describe the term *urbanisation*. (2)

2.2.4. Explain the impact of malnutrition on child mortality (2)

2.2.5. Why is the size of the population important in the economy? (2 x 2) (4)

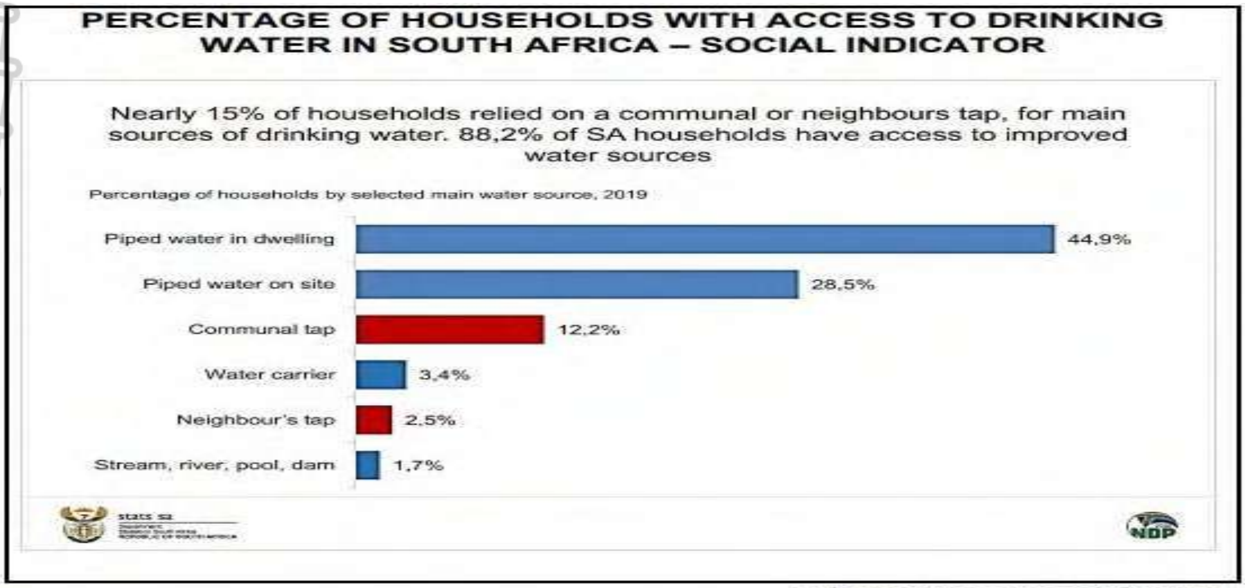
ACTIVITY 3

3.1 Answer the following questions.

3.1.1 Name TWO international organisations that require standardisation of indicators. (2)

3.1.2 How does secondary enrolment influence the productivity? (2)

3.2 Study the information below and answer the questions that follow:



[Adapted from stats.sa@gov.za]

3.2.1	Identify the percentage of households with access to water.	(1)
3.2.2	Name any other example of a basic service	(1)
3.2.3	Briefly describe the term *social indicator.*	(2)
3.2.4	Explain the benefit of proper sanitation on life expectancy.	(2)
3.2.5	How can high population growth influence the standard of living?	(4)

ACTIVITY 4

4.1 Answer the following question

4.1.1	Name any TWO health indicators.	(2)
4.1.2	Why is it important for government to measure the size of the population?	(1 x 2)

4.2 Study the cartoon below and answer the questions that follow:

Source: www.google .com

4.2.1 Identify the indicator that relates to number of years a person expected to live from the cartoon above. (1)

4.2.2 Name any one institution responsible for international standardisation of indicators (1)

4.2.3 Briefly describe the term *infant mortality*. (2)

4.2.4 Explain the negative impact of urbanisation on service delivery. (2)

4.2.5 How can malnutrition impact the child mortality rate? (4)

ACTIVITY 5

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

EDUCATION CHALLENGES IN SOUTH AFRICA

PERFORMANCE INDICATOR	%
Population with at least some secondary education (% 25 years and above)	74,3
Public expenditure on education (% of GDP)	6,2
Gross enrolment at secondary institutions (%)	96,8
Gross enrolment at tertiary institutions (%)	19,7
Percentage dropout from secondary to tertiary institutions (%)	82,2

www.google.com

5.1.1 Identify the social indicator in the above information. (1)

5.1.2 Name any one demographic social indicator (1)

5.1.3 Briefly describe the term *child mortality*. (2)

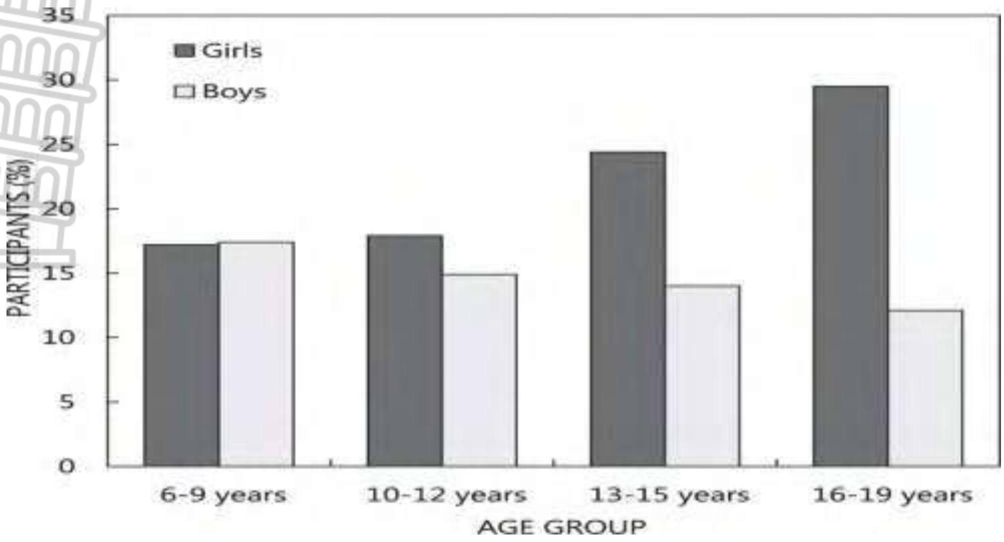
5.1.4 Explain the importance of educating the population for the economy. (2)

5.1.5 How can human resources development be used to improve education (4)

ACTIVITY 6

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

Obesity/overweight of selected Students in 2022



[Source: Journals.co

6.1.1	Identify the lowest participation rate for obesity boys from the graph above.	(1)
6.1.2	Name any one social indicator that relates to services.	(1)
6.1.3	Briefly describe the term *under-five mortality*.	*(2)*
6.1.4	Explain the negative impact of obesity on the labour force.	(2)
6.1.5	How do demographic indicators impact on the economy?	(4)

ACTIVITY 7

7.1 Briefly discuss *population growth* and *life expectancy* as characteristics of *demographics* as social indicator. (4X2) (8)

7.2 Discuss education as the social indicator. (8)

ACTIVITY 8

- Discuss in detail the various social indicators (26)
- How can urbanisation influence the standard of living for the South African population? (10)

PAPER 2: MICROECONOMICS
PERFECT MARKET
ACTIVITY 1

1.1. Various questions 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 -1.1.5) in the answer book, for example 1.1.6 B.

1.1.1 Price determined by market forces of demand and supply is known as the...price.
- A. normal
- B. cost
- C. market
- D. Basic

1.1.2 An income that is earned per extra unit of output sold is referred to as …revenue.
- A. maximum
- B. average
- C. total
- D. marginal

1.1.3 The cost that changes with the level of output produced is known as …cost.
- A. Fixed
- B. marginal
- C. variable
- D. average

1.1.4 A fresh-produce market is a good example of a/an … market structure.
- A. Perfect competition
- B. monopoly
- C. monopolistic competitive
- D. oligopoly

1.1.5 The supply curve for a firm in a perfectly competitive market has a … slope.
- A. positive
- B. horizontal
- C. negative
- D. vertical

1.1.6 The institution that investigates restrictive business practices in the competition…
- A. Commission
- B. Tribunal
- C. Appeal Court
- D. policy

1.1.7 The perfect competitor must be able to cover its … costs to prevent a shut down.
- A. Fixed
- B. Average variable
- C. Average
- D. Labour

1.1.8 Additional cost when producing an extra unit
- A. Marginal revenue
- B. Average cost
- C. Marginal cost
- D. Total costs

(8 X 2 = 16)

1.1 Choose a description from Column B that matches an item in Column A. Write only the Letter (A. – G.) next to the question number (1.2.1 – 1.2.5) in the answer book.

COLUMN A		COLUMN B
1.2.1 diseconomies of scale	A	The cost that are incurred by the business but cannot recovered
1.2.2 implicit cost	B	Actual expenditure of a business, such as wages and rent
1.2.3 sunk cost	C	different businesses that produce the same product
1.2.4 break-even-point	D	The value of inputs owned by the entrepreneur and used in a production process
1.2.5 perfect market	E	Occurs if inputs increase and output decrease by lesser percentage increase in input
1.2.6 industry	F	When the total revenue is equal to the total cost
1.2.7 Explicit cost	G	The larger number of buyers and sellers they sell homogenous product
1.2.8 Normal profit	H	When average revenue is less than average cost
	I	Minimum earning required to prevent an entrepreneur from leaving the business

(8x 1 = 8)

1.3 Give ONE term for each of the following description. Write only the term next to the question number (1.3.1 – 1.3.6) in the ANSWER BOOK.

1.3.1 When the average revenue is greater than the average cost of a firm
1.3.2 A period of production where all cost could be change
1.3.3 An institution that investigates restrictive business practices to achieve equity in the South African economy.
1.3.4 Profit earned in the long run by businesses in the perfect market
1.3.5 A point where a firm's average revenue(price) is equal to average variable cost.
1.3.6 A market structure where no single producer can influence the market price.

(6 x 1 = 6)

ACTIVITY 2

2.1 Answer the following questions.

2.1.1 Give any two example of perfect competitive market (2)
2.1.2 Why is the demand curve of a perfect market horizontal? (2)

2.2 Study the table below and answer the question that follow:

REVENUE FOR A FIRM

Total output	Price	Fixed cost	Variable cost	Total cost
0	0	30		-30
1	50	30	18	48
2	50	30	25	55
3	50	30	38	68
4	50	30	45	75

2.2.1 Identify the market structure represented in the table above. (1)

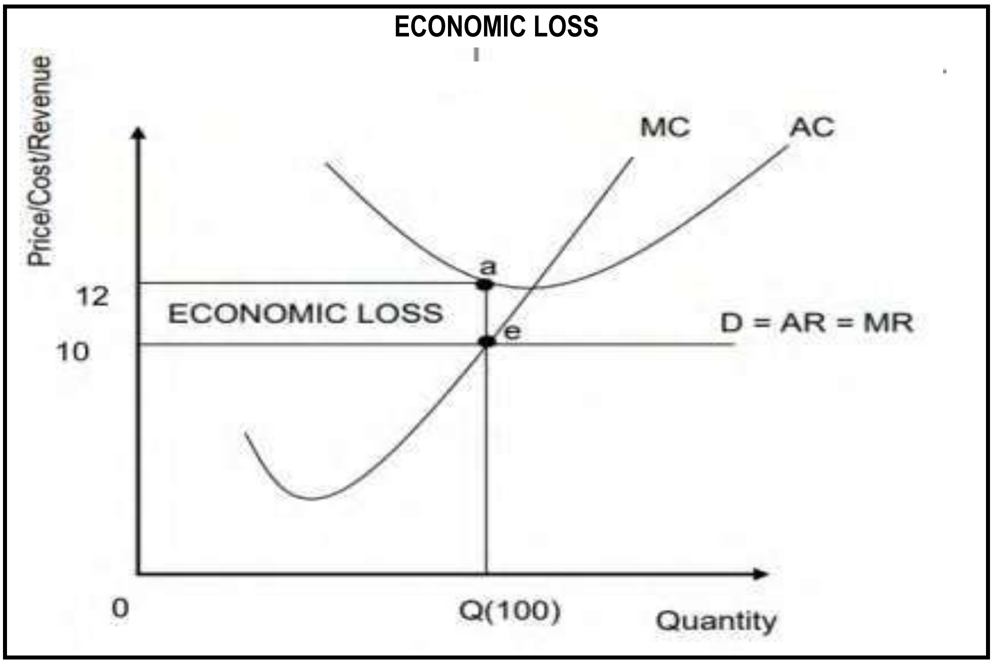
2.2.2 Name the cost that remains constant regardless of the amount of output.? (1)
2.2.3 Briefly describe the term *variable cost*. (2)
2.2.4 Why businesses in this market are price takers.? (2)
2.2.5 Calculate the marginal cost for total ouput three. Show ALL calculations. (4)
2.3 With an aid of a well labeled graph explain profit is maximised in the perfect market using total cost and total revenue. (8)

ACTIVITY 3

3.1 Answer the following questions.

3.1.1 Give any two example of fixed cost (2)
3.1.2 Why is the marginal revenue(MR) curve in the perfect market the same as the demand? (2)

3.2 Study the graph below and answer the question that follow:



3.2.1 Identify the market structure shown by the graph above. (1)
3.2.2 Name the curve that represent the supply curve of the business? (1)
3.2.3 Briefly describe the term *average cost*. (2)
3.2.4 Why is the equilibrium position above typical of the short run? (2)
3.2.5 Calculate the economic loss for the graph above. Show ALL calculations. (4)
3.3 With an aid of a fully labelled graph explain the shutdown point using costs and revenue. (8)

ACTIVITY 4

4.1 Answer the following questions.

4.1.1 Give any two examples of sunk cost (2)
4.1.2 why is economic profit eliminated in the long run of a perfect competition market (2)

4.2 Study the extract below and answer the question that follow:

PERFECT COMPETITION
A perfect market is a market that is structured to have anomalies that would otherwise interfere with the best price-being obtained. No firm can influence the price of product since product are can not differentiated. Due to the freedom of entry into the market, the level of competition is very high
Source: www.google.com

4.2.1 Identify a reason that leads many sellers enter the perfect market. (1)

4.2.2 Give the nature of the product that are sold in a perfect market? (1)

4.2.3 Briefly describe the term *industry*. (2)

4.2.4 Why is the demand curve for perfect market horizontal? (2)

4.2.5 How will new entrants in the perfect competition market impact on the profit's level. (4)

4.3 How can exit of firms in a perfect market affect the economy? (8)

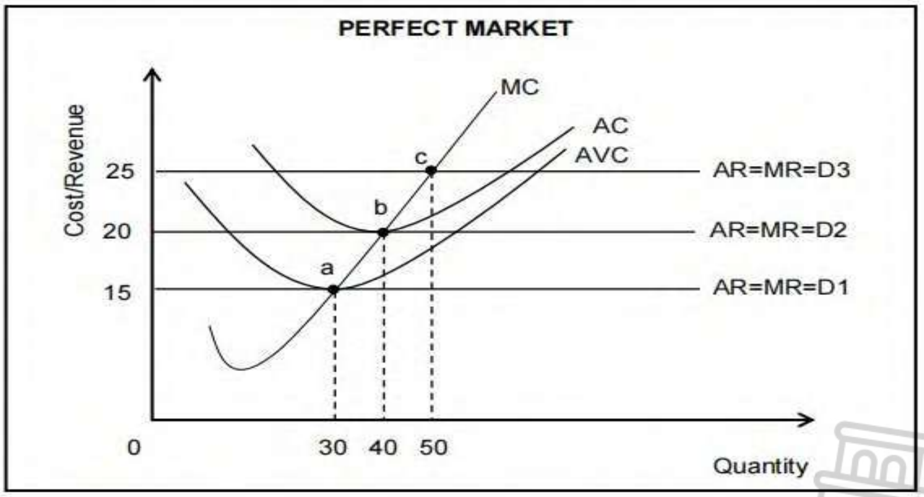
ACTIVITY 5

5.1 Answer the following questions.

5.1.1 Give any two example of industries that operating under condition of perfect market (2)

5.1.2 Explain the shut down for a firm. (2)

5.2 **Study the graph below and answer the question that follow:**



5.2.1 Identify the curve that represents the supply curve in the graph above. (1)

5.2.2 Give quantity should the firm produce in order to make a normal profit? (1)

5.2.3 Briefly describe the term *marginal revenue.* (2)

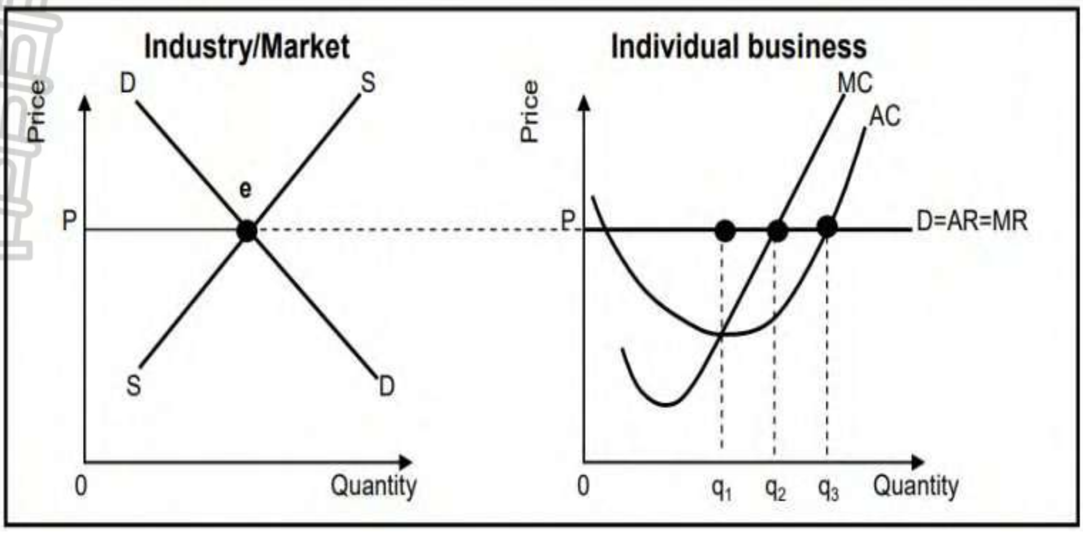
5.2.4 Why would the producer be reluctant to produce at point or less than 30 units? (2)

5.2.5 Use the graph above to calculate the total revenue when the price is R25.Show ALL calculations, including the formula. (4)

5.3 Briefly discuss the role of the *Competition Commission* and the *Competition Tribunal* as institutions that promote competition in South Africa. (8)

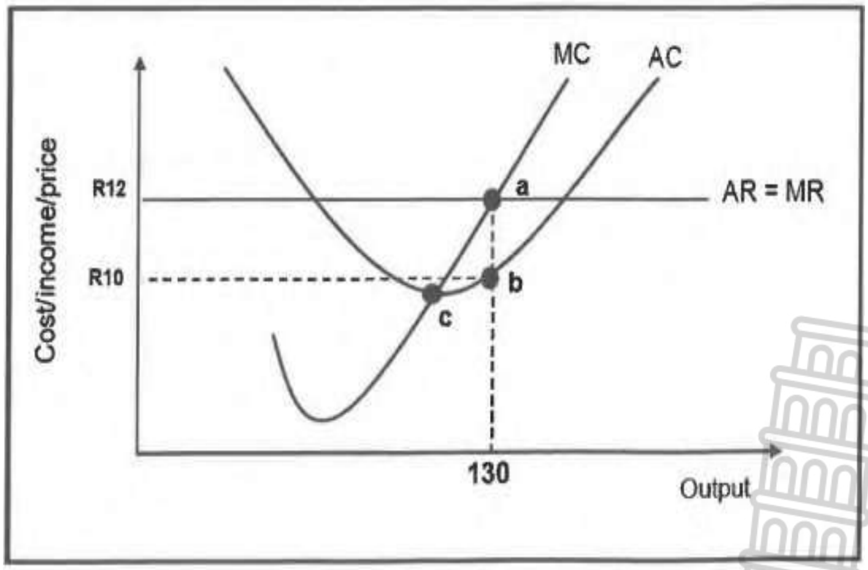
ACTIVITY 6

6.1 Study the graph below and answer the questions that follow:



6.1.1	Identify the quantity where the individual business will maximise profit.	(1)
6.1.2	Name the market structure illustrated above.	(1)
6.1.3	Briefly describe the term *economic profit*.	(2)
6.2.3	Why does the individual business take the price determined by the industry?	(2)
6.2.5	How would the entry of new firms in the industry impact the individual business in the long run?	(4)

6.3 **Use the graph below to explain the profit/loss made by businesses in the perfect market**



(8)

ACTIVITY 7

7.1 Answer the following questions.

7.1.2 Name TWO type of cost that are used to calculate the total cost of a firm (2)

7.1.2 How price is determined in the long run? (2)

7.2 **Study the extract below and answer the question that follow:**

INQUIRY INTO THE ONLINE MARKET IN SOUTH AFRICA
In response to the growing importance of the online economy and competition, the Competition Commission launched an investigation into competition and participation in the online economy in 2023. In July 2024 the Competition Commission released a report that highlighted the lack of effective competition in the fees charged by app developers leading to high prices. The commission recommended that certain considerations be taken into account regarding payment options for goods and services and how they are priced. The matter has since been referred to the Competition Tribunal **Source: www.google.com**

7.3.1 Identify ONE reason for launching an enquiry into the online market in South Africa. (1)
7.2.2 Name the competition institution that has a similar status to that of a high court in South Africa (1)
7.2.3 Briefly describe the term *individual business*. (2)
7.2.4 Explain the role of the Competition Tribunal? (2)
7.2.5 How has the Competition Act, 1998 (Act 89 of 1998) benefited (advantaged) South Africa? (4)
7.3 Differentiate between an *industry* and an *individual business?* (8)

ACTIVITY 8

- Discuss in detail the various equilibrium positions with the aid of graphs in a perfect market (26)
- Evaluate the success of Competition policy on the economy. (10)

MONOPOLY
ACTIVITY 1

1.1. Various options are provided as possible answers to the following questions. 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, for example 1.1.6 D

1.1.1 A market structure where one producer dominates the market…
  A. monopoly
  B. oligopoly
  C. perfect market
  D. duopoly

1.1.2 The monopolist will shut down when the price is
  A. above AR
  B. equal to AR
  C. below AVC
  D. below AC

1.1.3 A monopolist maximise profit where marginal cost is equal to …
  A. average revenue
  B. marginal revenue
  C. average variable cost
  D. total revenue

1.1.4 A type of monopoly that patents are used as a barrier to join the industry is called …
  A. legal monopoly
  B. natural monopoly
  C. typical monopoly
  D. artificial monopoly

1.1.5 A situation where average cost(AC) is greater than average revenue(AR) in a monopoly business is called …

A. break even
B. economic loss
C. economic profit
D. normal profit

(2x5) 10

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 1.2.4) in the ANSWER BOOK, e.g. 1.2.5

COLUMN A	COLUMN B
1.2.1. Patent	A. A situation where barriers of entry are economic in nature
1.2.2. Natural monopoly	B. Refers to cost incurred for every unit sold
1.2.3. Marginal revenue	C. An exclusive right to a firm to produce
1.2.4. Average cost	D. Additional cost incurred for producing one more unit
	E. Additional income earned for one extra unit sold

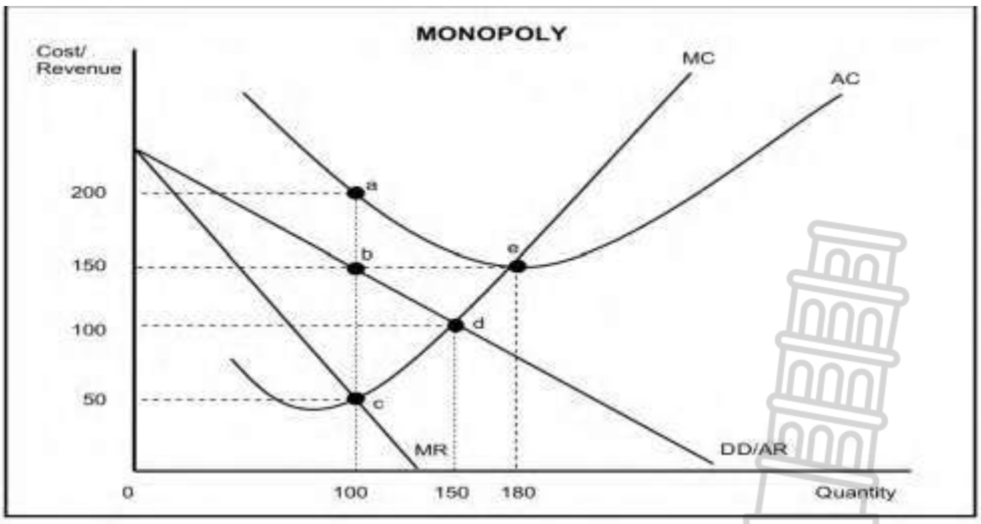
1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.3)

1.3.1 The period of production where only the variable factors of production can change.
1.3.2 A market structure that has full control over the price.
1.3.3 A mechanism where a potential buyer and a potential seller meet to determine the price.

(1X3) 3

ACTIVITY 2

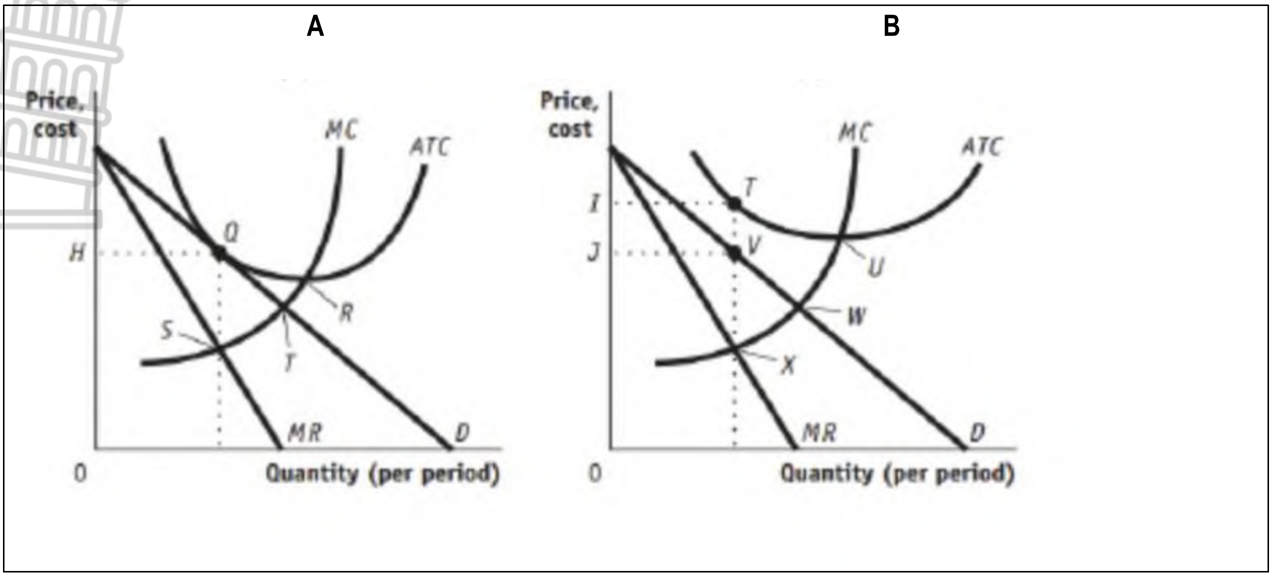
2.1 Study the graph below and answer the questions that follow.



2.1.1 Identify the market price in the graph above. (1)
2.1.2 What is the nature of the product in this market? (1)
2.1.3 Briefly describe the term *short run* (2)
2.1.4 Why monopolies are regarded as inefficient? (2)
2.1.5 Calculate the total revenue made by this firm. Show all calculations. (4)

ACTIVITY 3

3.1 Study the graph below and answer questions that follow



3.1.1	Identify loss minimisation point in the graph above	(1)
3.1.2	Which graph represent normal profit?	(1)
3.1.3	Briefly describe the term monopoly	(2)
3.1.4	Why monopolist only make supernormal profit in the long run?	(2)
3.1.5	How could economic loss be eliminated in monopoly?	(4)

ACTIVITY 4

4.1 Study the cartoon bellow and answer the questions that follow

4.1.1	Identify the market structure represented by the picture above	(1)
4.1.2	Name one example of a monopoly in the cartoon	(1)
4.1.3	Briefly describe the term *artificial monopoly*	(2)
4.1.4	Why SANRAL is regarded as monopoly in South Africa?	(2)
4.1.5	How can the government reduce abuse of market power by monopolies?	(4)

ACTIVITY 5

5.1 Study the extract below and answer the questions that follow

Monopoly in the short run
There are natural and artificial monopoly. In the short-run, a monopolist firm cannot vary all its factors of production as its cost curves are similar to a firm operating in perfect competition. Also in the short-run a monopolist might incur loses
(adopted from www.toppr.com.guides)

5.1.1 Identify the monopoly caused by huge capital or start-up cost. (1)

5.1.2 Give an appropriate term for costs that change with production. (1)

5.1.3 Briefly describe the term *market.* (2)

5.1.4 Why will it not benefit a monopolist to charge very high prices? (2)

5.1.5 Draw a graph of economic loss in the monopoly. (4)

ACTIVITY 6

6.1 Name TWO types of monopolies (2)

6.2 Name any TWO types of profit made by a monopoly in the short run (2)

6.3 Name any TWO examples of industry in monopoly (2)

ACTIVITY 7

7.1 Discuss the demand curve of a monopoly without the use of a graph (8)

7.2 With an aid of a well labelled graph, explain the relationship between marginal revenue and the demand curve of a monopoly (8)

7.3 Why does the performance of South African monopolies contradict the long run equilibrium positions of a monopoly. (8)

ACTIVITY 8

8.1 Study the cartoon below and answer the question that follow

8.1.1 Identify the challenge that was face by Eskom in previous years (1)

8.1.2 Give the reason for the failure of Eskom according to the source? (1)
8.1.3 Briefly describe the term marginal cost. (2)
8.1.4 Explain the impact of load shedding on producers. (2)
8.1.5 How can the government assist Eskom to improve power supply? (4)

ACTIVITY 9

9.1 Study the table below and answer questions that follow

Revenue table for a monopoly				
Quantity	**Price**	**Total revenue**	**Average revenue**	**Marginal revenue**
0	0	0	-	-
1	10	10	10	10
2	9	18	9	8
3	8	24	8	6
4	7	28	7	4
5	6	30	6	2

9.1.1 Identify the output that yield the highest revenue (1)
9.1.2 Give values in the table that represent change in revenue divided by change in output? (1)
9.1.3 Briefly describe the term *average revenue* (2)
9.1.4 Explain the nature of the product sold by monopolies. (2)
9.1.5 Why is it possible for monopolies to make economic loss in the short run? (4)

ACTIVITY 10

10.1.1 Discuss number of producers and level of entry as characteristics of Monopoly (8)
10.1.2 How can monopolies ensure that they are more efficient? (8)

ACTIVITY 11

11.1 Discuss the monopoly in detail without the use of graphs (26)
Analyse the challenges that the monopoly might face if excessively high prices are charged for the products (10)

ACTIVITY 12

12.1 With the aid of graphs, discuss how economic profit and economic loss is determined in a monopoly market. (26)
Evaluate the success of government in eliminating monopolies (10)

OLIGOPOLY

ACTIVITY 1

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 –1.1.5) in the ANSWER BOOK, for example 1.1.6-D

1.1.1 An industry dominated by only two large firms is known as…
A. Duopoly
B. Monopoly

C. Oligopoly
D. Competition

1.1.2 An arrangement between oligopolists aiming to limit competition amongst themselves is known as…
A. interdependency
B. price leadership
C. marketing
D. collusion

1.1.3 Market structure in which a small number of large sellers dominate the market. known as…
A. monopoly
B. oligopoly
C. monopolistic competition
D. perfect competition

1.1.4 An institution with the authority to approve mergers and takeovers is known as…
A. Competition Tribunal
B. Competition Appeal Court
C. Competition Commission
D. Competition Act.

1.1.5 An open and formal agreement between oligopolies to fix prices and limit supply is known as…
A. implicit collusion
B. price leadership
C. explicit collusion
D. tacit collusion.

(5x2)10

1.2 **Choose the description from COLUMN B that matches the term in COLUMN A. Write only the letter (A-I) next to question number (1.2.1.-1.2.4.) in the answer book.**

COLUMN A	COLUMN B
1.2.1 Differentiated product	A. Nature of product is homogenous.
1.2.2 Pure oligopoly	B. Dominant business in the industry makes price decision .
1.2.3 Price leadership	C. strategy to retain and maintain customer base.
1.2.4 Competition Commission	D. Responsible for investigation and evaluation of restrictive business practises
	E. Product that differ slightly in appearance

(4X1) 4

1.3 Give ONE term for each of the following description. Write only the term next to the question number (1.3.1-1.3.4) in the answer book. ABBREVIATIONS, ACRONYMS AND EXAMPLES are not accepted

1.3.1 An exclusive right to a inventor allowing them to prevent others from producing a product.
1.3.2 A situation where any of the condition of perfect market do not exist.
1.3.3 A creation of a distinct identity for a business in the market.
1.3.4 Marketing strategy where firms do not compete in terms of prices.

(4X1) 4

ACTIVITY 2

2.1 **Read the extract below and answer the questions that follow.**

SOUTH AFRICAN DRUG COMPANIES FOUND GUILTY OF PRICE FIXING

Four South African drug manufacturers have been found guilty by the country's competition authorities to have colluded in fixing bids for the supply of products to the tender system through which the state buys drugs for its hospitals and health care service.

Source: www.iol.co.za

2.1.1	Identify the term that indicates collusion by manufacturers in the extract above.	(1)
2.1.2	Name the institution that investigates collusion among companies.	(1)
2.1.3	Briefly describe the term *price leadership*.	(2)
2.1.4	Briefly explain the impact of collusion on consumers.	(2)
2.1.5	Why do companies practice collusion despite the laws that prevent it in South Africa?	(4)
2.2	Briefly discuss overt collusion and tacit collusion.	(8)
2.3	Using a correctly labelled graph, discuss why it is advisable for an oligopoly to charge the market price.	(8)

ACTIVITY 3

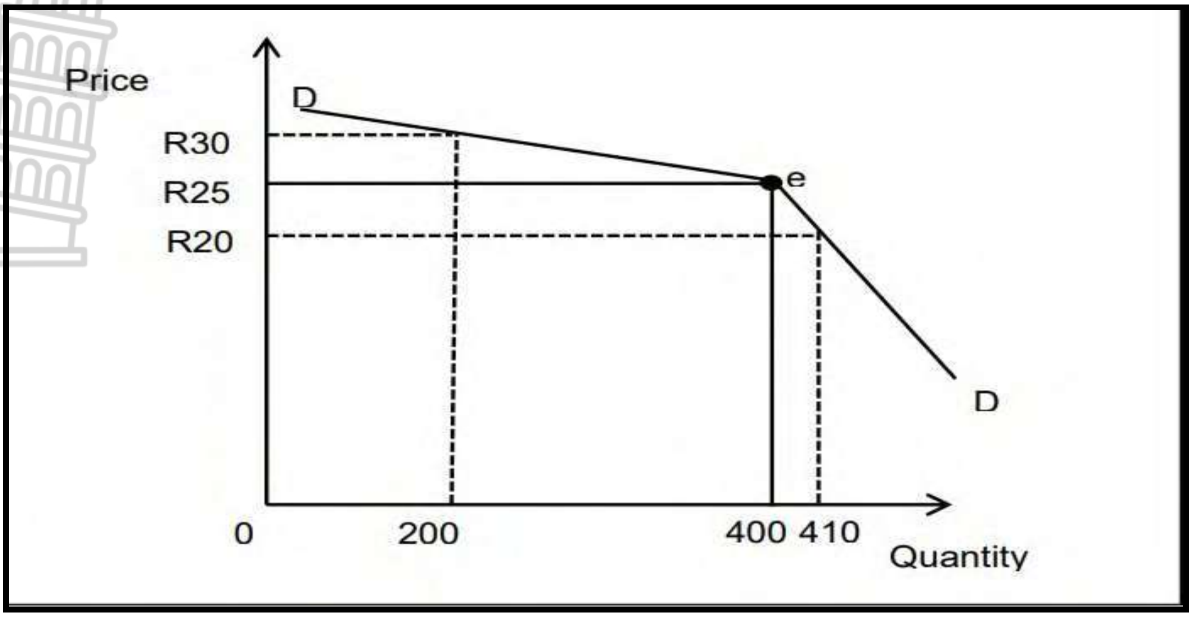
3.1 Study the picture below and answer the questions that follow.

Source:Googlepictures.com

3.1.1	Identify the market structure that is shown above.	(1)
3.1.2	Give any one type of oligopoly.	(1)
3.1.3	Briefly describe the term *market structure*.	(2)
3.1.4	Why oligopolies make economic profit in the long run?	(2)
3.1.5	How does collusion by oligopolies affect consumers?	(4)
3.2	How successful is the practise of collective decision making in the oligopoly market?	(8)

ACTIVITY 4

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



4.1.1 Identify the market price on the above diagram. (1)

4.1.2. Name the demand curve shown by the above graph. (1)

4.1.3. Briefly describe the term *cartel*. (2)

4.1.4. Explain the impact of increasing the price for the oligopoly. (4)

4.1.5. Use the figures given in the graph to calculate the change in total revenue if the price increased to R30. Show all calculations. (4)

4.2 How can businesses increase their market share without causing price wars? (8)

ACTIVITY 5

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

SA COMPETITION COMMISSION PROSECUTES BANKS FOR COLLUSION

The Competition Commission of South Africa has referred a case of collusion to the Tribunal for prosecution against Bank of America, Merlin Lynch International, Limited Invest Ltd, Standard Bank of South Africa Limited, ABSA Bank Limited and Barclays Bank. The commission has been investigating a case of price fixing and market allocation in the trading of foreign currency pairs involving the Rand since April 2015. It has now referred the case to the Tribunal for prosecution.

[Source: www.google.com. Accessed on 12 February 2023.]

5.1.1 Identify the competition institution that passes judgements. (1)

5.1.2 Name any ONE type of collusion. (1)

5.1.3 Briefly describe the term *collusion*. (2)

5.1.4 Explain the purpose of using non-price competition in an oligopoly. (2)

5.1.5 Why banks often collude although it is illegal in South Africa? (4)

5.2 How does competition commission contribute positively to the economy? (8)

ACTIVITY 6

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

ANTI-MONOPOLY POLICY

Competition Act 89 of 1998: This is the cornerstone of South Africa's competition policy. It aims to promote and maintain competition in the economy, prevent anti-competitive practices, and protect consumers. The Act was introduced after a comprehensive review of previous legislation, particularly post-1994, to address the inefficiencies in preventing oligopolies and monopolistic practices.

Google.com

6.1.1 Identify the legislation that regulates competition in South Africa. (1)

6.1.2 Name the type of profit made in the long run by the oligopoly? (1)

6.1.3 Briefly describe the term *price fixing*. (2)

6.1.4 Why does mutual dependence affect the market share of the oligopolists? (2)

6.1.5 How do restrictive practices prevent competition? (4)

6.2 With an aid of a fully labelled graph explain the segments of the kinked demand curve. (8)

ACTIVITY 7

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

7.1.1 Identify the industry represented by the above companies. (1)

7.1.2 Name the nature of product sold by pure oligopoly. (1)

7.1.3 Briefly describe the term *duopoly.* (2)

7.1.4 Explain the aim of the Competition Act. (2)

7.1.5 How can advertising be used as a non-price competition strategy? (4)

ACTIVITY 8

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

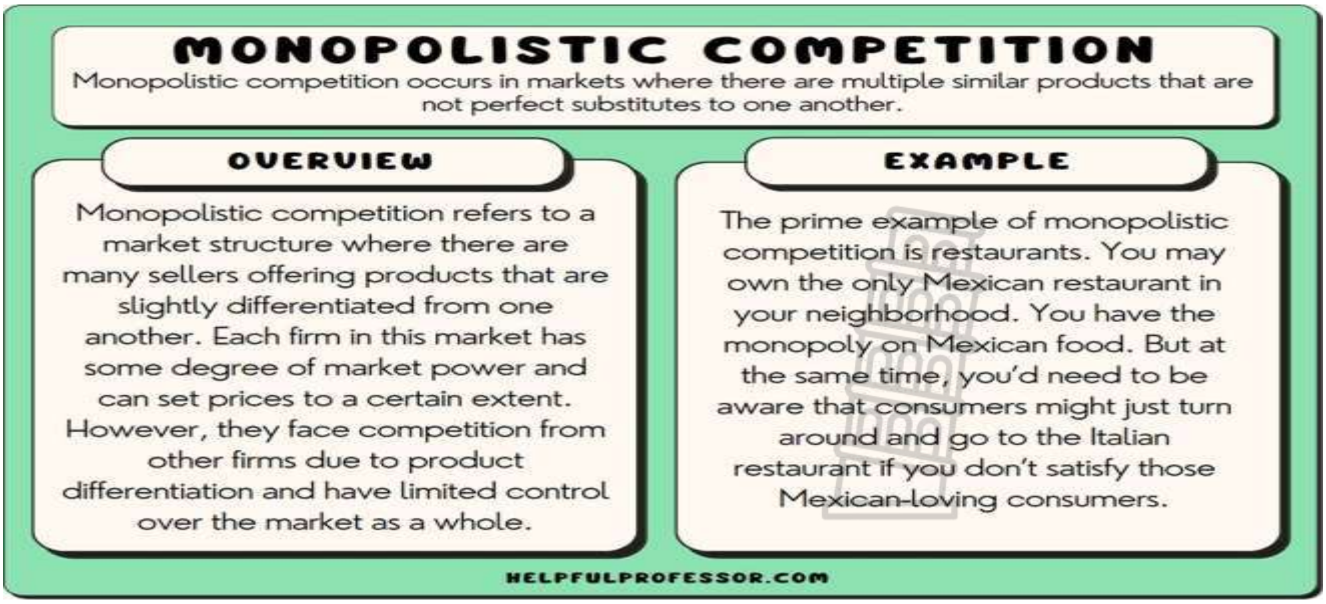
BLACK BUSINESS COUNCIL SLAM SPECTRUM
For a decade, the South African government has dragged its feet in bringing into force policy that reserves a share of the radio frequency spectrum. The wireless Open Access Network (WOAN) was policy driven to create radio spectrum entity. Entrepreneurs would need to source huge capital amounts, upfront to build necessary infrastructure from scratch, causing this industry to be pure oligopoly market structure. *https://www.theafricareport.com*

8.1.1	Identify the barrier to enter the market from the extract.	(1)
8.1.2	Name ONE example of an oligopoly market.	(1)
8.1.3	Briefly describe the term *pure oligopoly.*	(2)
8.1.4	Explain mutual dependence as a characteristic of an oligopoly as a market structure.	(2)
8.1.5	Briefly discuss why cartels are considered illegal in South Africa?	(4)

ACTIVITY 9

- Examine oligopoly as a market structure in detail. (26)
- How can the government discourage firms from engaging in anti-competitive behaviour? (10)

MONOPOLISTIC COMPETITION



Characteristics of Monopolistic Competition

There are six main characteristics of monopolistic competition:

Imperfect Information: Under monopolistic competition, no seller or buyer has complete information about demand and supply (Goodwin et al., 2009).

Freedom of Entry and Exit: Companies can freely enter or exit monopolistically competitive markets. If existing companies are making super-normal profits, other companies will enter. This increases the supply which, in turn, reduces prices and leaves the existing companies with normal profits. Conversely, if existing companies are experiencing losses, some firms will exit. This will reduce the supply and thereby raise prices and leave the existing companies with normal profits.

Independent Decision-Making: Each company can independently set the terms of exchange for its product under monopolistic competition (Colander, 2008, p. 283). Such actions have little to no effect on the overall market, so a company can do so without regard to how that will affect its competitors.

Many Businesses: There are many existing business for any product group in any monopolistically competitive market. Each business, therefore, has a small market share.

Product Differentiation: Businesses operating in monopolistically competitive markets sell products that have real or perceived non-price differences such as physical aspects of the product, packaging, branding, and so on.

Market Power: Companies under monopolistic competition have some degree of market power, meaning that they have control over the terms and conditions of exchange.

Examples of Monopolistic Competition

Restaurants: Restaurants typically offer the same types of foods with little to no difference in terms of quality, most of the time. Therefore, the competition between restaurant companies is monopolistic.

Clothing stores: Clothing stores generally offer very similar products that are differentiated mainly through branding.

Shoe stores: Shoes, like clothing, are mainly differentiated through branding and marketing rather than actual quality.

Bakeries: Like restaurants, rarely have drastic differences in terms of what they offer, but they do differentiate their products through special packaging and branding.

Grocery stores: Grocery stores operate within a monopolistically competitive market because competing firms mostly sell the same goods in terms of use-value, but differentiate their products through branding and marketing.

Hotels: Every hotel company offers a similar service with only slight variations (if we account for price) in terms of quality.

Coffee shops: Coffee shops are much like restaurants and bakeries in the sense that their products are rarely different if we don't account for branding.

Toothpaste: Kinds of toothpaste are all generally the same, but different companies try to make their product stand out through advertisements.

Soap: Soap is similar to toothpaste because there are little to no differences between how effective different soaps are. Nevertheless, competitors differentiate their products through special packaging, brand images, and so on.

Air conditioners: Air conditioners, accounting for price, generally have the same capabilities, but companies differentiate their products through branding and marketing.

ACTIVITY 1

1.1 Choose the correct answer from the given possibilities.

1.1.1 In a monopolistic competition firms use non-price competition strategies to gain market share such as…
A. advertising.
B. differentiation.
C. copyright.
D. patent.

1.1.2 Firms in a monopolistic market differentiate their products by using…
A. copyright
B. patent
C. branding
D. adverting

1.1.3 Firms under monopolistic competition enjoy economic profit in the …run.
A. long
B. immediate
C. ultimate
D. short

1.1.4 The characteristic of monopolistic competition is that firms sell…products.
A. homogenous
B. differentiated
C. good
D. cheap

1.1.5 The demand curve that is relatively elastic relates to…market.
A. monopoly
B. perfect
C. monopolistic
D. oligopoly

1.1.6 Profit maximisation occurs where…….
A. MC=AC
B. MR=AR
C. MC=AR
D. MC=MR

(2X6)12

1.2 Match the concept in column A with a corresponding description in column B

Column A	Column B
1.2.1 Non-price competition	A. A combination of elements of both monopoly and perfect market.
1.2.2 Customer loyalty	B. Firms can easily join or leave the market.
1.2.3 Free entry and exit	C. Protecting a brand from competitors.
1.2.4 Hybrid structure	D. consistently choosing a particular brand over competitors.
1.2.5 Monopolistic competition	E. strategies that firms use to increase market share.
	F. Combines the characteristics of a perfect market and monopoly.

(5x1) 5

1.3 Give the correct concept for each of the following descriptions.

1.3.1 A legal right granted to an inventor, giving them exclusive control over the production of a particular product.

1.3.2 A promotional activity where firms communicate information about their products.

1.3.3 A market structure where many firms sell similar but differentiated products.

1.3.4 The negative difference between a firm's total revenue and its total costs.

1.3.5 Value of inputs owned by an entrepreneur and used in the total production.

1.3.6 Similar products that satisfy the same consumer need and can be used interchangeably.

(6 X 1) 6

ACTIVITY 2

2.1 Answer the following questions.

2.1.1 Give any Two example of monopolistic competitive firms. (2)

2.1.2 Why would firms under monopolistic competition rely on advertising to increase market share? (2)

2.2 Study the picture below and answer the questions.

Source: EDUCBA

2.2.1 Identify the barrier in the market above. (1)

2.2.2 Name the market structure that the above picture represents. (1)

2.2.3 Briefly describe the term *market*. (2)

2.2.4 Explain non-price competition as a characteristic of monopolistic competition. (2)

2.2.5 Why would the firms leave the market in the long run? (4)

2.3 Discuss the benefits of consumers in the long-run under monopolistic competition (8)

2.4 Why advertising important in a monopolistic competition? (8)

ACTIVITY 3

3.1.1 Name Two characteristics of monopolistic competition. (2)

3.1.2 Why would firms under monopolistic market not extremely increase prices? (2)

3.2 Study the picture below and answer the questions.

Credit: Investopedia / Joules Garcia

3.2.1	Identify the type of products offered by firms in the above market.	(1)
3.2.2	Name one example of products the firms produce in this market.	(1)
3.2.3	Briefly describe the term *marginal revenue*.	(2)
3.2.4	Explain the impact of new entries in the market on profits.	(2)
3.2.5	How do firms maximise their profit?	(4)
3.3	Briefly discuss free entry and exit, and product differentiation as characteristics of monopolistic competition.	(8)
3.4	Why would firms exit the market under monopolistic competition?	(8)

ACTIVITY 4

4.1 Study the extract below and answer the questions.

Monopolistic competition is considered inefficient because firms do not produce at the lowest possible cost or at the most efficient scale. Since each firm sells a differentiated product, they have some market power and set prices above marginal cost, leading to allocative inefficiency where resources are not perfectly allocated. Firms often spend extra on advertising and product differentiation, which increases costs without necessarily adding value, causing productive inefficiency. In the long run, the result is higher prices and less output compared to a perfectly competitive market, meaning consumers pay more for less efficient production.

Daily News, 25 March 2025

4.1.1	Identify in the extract the inefficiency that is caused by underutilisation of resource	(1)
4.1.2	Name any one firm operating under monopolistic competition.	(1)
4.1.3	Briefly describe the term *inefficiency*.	(2)
4.1.4	Explain the reasons for firms exiting the market in the long-run.	(4)
4.1.5	How do firms calculate the economic profit?	(4)
4.2	Briefly discuss allocative and productive inefficiency.	(8)
4.3	Analyse the impact of inefficiency in the monopolistic competition.	(8)

ACTIVITY 5

5.1 Read the extract below and answer the questions.

FAST-FOOD RESTAURANTS IN THE MONOPOLISTIC COMPETITIVE MARKET

Fast-food restaurants operate in a **monopolistic competitive market**, where many firms sell similar but slightly differentiated products. Each restaurant offers unique menu items, recipes, or branding to attract specific customer preferences. Despite selling similar products like burgers and fries, they use advertising, quality, and location to create brand loyalty. In this market, there is **free entry and exit**, allowing new fast-food businesses to open if they see profit opportunities. However, the presence of many competitors limits their ability to set high prices. As a result, fast-food restaurants often compete through non-price strategies, such as promotions, better service, or healthier menu options, rather than just lowering prices.

[Adapted from City Press, February 2025]

5.1.1	Identify one non-price competition strategy in the above extract.	(1)
5.1.2	Give one example of monopolistic competitor that sell on burgers.	(1)
5.1.3	Briefly describe the term *normal profit*.	(2)
5.1.4	Explain the importance of branding in a monopolistic competition.	(2)
5.1.5	Why would the economic profit made by a monopolistic competitor disappear in the long run?	(4)
5.2	Discuss the hybrid structure of the monopolistic market.	(8)
5.3	How do firms increase market share in a monopolistic competition?	(8)

ACTIVITY 6

6.1 Read the extract below and answer the questions.

Real World Price Wars

*In South Africa's **fast-food and retail sectors**, price wars are a common feature of monopolistic competition, where firms sell similar but slightly differentiated products. For example, major fast-food chains like **Chicken Licken, KFC, and Nando's** often introduce limited-time discounts and value meals to attract price-sensitive customers, leading competitors to respond with their own promotions.*

Source: Sunday World 13 March 2025

6.1.1	Identify one strategy that is used to attract customers in the extract.	(1)
6.1.2	Name one characteristic of monopolistic competition.	(1)
6.1.3	Briefly describe the term *imperfect market.*	(2)
6.1.4	Explain the causes of price wars in a monopolistic competition.	(2)
6.1.5	Why would the government introduce competition policy?	(4)
6.2	Discuss the impact of barriers to entry in the market.	(8)
6.3	Analyse the impact of price wars on the market.	(8)

ACTIVITY 7

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

Google images

7.1.1 Identify the market structure that is represented above. (1)

7.1.2 Name the nature of a product sold in the market above. (1)

7.1.3 Describe the term *economic loss.* (2)

7.1.4 Explain the impact of new entries in the market on the monopolistic market. (2)

7.1.5 Why would new firms be attracted to enter the market? (4)

7.2 Discuss the market power under monopolistic competition. (8)

7.3 Why would branding use branding in the monopolistic market? (8)

ACTIVITY 8

- Compare and contrast the market structures of monopolistic competition with an oligopoly in detail. (26)
- How can branding positively affect the market share? (10)

ACTIVITY 9

- Compare and contrast the market structures of monopolistic competition with perfect market in detail. (26)
- How has competition policy helped to reduce anti-competition behaviour in South Africa? (10)

ACTIVITY 10

- Compare and contrast the market structures of monopolistic competition with monopoly in detail. (26)
- How does profit maximising rule help firms determine prices under imperfect market. (10)

MARKET FAILURE

ACTIVITY 1

1.1 Various questions 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 - 1.1.5) in the answer book, for example 1.1.6 B.

1.1.1 Reduction in economic welfare caused by a reduction in both consumer and producer surplus.

A. dead weight loss

B. spillover effect

C. allocative inefficiency

D. productive inefficiency

1.1.2 Price set by the government above market price to benefit businesses is the price….

A. floors

B. ceiling

C. wars

D. Administration.

1.1.3. The effects of an economic activity on the people which are not included in the activity…… Cost or benefits to third parties not included in the market price are called…

A. efficiencies.

B. externalities.

C. excludabilities.

D. information

1.1.4 Social cost consists of the sum of private and …. cost

A. internal

B. public

C. external

D. variable

1.1.5 The effect of a minimum price will increase the…. Good

A. demand for

B. supply

C. consumption of

D. spending on

(5x2) 10

1.2 Choose a description from COLUMN B that matches the item in COLUMN A

COLUMN A	COLUMN B
1.2.1 Progressive taxation	A. A market that sells illegal goods.
1.2.2 Free riders	B. Goods that are harmful to society.
1.2.3 Pareto efficiency	C. The system of taxation used in South Africa.
1.2.4 Black market	D. Prices that a set by the government above the market price.
1.2.5 Demerit goods	E. When the cost of production is high and incorrect quantity of goods are produced.
1.2.6 Transfer payment	F. A situation where it is impossible to make someone better off without making someone else worse off.

1.2.7 Inefficiency	G. The loss of potential gain from other alternatives when one alternative is chosen.
1.2.8 Price floor	H. People who benefit from consuming the product/service without paying for it.
1.2.9 Discounting	I. The wages that are set by the government above market Prices
1.2.10 Opportunity cost	J. Money received without any service rendered
	K. Reducing all future costs and benefit to express them as present value.

(1X10) 10

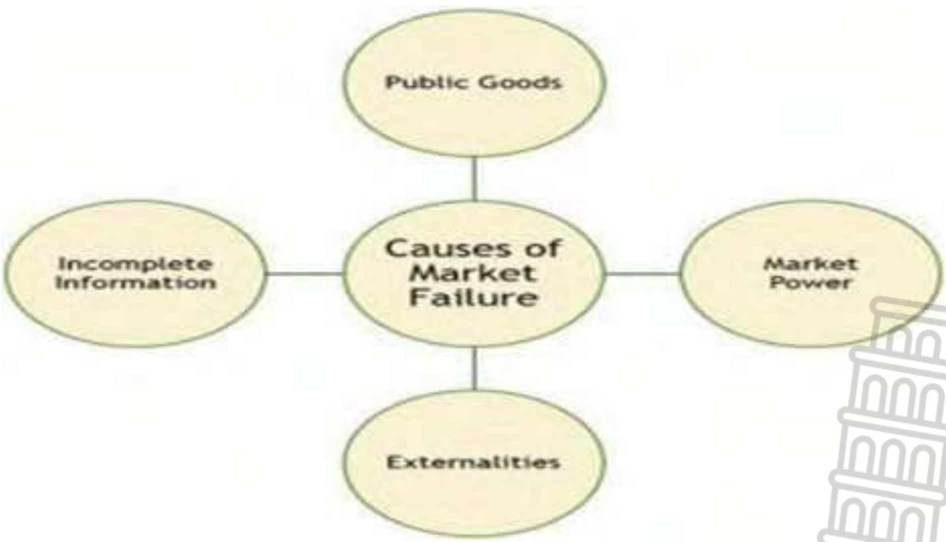
1.3 Provide the economic term or concept for the descriptions below. Write only the term or concept.

1.3.1 The best estimate of a price is something that is not part of a normal market. (1)
1.3.2 Consumption of goods by one person does not reduce consumption by others. (1)
1.3.3. A method of evaluating and comparing the social cost and social benefit of a project (1)
1.3.4. Financial support by the government to assist the production of goods and services (1)
1.3.5 The additional costs to society of external factors (1)

ACTIVITY 2

2.1 Study the data and answer the questions that follow:

CAUSES OF MARKET FAILURE



www.bingo.co.za

2.1.1 Identify the cause of market failure that is mostly associated with monopolies. (1)
2.1.2 Name any example of demerit goods (1)
2.1.3 Briefly describe the term *market failure.* (2)
2.1.4 Explain the limitations of government intervention in correcting market failure? (2)
2.1.5 How can the government intervene to discourage the production of demerit goods (4)
2.2 Briefly discuss productive inefficiency and allocative inefficiency in terms of market failure. (8)

ACTIVITY 3

3.1 Study the cartoon below and answer the question that follows:

NEGATIVE IMPACT OF POLLUTION

www.bingo.com

3.1.1	Identify one example of pollution in the cartoon above.	(1)
3.1.2	Name the department responsible for implementing minimum wage?	(1)
3.1.3	Briefly describe the term *pollution*.	(2)
3.1.4	Why would the government intervene in the operation of markets?	(2)
3.1.5	How can government reduce the level of pollution in the economy.	(4)
3.2	Evaluate the success of the South African government intervention to discourage the consumption demerit goods.	(8)

ACTIVITY 4

4.1 Study the picture bellow and answer the questions that follow:

POLLUTION DANGEROUS FOR THE ENVIROMENT

www.pollution.com

4.1.1 Identify the type of pollution in the picture above (1)

4.1.2 Name any other example of pollution (1)

4.1.3 Briefly describe the term *demerit goods* (2)

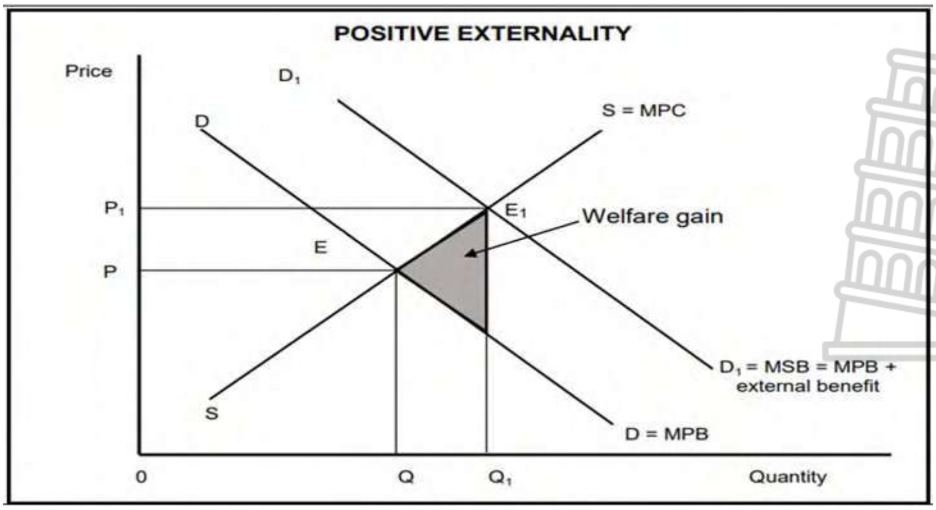
4.1.4 Why is important for the government to deal with imperfect competition (2)

4.1.5 How can the government encourage the consumption of merit goods. (4)

4.2 Explain why governments sometimes proceed with a project even if the private costs exceed the private benefits in a cost-benefit analysis (8)

ACTIVITY 5

5.1 Study the graph below and answer the questions that follow:



5.1.1 Identify the socially optimum quantity produced. (1)

5.1.2 Name one example of a product with a positive externality (1)

5.1.3 Briefly describe the concept productive *inefficiency*. (2)

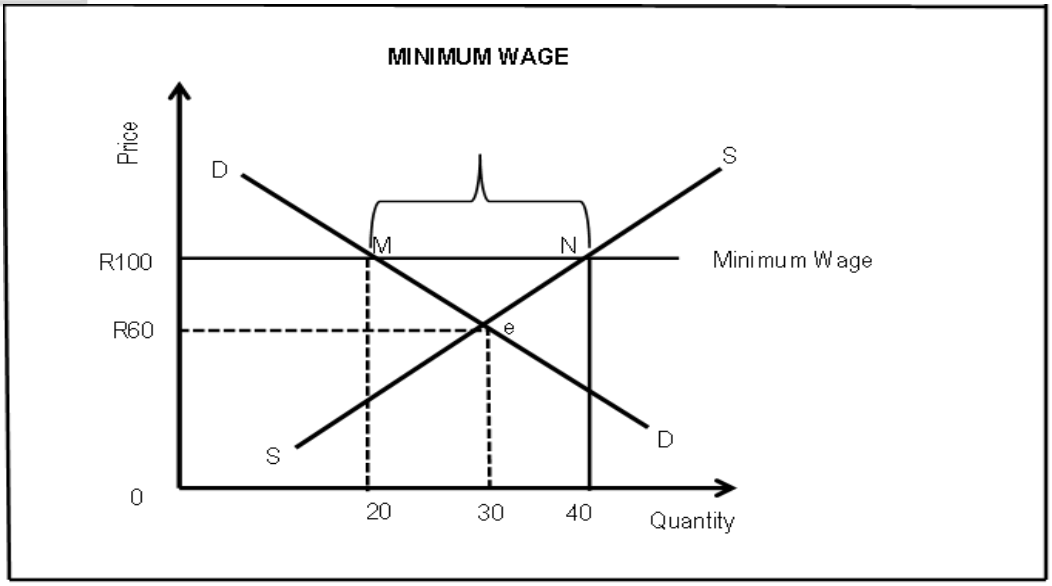
5.1.4 Why are markets reluctant to produce public goods such as building of roads? (2)

5.1.5 With an aid of the graph explain the impact of a subsidy on the market of goods with positive externalities (4)

5.1.6 Distinguish between Merit goods and Demerit goods (8)

ACTIVITY 6

6.1 Study the graph below and answer the questions that follow:



6.1.1 Identify the original wage rate in the graph above (1)

6.1.2 Name the area denoted as M-N in the graph above (1)

6.1.3 Briefly describe the term *minimum wage*. (2)

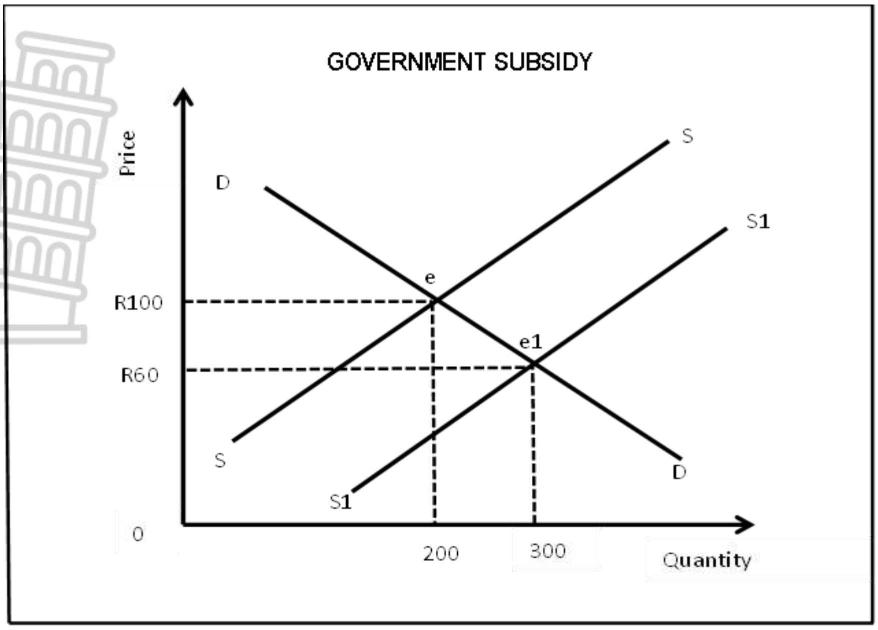
6.1.4 Explain the negative impact of minimum wage on the wage market. (2)

6.1.5 How can the minimum wage benefit the labour force? (4)

6.2 Analyse the impact of minimum wage on the economy. (8)

ACTIVITY 7

7.1 Study the graph below and answer the questions that follow:



7.1.1	Identify the new market price from the graph above.	(1)
7.1.2	Give the supply curve that represents the effect of subsidies in the graph above?	(1)
7.1.3	Briefly describe the term *subsidies*.	(2)
7.1.4	Explain the importance of taxes on product on the final market price of goods?	(2)
7.1.5	How do subsidies of production impact the economy?	(4)
7.2	Examine taxes and subsidies as ways of government intervention to counter market failures.	(8)

ACTIVITY 8

8.1 Study the cartoon below and answer the questions that follows:

WHICH PROJECT TO IMPLEMENT NEXT?

www.google.com

8.1.1	Identify the economic concept represented in the cartoon above.	(1)
8.1.2	Name the action taken by the private sector to determine whether to implement a product or not.	(1)
8.1.3	Briefly describe the term *Pareto inefficiency*.	(2)

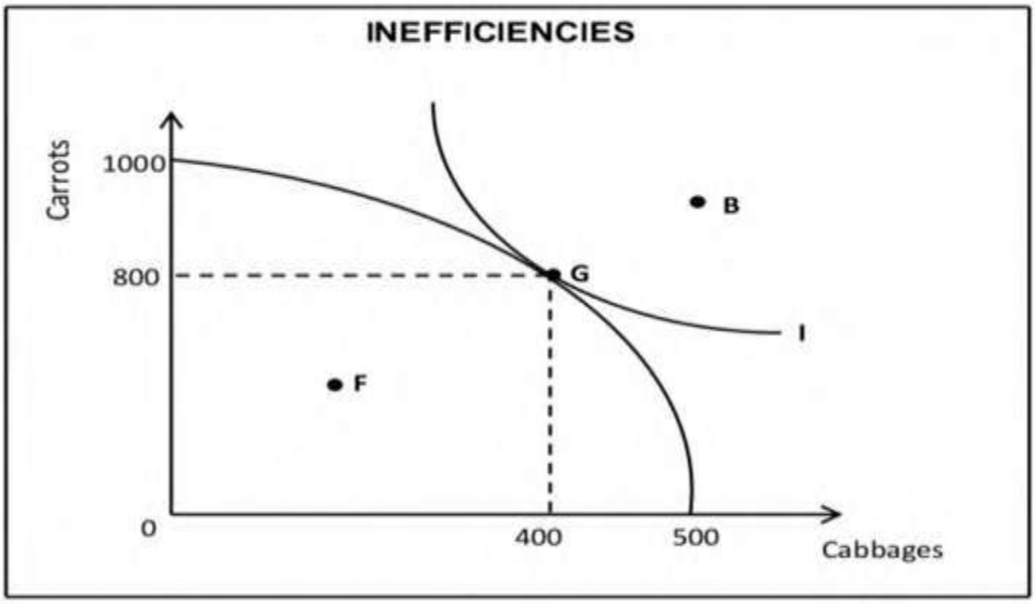
8.1.4 Why is it important for the government to implement cost benefits analysis (2)

8.1.5 Why do governments sometimes proceed with a project even if the private costs exceed the private benefits in a cost-benefit analysis (4)

8.1.6 How can Cost Benefit Analysis reduce inefficiencies in the public sector? (8)

ACTIVITY 9

9.1 Study the graph below and study the question that follows



9.1.1 Identify the productive and allocative efficient point in the graph above (1)

9.1.2 Name the point in the PPC that is impossible to achieve. (1)

9.1.3 Briefly describe the term *Pareto inefficiency* (2)

9.1.4 Why is consumption of demerit goods discouraged by the government? (2)

9.1.5 How could producing in point F negatively impact the firm? (4)

ACTIVITY 10

- Discuss in detail factors that influence the misallocation of resources of market failure (26)
- Evaluate the use of indirect taxation to solve market failure (10)

ACTIVITY 11

- Discuss in detail the state intervention because of market failures with the use of graphs. (26)
- How can the government deal with lack of information because of market failure? (10)

CONTEMPORARY ECONOMIC ISSUES
INFLATION

ACTIVITY 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question number (1.1.1-1.1.4) in the ANSWER BOOK

1.1.1 A continuous fall in the general price levels over a prolonged period, is known as…
- A. Hyperinflation
- B. Stagflation
- C. Deflation
- D. inflation

1.1.2 An increase in prices that lead to people losing confidence in the value of money, is called…
- A. all-inclusive inflation
- B. consumer inflation
- C. producer inflation
- D. hyperinflation

1.1.3 The statement "too much money chasing away too few goods" is known as …
- A. cost-push inflation
- B. core inflation
- C. demand-pull inflation
- D. headline inflation

1.1.4 An index that measures prices of imported goods as they enter the country is known as … price index
- A. consumer
- B. basket
- C. market
- D. producer

(4x 2) (8)

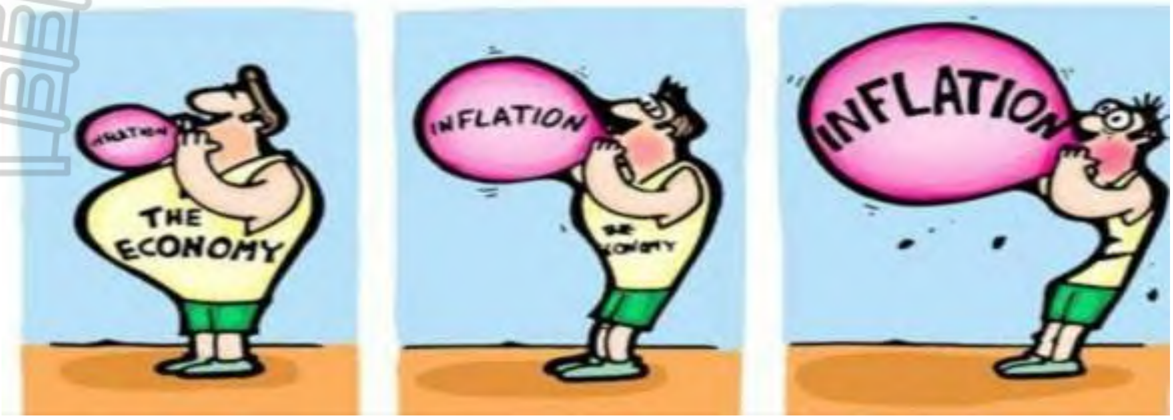
1.2 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.2.1-1.2.8) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.2.1 A type of inflation that is caused by an increase in the prices of factors of production.
1.2.2 Inflation that excludes items from the CPI basket that show high volatility.
1.2.3 The policy used by SARB to stabilize prices by combating inflation.
1.2.4 When an economy experiences high inflation, high unemployment and low growth simultaneously.
1.2.5 Prices at the level of the first significant commercial transaction.
1.2.6 Prices set or controlled by government appointed authorities.

(6 x 1) (6)

ACTIVITY 2

2.1 Study the cartoon below and answer the questions that follow:



Source: cartoon stock

2.1.1 Identify the trend of inflation in the cartoon above. (1)
2.1.2 State the inflation target set by the South African Reserve Bank. (1)
2.1.3 Briefly describe the term *inflation*. (2)
2.1.4 Explain the impact of an increased inflation on the economy? (4)
2.1.5 How will a higher inflation rate disadvantage low-income earner? (4)
2.2 Differentiate between *consumer price index* and *producer price index*. (8)
2.3 How would low inflation expectations by the consumer keep inflation within the target range. (8)

ACTIVITY 3

3.1 Study the extract below and answer the questions that follow:

INFLATION IN SOUTH AFRICA

In South African the annual consumer price inflation rate was 2.8% in April 2025, according to Statistics South Africa. This slightly up from 2.7% in March. The main contributors to the 2.8% annual inflation rate were housing and utilities, food and non-alcohol beverages, alcohol and beverages and tobacco, and restaurants and accommodation services.

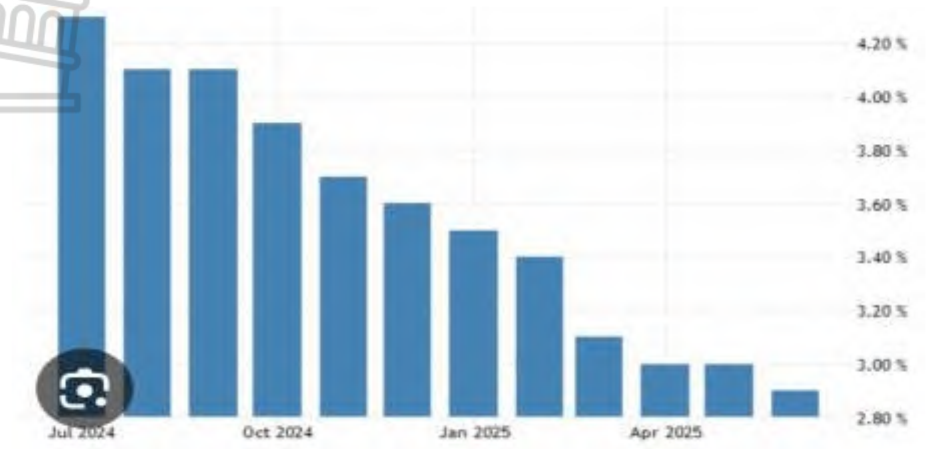
Source: Statistics South Africa

3.1.1 Identify the lowest inflation rate in the extract. (1)
3.1.2 Name any policy used in South Africa to curb inflation. (1)
3.1.3 Briefly describe the term *consumer price index*. (2)
3.1.4 Explain the psychological influence of inflation to the various participants in the economy. (2)
3.1.5 How do businesses benefit from inflation? (4)
3.2 Briefly discuss *Government expenditure* and *investment expenditure* as causes of the demand-pull inflation. (8)
3.3 Differentiate between demand-pull inflation and cost-such inflation. (8)

ACTIVITY 4

4.1 Study the graph below and answer the questions that follow:

SOUTH AFRICA CORE INFLATION 2024-2025



Source: Statistics South Africa

4.1.1	Identify the month that shows the highest inflation?	
4.1.2	Name ONE item that is excluded from CPI basket.	(1)
4.1.3	Briefly describe the term *stagflation*.	(2)
4.1.4	Why do policymakers exclude some items when calculating core inflation.	(2)
4.1.5	How can inflation affect people who are debtors?	(4)
4.2	Discuss *higher wages* and *exchange rates depreciation* as causes of cost push inflation	(8)

ACTIVITY 5

5.1 Study the extract below and answer the questions that follow:

MONETARY POLICY IN ACTION

The SARB changes interest rate to influence money supply. To protect the value of the rand, the institution uses inflation targeting, which aims to maintain consumer price inflation between 3% and 6%. The value of the currency is therefore protected relative to domestic consumer prices.

According to CPI data, the cost of milk per litre rose from R8.50 to R8.80 0ner the past year.

Adapted: www.resbank.co.za

5.1.1	Identify the instrument of monetary policy from the extract.	(1)
5.1.2	Name the institution that sets the inflation target.	(1)
5.1.3	Briefly describe the term *administered price inflation.*	(2)
5.1.4	How can the South African Reserve Bank use monetary policy to curb cost push inflation?	(2)
5.1.5	Use the above data to calculate the inflation rate of milk. Show all calculations.	(4)
5.2	Briefly discuss monetary and fiscal policy measures to combat inflation.	(8)

5.3 Evaluate the success of inflation targeting in keeping inflation within the range. (8)

ACTIVITY 6

6.1 Study the table below and answer the question follow.

YEAR	CPI	INFLATION RATE
2022	100	-
2023	103	3,29
2024	108	A

Adapted: www.resbank.co.za

6.1.1 Identify the base year from the above table. (1)
6.1.2 Name the institution that sets inflation target. (1)
6.1.3 Briefly describe the term *all-inclusive Inflation*. (2)
6.1.5 Explain the impact of high inflation on income. (2)
6.1.6 Calculate the inflation rate represented by letter A. Show all calculations. (4)
6.2 Briefly discuss debtors /creditors and balance of payment problems as a consequence of inflation. (8)
6.3 How can lower inflation target influence the South African economy? (8)

ACTIVITY 7

- Discuss in detail the consequences of inflation. (26)
- Evaluate the success of the Monetary Policy Committee in keeping inflation within the target range. (10)

ACTIVITY 8

- Discuss in detail the measures to combat demand-pull inflation. (26)
- How can inflationary expectations influence the behavior of various participants in the economy? (10)

TOURISM
ACTIVITY 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A-D) next to the question numbers (1.1.1–1.1.5), the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 People who travel within the borders of their own country are known as … tourists. (2)
A. domestic
B. international
C. local
D. travel

1.1.2 Travellers who enter a foreign country and stay for more than one day are called to as … tourists. (2)
A. outbound
B. inbound
C. cultural
D. transit

1.1.3 The citizens of a particular country travelling abroad are referred to as … tourists. (2)
A. foreign
B. rural
C. adventure

D. outbound

1.1.4 Activities of people travelling to and staying in places outside their usual environment for no more than one year for leisure, business and other purposes is called … (2)

A. travels.
B. Trade.
C. tourism.
D. exploration.

1.1.5 Travelling for the purpose of taking a holiday, to play sport, to visit friends, and to see the tourist attractions is known as … tourism. (2)

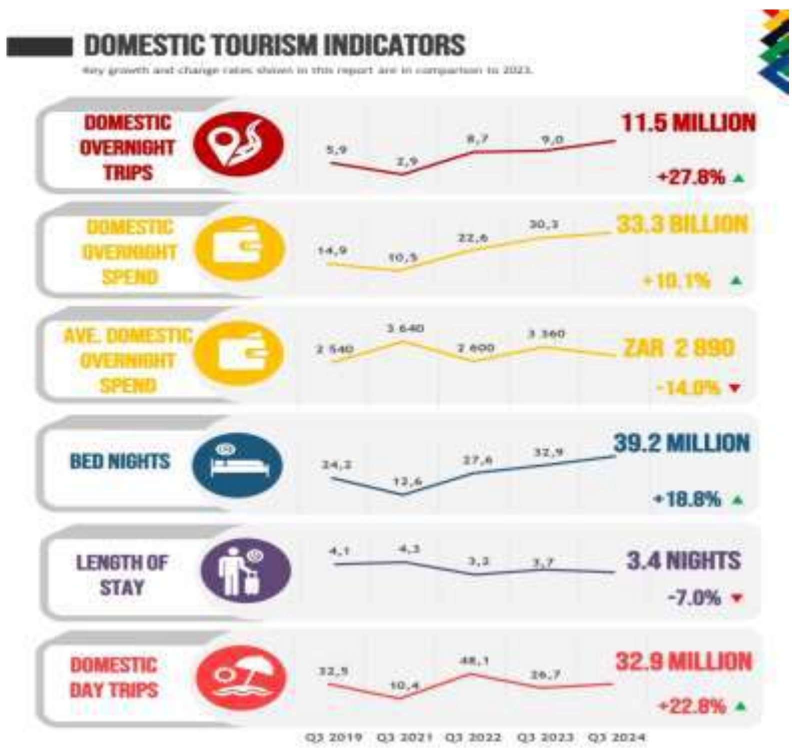
A. business
B. cultural
C. domestic
D. leisure

1.2 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.

1.2.1 Tourists come to visit museums and art galleries, e.g. Robben Island and the Apartheid Museum.
1.2.2 Tourists visit undisturbed natural areas, e.g. the Richtersveld Cultural and Botanical Landscape, the Cape Floral, Region Protected Areas and the Kruger National Park.
1.2.3 Tourists visit for business meetings and conferences.
1.2.4 The culture, history and environment that is unique to the local people.
1.2.5 The combination of recreational travel with educational experience to explore ancient history by visiting sites of archaeological significance.
1.2.6 Tourists travelling through South Africa using air, road, rail and sea transport to get to another destination.
1.2.7 landmark or area which is selected by the United Nations as having cultural, historical or another form of Significance.

ACTIVITY 2

2.1 Name any TWO World Heritage Sites of historical and cultural importance in South Africa. (2)
2.2 Study the graph below and answer the questions that follow.



Source:

2.2.1 Identify the tourism indicator that shows the most decline from the graph above. (1)

2.2.2 Name the minimum length of stay that is used to measure tourism. (1)

2.2.3 Briefly describe the term leisure *tourism*. (2)

2.2.4 Explain the importance of heritage sites in the tourism sector. (2)

2.2.5 Why should domestic tourism be promoted in the country? (4)

ACTIVITY 3

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

KZN TOURISM SET FOR REVIVAL DESPITE COVID-19 SETBACK

The recovery strategy centres on repositioning KwaZulu-Natal as a standalone destination rather than an afterthought to Cape Town or Kruger National Park itineraries. The KZN government in partnership with the Federated Hospitality Association of South Africa aims to put KZN's beaches, the mountains, the battlefields, the Midlands, and game parks out into the public domain to position the province as a one-stop tourism destination.

Adapted from: www.fedhasa.co.za

3.1.1 Identify an example of cultural tourism from the above extract. (1)

3.1.2 Give the minimum travelling distance that is used to measure tourism. (1)

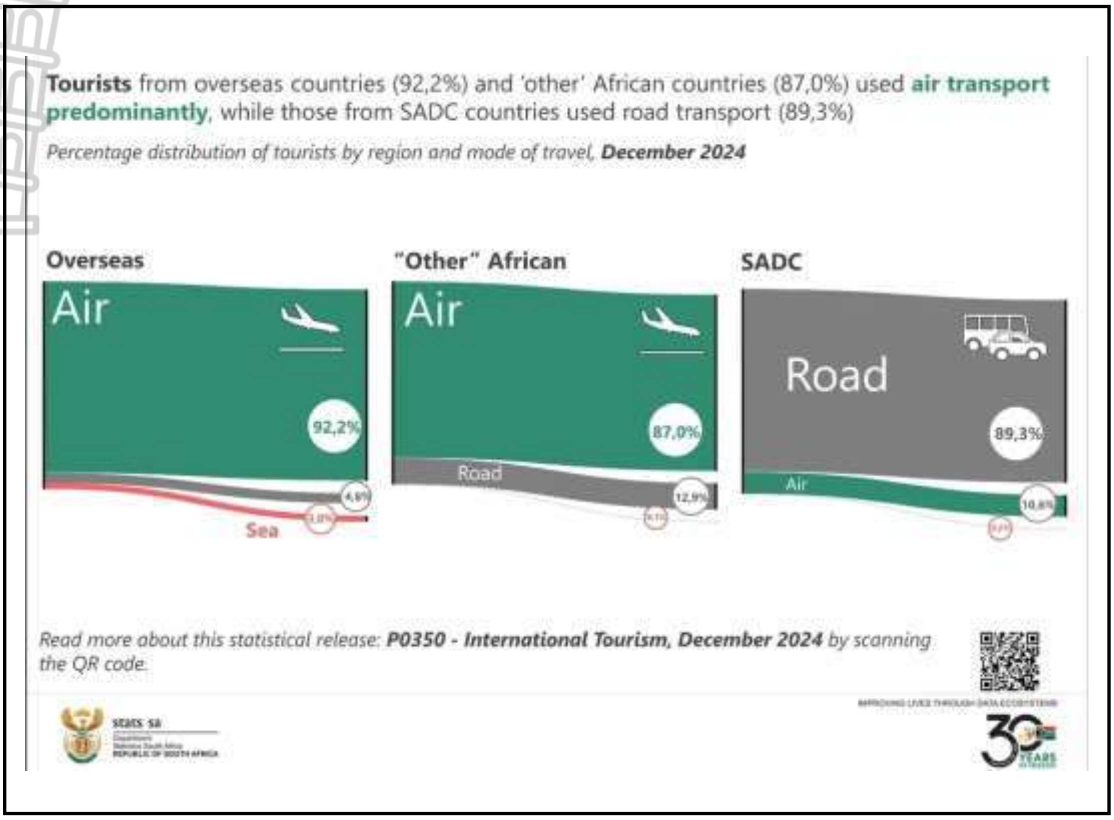
3.1.3 Briefly describe the term *tourism*. (2)

3.1.4 Explain the importance of marketing in the tourism industry. (2)

3.1.5 How does tourism assist in reducing unemployment? (4)

ACTIVITY 4

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



4.1.1	Identify the main mode of transport used by tourists to visit South Africa.	(1)
4.1.2	Name the annual event that aims to market South Africa and SADC's tourism.	(1)
4.1.3	Briefly describe the term *inbound tourist.*	(2)
4.1.4	Why do SADC countries use mostly road transport for travelling?	(2)
4.1.5	How does tourism directly contribute to economic growth?	(4)

ACTIVITY 5

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

Source:

5.1.1	Identify an example of ecotourism from the above picture.	(1)
5.1.2	Give the programme that is aimed at promoting domestic tourism.	(1)
5.1.3	Briefly describe the term *transit tourist*.	(2)
5.1.4	Explain the reason for growth in foreign arrivals in South Africa.	(2)
5.1.5	How does levying taxes on tourists assist in the economy?	(4)

ACTIVITY 6

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

CAPE TOWN SHINES GLOBALLY AS A TOURISM DESTINATION

Cape Town is often lauded as one of the best, if not the best, city in Africa and even the world. It has consistently received accolades for its beauty, vibrant culture, and attractions. Numerous travel publications and readers have recognized Cape Town as a top destination, highlighting its iconic landmarks, diverse activities, and natural beauty.

Some must-visit places include Table Mountain, Robben Island, the V&A Waterfront, and Kirstenbosch National Botanical Garden.

Adapted from: Cape Town Tourism

6.1.1	Identify an example of cultural tourism from the above extract.	(1)
6.1.2	Name the maximum length of stay when measuring tourism.	(1)
6.1.3	Briefly describe the term *externalities.*	(2)
6.1.4	Why is tourism considered to be the largest earner of foreign exchange?	(2)
6.1.5	How does media technology promote tourism?	(4)

ACTIVITY 7

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

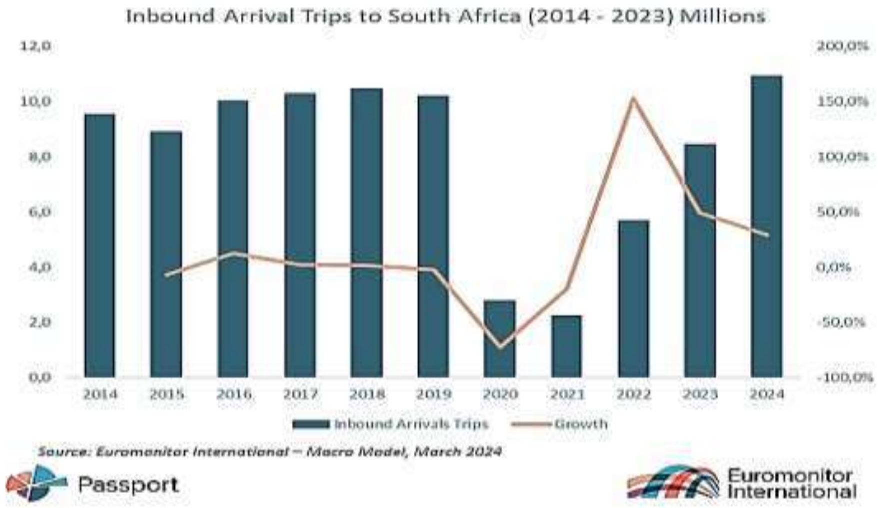
EMPLOYMENT OPPORTUNITIES IN THE TOURISM SECTOR

Source: Louisville Tourism

7.1.1	Identify an industry that represents leisure tourism from the above picture.	(1)
7.1.2	Name the organisation that is responsible for marketing tourism in South Africa.	(1)
7.1.3	Briefly describe the term *infrastructure.*	(2)
7.1.4	Why is tourism considered to be labour intensive?	(2)
7.1.5	How can government ensure equal distribution of tourism activities in the country?	(4)

ACTIVITY 8

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



Source: Euromonitor

8.1.1 Identify the year in which there was a highest number of inbound tourists from the above graph. (1)
8.1.2 Name the inbound arrivals trend shown by the graph above. (1)
8.1.3 Briefly describe the term *labour intensive*. (2)
8.1.4 Explain the reason for the decline in tourism activity during 2020 to 2021. (2)
8.1.5 How can households in rural areas benefit from tourism? (4)

ACTIVITY 9

9.1 Answer the following questions.

9.1.1 How does the availability of adequate infrastructure promote tourism? (8)
9.1.2 Analyse the challenges faced by the tourism industry in South Africa. (8)
9.1.3 Discuss the reasons for growth in the tourism industry. (8)
9.1.4 How does tourism negatively affect the environment? (8)

ACTIVITY 10

- Examine in detail the benefits of tourism. (26)
- How can South Africa promote the tourism industry to attract inbound tourists? (10)

ACTIVITY 11

- Examine in detail the effects of tourism. (26)
- How can indigenous knowledge systems impact in promoting tourism in South Africa. (10)

ENVIRONMENTAL SUSTAINABILITY

ACTIVITY 1

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number, for example 1.1.6 D.

1.1.1 A tax levied on the output or consumption where environmental costs were generated is known as…
- A. value added tax.
- B. sin tax.
- C. customs tax.
- D. green tax.

1.1.2 The contamination of the environment by adding harmful substances to it is called …
- A. externality.
- B. pollution.
- C. waste.
- D. extinction.

1.1.3 The process whereby grasslands are converted into dry lands is called…
- A. desertification
- B. erosion
- C. land pollution
- D. dumping

1.1.4 A cash incentive provided by the state to businesses and private individuals that apply practices to promote environmental sustainability is known as an environmental…
- A. permits.
- B. tax.
- C. subsidy.
- D. grant.

(4X2)8

1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–E) next to the question numbers, e.g. 1.2.6 G.

COLUMN A	COLUMN B
1.2.1 Food security 1.2.2 Property rights 1.2.3 Flora and fauna 1.2.4 Air pollution	A. laws which governs how individuals can control, use, benefit from and transfer resources. B. variety of plant and animal life in an ecosystem. C. exist when all people have access to sufficient, nutritious food to maintain a healthy and active life. D. the plants and animals of a specific region. E. an accumulation of toxic material introduced in the atmosphere.

(4X1)4

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.5). Abbreviations, acronyms and examples will be NOT be accepted.

1.3.1 The process where tree and forests are removed from the land and are not replaced.

1.3.2 A significant and sustained change in the normal weather pattern.

1.3.3 An introduction of chemical and biological waste into fresh or ocean water.

1.3.4 The process of converting waste materials into new products to prevent unnecessary landfill and reduce pollution.

(4X1)4

ACTIVITY 2

2.1 Answer the following questions.

2.1.1 Name any TWO major international problems. (2 x 1) (2)

2.1.2 Why it is important to control emission of greenhouse gases on the environment? (1 x 2) (2)

2.2 Study the picture below and answer the questions that follow:

Source: google images

2.2.1 Identify the type of pollution depicted by the picture above. (1)

2.2.2 Name the tax used in South Africa to reduce the negative impact of pollution on the environment. (1)

2.2.3 Briefly describe the term *renewable resources.* (2)

2.2.4 Explain the role of education on the environmental sustainability. (2)

2.2.5 How does industrial growth impact the environment? (2 x 2) (4)

2.4 Briefly discuss conservation and preservation to sustain the environment. (8)

2.5 Analyse the impact of an increase in population on the environment. (8)

ACTIVITY 3

3.1 Answer the following questions.

3.1.1 Name any TWO causes of soil erosion. (2 x 1) (2)

3.1.2 How can the granting of property rights help to conserve the environment? (1 x 2) (2)

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

3.2.1	Identify a picture that shows soil erosion from the pictures above.		(1)
3.2.2	Name any ONE type of pollution.		(1)
3.2.3	Briefly describe the term *biodiversity*.		(2)
3.2.4	Explain the impact of floods on the agricultural activities.		(2)
3.2.5	How can environmental subsidy be used to ensure sustainable development in South Africa?		(4)
3.3	Why markets fail to ensure environmental sustainability.	(4 x 2)	(8)

ACTIVITY 4

4.1 Answer the following questions.

4.1.1	Name any TWO non-renewable resources.	(2 x 1)	(2)
4.1.2	Why it is important of preserve the environment.	(1 x 2)	(2)

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

4.2.1 Identify the cause of climate change from the picture above. (1)

4.2.2 State any One international protocol and agreement on sustainable development. (1)

4.2.3 Briefly describe the term *global warming*. (2)

4.2.4 Explain the impact of positive technology on the environmental sustainability. (2)

4.2.5 How can the loss of biodiversity be addressed? (2 x 2) (4)

4.3 How successful has South Africa been in using education to ensure environmental sustainability?

ACTIVITY 5

5.1 Answer the following questions

5.1.1 State TWO international agreements on disposal of chemical waste. (2 x 1) (2)

5.1.2 Why would lack of command and control policies leads to environmental degradation? (1 x 2) (2)

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

GREEN ECONOMY

A green economy prioritizes environmental sustainability alongside economic growth, focusing on renewable energy, sustainable agriculture, waste management, and other eco-friendly practices. Examples include transitioning to renewable energy sources like solar and wind power, adopting sustainable agriculture methods like organic farming, implementing circular economy models (recycling, reusing), promoting green buildings, and developing sustainable transportation systems (electric vehicles, public transit).

Source: google.com/02/08/25

5.1.1 Identify any ONE method of generating energy through sustainable means, from the extract above. (1)

5.1.2 State any ONE example of fossil fuel. (1)

5.1.3 Briefly describe the term *hazardous waste*. (2)

5.1.4 Explain an importance of indigenous knowledge on the environment. (2)

5.1.5 How can environmental awareness programs promote the maintenance of a green economy? (4)

ACTIVITY 6

6.1 Answer the following questions

6.1.1 Name any TWO issues that were on the agenda of Johannesburg summit in 2002. (2)

6.1.2 Why are global summits focusing on sustainability crucial for the environment? (2)

6.2 Study the picture below and answer the questions that follow

Source: google images

6.1.1 Identify any ONE type of pollution shown in the above picture. (1)

6.1.2 Name the government measure that grant businesses to pollute up to a certain limit (1)

6.1.3 Briefly describe the term *environmental sustainability*. (2)

6.1.4 How could greenhouse gasses lead to climate change? (2)

6.1.5 Explain the positive impact of carbon tax on the environment. (2 x 2) (4)

ACTIVITY 7

7.1 Discuss in detail the problems and the international measures taken to ensure sustainable development. (26)

ACTIVITY 8

8.1 Discuss in detail how the government can ensure sustainable development. (26)