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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

2026

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TABLE OF CONTENTS

	TOPIC	PAGE
PAPER 1: MACROECONOMICS & ECONOMIC PURSUITS		**3 - 58**
1	CIRCULAR FLOW	**3-9**
2	BUSINESS CYCLES	**10 - 16**
3	PUBLIC SECTOR	**17 - 22**
4	INTERNATIONAL TRADE	**23 - 30**
5	INTERNATIONAL TRADE POLICIES	**31 - 37**
6	ECONOMIC GROWTH AND DEVELOPMENT	**38 - 44**
7	INDUSTRIAL DEVELOPMENT	**45 - 50**
8	ECONOMIC & SOCIAL PERFORMANCE INDICATORS	**51 - 58**
PAPER 2: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES		**59 - 100**
9	PERFECT MARKET	**59 - 65**
10	MONOPOLY	**66 – 69**
11	MONOPOLISTIC COMPETITION	**70 - 72**
12	OLIGOPOLY	**73 - 76**
13	MARKET FAILURES	**77 - 83**
14	INFLATION	**84 - 88**
15	TOURISM	**89 - 92**
16	ENVIRONMENTAL SUSTAINABILITY	**93 - 100**

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PAPER 1: MACROECONOMICS

1. CIRCULAR FLOW

MAIN TOPIC: MACROECONOMICS	
TOPIC 1: CIRCULAR-FLOW MODEL	**CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES**
Present the circular-flow model as a macroeconomic model:	(Focus: Relevant concepts, interaction between participants, markets, flows, injections, leakages and equilibrium in the economy)
1.1 The open-economy circular-flow model	• Briefly describe the **concepts** related to the circular flow. • Draw and interpret an **open four-sector circular-flow diagram**. • Discuss the 4 **participants** and inter relationships between them: - Household, business, state and foreign sector - Real flows and money flows - Show the relationship of the financial sector in the circular flow
- **Equations**	• Justify the equality: L = J and indicate its component elements: - Injections (J = I + G + X) - Leakages (L = S + T + M) • Brief explanation of an economy in equilibrium: - Y = C + I + G + (X – M) • Relate aggregate spending (consumption) to income. • Explain concepts **autonomous consumption** and **marginal propensity to consume** (mpc)
- **Markets**	• *Discuss in detail the markets within the FOUR-SECTOR model*: - **Factor markets: (labour, resource, capital)** - **Product markets: (consumer and capital goods, durable, semi-durable and non-durable)** - **Financial (monetary and capital)** - **Foreign exchange market** - Link the operation of financial and foreign exchange markets to the participants of the circular flow
1.2 National account aggregates	(Focus: Relevant concepts, deducing, interpretation, analyses of aggregates and conversions) • Briefly describe the **concepts** GDP and GNP • Discuss the THREE **methods** to determine GDP using data tables: - Production GDP(P) - Income GDP(I) - Expenditure GDP(E) • Analyse, interpret and derive aggregates from data tables
National account conversions	• Analyse the national account conversions: - Factor cost, basic prices, market prices - Taxes and subsidies on production - Taxes and subsidies on products - GDP to GNP • Explain the **purpose** of the System of National Accounts (SNA) as outlined by the United Nations (UN)

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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 (1.1.1–1.1.9) in the ANSWER BOOK, for example 1.1.6 D

1.1.1 A model which illustrates the flows between participants in the economy is called …
- A. Market
- B. Business cycle
- C. Circular flow
- D. Economics

1.1.2 The movement of money in the form of income and expenditure is called…
- A. Model
- B. Money Flow
- C. Real Flow
- D. Economy

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



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

1.1.5 The market that provides long term deposits, loan and investment is known as the ….. market.
- A money
- B exchange
- C capital
- D product market

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

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

1.1.8 The market where goods and services are sold and bought is known as the … market
- A. factor
- B. resource
- C. financial
- D. product

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1.1.9 Spending that does not depend on the level of income is called… expenditure

A. autonomous
B. consumer
C. national
D. induced

(9x 2) (18)

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 1.2.10) in the ANSWER BOOK, e.g. 1.2.8 H.

COLUMN A		COLUMN B	
1.2.1	Marginal Propensity to save	A.	Income and expenditure between the participants in the circular flow
1.2.2	Household	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	Gross Domestic Product	E.	The portion of an increase in income that is not consumed
1.2.6	Financial market	F.	Total value of all goods and services produced within the borders of a country within a specified period
1.2.7	Multiplier effect	G.	Where long term funds are borrowed and save by consumer and business enterprise
1.2.8	Gross national product	H.	Value of all final goods and services produced by the permanent residents of the country for specific period
1.2.9	Leakages	I	The main participant and the owners of all factors of production in the circular flow
1.2.10	Money market	J.	The withdrawal of money from the circular flow.
		K.	Where short term funds are borrowed and save by consumer and business enterprise

(10X 1) **(10)**

1.3 Give the correct term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.7)

1.3.1 The movement of goods and services as well as factors of production.
1.3.2 An economy that includes the foreign sector.
1.3.3 A model of the economy showing how the economic participants interact with another.
1.3.4 Consumption that is not dependent on the level and changes of income.
1.3.5 The method used to derive total remuneration on factor of production.
1.3.6 The proportion of additional income that consumer spend on goods and services.
1.3.7 The figure on expenditure method that is used to correct errors and omissions.

(7×1) (7)

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ACTIVITY 2

2.1 Answer the following questions.

2.1.1	Name any TWO types of consumer goods.	(2)
2.1.2	Name any TWO examples of non-durable goods.	(2)
2.1.3	Name any TWO methods to calculate national account aggregates.	(2)
2.1.4	Name any TWO examples of leakages.	(2)
2.1.5	Name any TWO markets in the economic circular flow.	(2)
2.1.6	Name any TWO examples of injections in the circular flow.	(2)
2.1.7	Name any TWO financial markets in the circular-flow.	(2)
2.1.8	Name any TWO components of consumption function.	(2)
2.1.9	Name the TWO flows in the circular flow model.	(2)
2.1.10	Name any TWO participants in an open economy.	(2)
2.1.11	Name any two examples of secondary sector.	(2)
2.1.12	How do subsidies positively affect the price of goods and services?	(2)
2.1.13	Why is System of National Accounts important in determining the national aggregates.	(2)

ACTIVITY 3

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



Source: WallStreetMoja

3.1.1	Identify an economic term depicted in the extract above.	(1)
3.1.2	Name one factor that determines the size of multiplier.	(1)
3.1.3	Briefly describe the term *induced consumption*.	(2)
3.1.4	Why does the size of multiplier increase as marginal propensity to consume increase?	(2)
3.1.5	Use the marginal propensity to consume (mpc) of 0.5 to calculate the value of the multiplier. Show all calculations	(4)
3.2	How can business sectors contribute more meaningfully to the economy?	(8)
3.3	How does inflow of money contribute to economic growth?	(8)

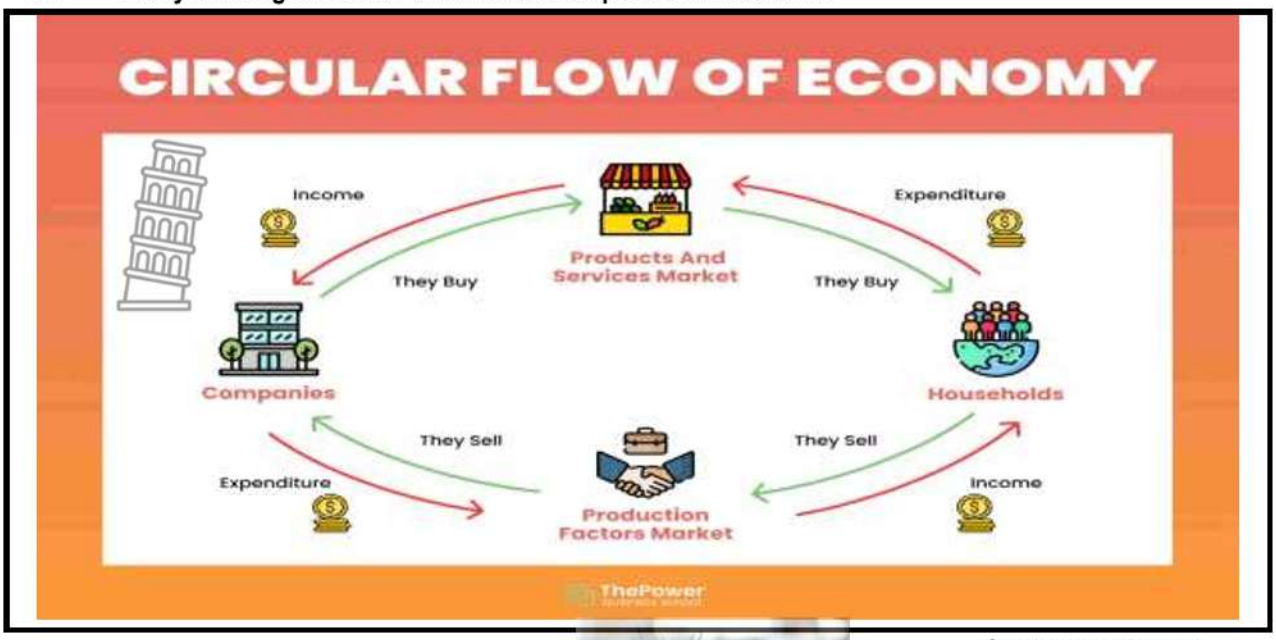
ACTIVITY 4

4.1 Answer the following questions

4.1.1	Name any TWO examples of injection.	(2)
4.1.2	Why are households an important participant in the circular flow?	(2)

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4.2 Study the diagram below and answer the questions that follow



Source: google.com

4.2.1 Identify the primary participant from the above diagram. (1)
4.2.2 Name any ONE example of the financial market. (1)
4.2.3 Briefly describe the term *factor market*. (2)
4.2.3 Explain the importance of factors of production in the circular flow? (2)
4.2.5 How can foreign direct investment (FDI) influence the economy? (4)
4.3 Discuss the interaction between the foreign sector and government. (8)
4.4 How do subsidies contribute to an increase in gross domestic product? (8)

ACTIVITY 5

5.1 Study the extract below and answer the questions that follow

The Circular Flow Model

The circular flow model is used to measure a nation's income. It measures both cash coming into and exiting a nation's economy. It is also used to check the interaction between the sectors because a strong economy will have interaction between components.

The relationship between the government's taxation policies and a household's consumption spending will have a direct impact on a business's ability to sell goods at product market. Money also flows in a four-sector model through exports (X) that bring in cash from international buyers in the foreign sector.

Source: Alex Dos Diaz / Investopedia

5.1.1 Identify the market where goods and services are traded from the diagram above. (1)
5.1.2 Name any ONE example of money flow. (1)
5.1.3 Briefly describe the term *leakages.* (2)
5.1.4 Explain the impact of increase in savings on the size of the multiplier. (2)
5.1.5 How does an increase in personal income tax influence consumers? (4)
5.2 Analyse the relationship between the financial sector and other participants in the circular flow. (8)

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ACTIVITY 6

6.1 Study the graph below and answer the questions that follows



6.1.1 Identify the quarter where South African Growth Rate was the highest in 2025. (1)

6.1.2 Name any ONE example of primary income from the rest of the world. (1)

6.1.3 Briefly describe the term *gross domestic product*. (2)

6.1.4 Explain the impact of an increase in government spending on the size of the multiplier. (2)

6.1.5 Why is the factor market important in the circular flow? (4)

6.2 Briefly discuss the *real flow* and *money flow* (8)

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ACTIVITY 7

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

SOUTH AFRICAS GROSS DOMESTIC PRODUCT (GDP) – 2025	
Primary sector	398 000
Secondary sector	754 000
Tertiary sector	1 365 300
Gross value added at basic prices	**2 517 300**
Taxation on products	99 800
Subsidies on products	63 648
Gross domestic product at market prices	**(A)**

[Adapted: SARB Quarterly Bulletin, MARCH 2025]

7.1.1 Identify the sector that deals with the extraction of raw materials from the above table. (1)

7.1.2 Name any ONE example of taxes on products. (1)

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

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

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

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ACTIVITY 8

8.1 Study the table below and answer the questions that follow

EXPENDITURE

GROSS VALUE ADDED ACCORDING TO DIFFERENT SECTORS OF ECONOMY	
At current prices (R millions)	**2025**
Consumption expenditure by household(C)	334 123
Consumption expenditure by government (G)	542 234
Gross capital formation (I)	457 774
Residual item	**(A)**
Gross domestic expenditure	1 342 531

[Adapted: SARB Quarterly Bulletin, JUNE 2025]

8.1.1 Name the method that was used in the calculation of the gross domestic product? (1)
8.1.2 Name the sector which contributed the most to GDP? (1)
8.1.3 Briefly describe the term *real Gross Domestic Product*. (2)
8.1.4 Explain the importance of gross fixed capital formation in the economy. (2)
8.1.5 Calculate the value of (A). Show all calculations. (4)
8.2 Briefly discuss *taxes on production* and *taxes on product*. (8)

ACTIVITY 9

9.1 Study the extract below and answer the questions that follow

South African GDP grows by 1.0%

In **2026**, South Africa's GDP growth is projected to be **1.0%** according to the International Monetary Fund (IMF). In the first quarter of **2026**, the GDP increased by **0.5%**, marking a sixth consecutive quarter of growth. This growth was driven by various sectors, including tertiary, and primary sector.

Source: Google News

9.1.1 Identify the percentage increase in GDP in first quarter of 2026. (1)
9.1.2 Name any ONE sector that contributes to the South African GDP. (1)
9.1.3 Briefly describe the term *double counting*. (2)
9.1.4 Explain the reason for subtracting subsidies when calculating gross domestic product. (2)
9.1.5 Why is it important to convert gross domestic product to gross national product. (4)

ACTIVITY 10

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

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 3-9
2025 Last Push Learner Revision Document pages 3-8

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2. BUSINESS CYCLES

TOPIC 2: BUSINESS CYCLES	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Analysis and explanation of business cycles, and how they are used in forecasting.	(Focus: Relevant concepts, composition, explanation, government policies, new economic paradigm and features underpinning forecasting in respect of South African conditions)
2.1 The composition and features of business cycles	• Briefly describe the **concepts** • Briefly explain the **nature** of business cycles • Demonstrate/Illustrate a **typical business cycle** • Use a diagram and briefly discuss the different **phases** in a business cycle • Broadly outline the **real** business cycle.
2.2 Explanations/Causes	• Discuss the **exogenous (monetarist)** explanation • Discuss the **endogenous (Keynesian)** explanation • Compare both explanations • Give a broad outline of the **types** of business cycles (Kitchin, Jugler, Kuznets and Kondratieff)
2.3 Government policy	• Explain the composition of the following policies: - **Fiscal policy** o Taxes and government expenditure o Briefly relate to the budget - **Monetary policy** o Interest rates (repo rate) o Open market transactions o Cash reserve requirement o Moral suasion
2.4 The new economic paradigm (smoothing of cycles)	• ***Discuss in detail 'The new economic paradigm'/Explain the 'smoothing of cycles'*** - **Explain demand-side policies.** o **Explain clearly how monetary and fiscal policies (expansionary and contractionary) can be used in smoothing out business cycles** o **Relate to inflation (peak) and unemployment (trough) by using the Phillips curve** - **Explain supply-side policies and how aggregate supply can be stimulated through:** o **Reduction in costs** o **Improving efficiency in inputs** o **Improving efficiency in markets** • Explain the effect of demand-side and supply-side policies using a graph (aggregate demand and aggregate supply).
2.5 Features underpinning forecasting business cycles	• Briefly describe the relevant concepts • ***Discuss in detail the features underpinning forecasting:*** - **Indicators** o **Leading** o **Coincidence** o **Lagging** o **Composite** - **Length of a cycle** - **Amplitude** - **The trend line** - **Extrapolation** - **Moving averages** • Use a diagram and discuss the cycle length, amplitude and the trend line as features underpinning forecasting.

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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. Negative economic growth for at least two consecutive quarters is known as…
A. Boom
B. Depression
C. Recession
D. Recovery

1.1.2. The point where economic contraction is at its lowest is known as…
A. Trough
B. Peak
C. Trend
D. Recovery

1.1.3. A diagram that shows expansion and contraction periods of economic activities is known as… cycle
A. Productivity
B. Business
C. Economic
D. Employment

1.1.4. The removal of unnecessary restrictions by legislation is known as ...
A. Regulation
B. Centralisation
C. Deregulation
D. Decentralisation



1.1.5. A period where there is a general increase in economic activities is known as …
A. Downswing
B. Upswing
C. Depression
D. Contraction

1.1.6. The rate that is charged by South African Reserve bank to commercial banks is known as …
A. Exchange
B. Prime
C. Repo
D. Inflation

1.1.7. The indicator that changes at the same time as the economy changes is known as… indicator
A. Coincident
B. Composite
C. Lagging
D. Leading

1.1.8. The cycle that is caused by a change in investment and last for 7-11 years is known as …
A. Kondratieff
B. Kuznets
C. Kitchen
D. Juglar

(2x8) (16)

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

COLUMN A		COLMN B
1.2.1	Moving average	A. Measures the distance of oscillation of a variable from trend line to the peak or trough.
1.2.2	Real business cycle	B. Economic fluctuation emanating from outside the market system.
1.2.3	Peak	C. Removal of unnecessary laws and restrictions.
1.2.4	Amplitude	D. The upper turning point of the business cycle.
1.2.5	Lagging indicator	E. Use interest rates to influence the level of expenditure.
1.2.6	Kitchen cycle	F. Obtain when the effect of irregular events and seasons are removed from time series data.
1.2.7	Exogenous factor	G. Calculated over a certain time to smooth out minor fluctuations in the data.
1.2.8	Monetary policy	H. The cycle is caused by a change in inventory.
		I. Does not change until after the business cycle has changed.

(1x8) (8)

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

1.3.1 A policy that targets taxes and government expenditure to influence economic activity.
1.3.2 Predicting the future economic activities using the fact that is known\.
1.3.3 It illustrates the relationship between unemployment and inflation.
1.3.4 A summary of the value of different indicators of the same type into a single value.
1.3.5 It involves buying and selling of government securities.
1.3.6 Measures the duration of the business cycle from peak to peak.

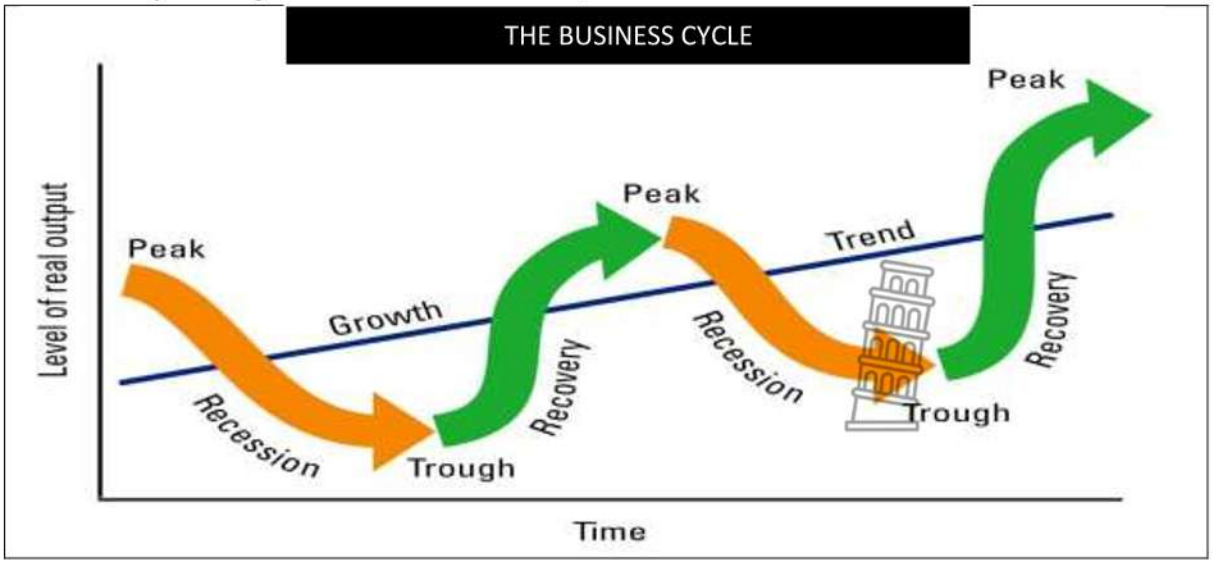
(1x6) (6)

ACTIVITY 2

2.1 Answer the following questions

2.1.1 Name any TWO instruments of monetary policy used by South African Reserve Bank (2)
2.1.2 Why does the inflation rate tends to be high during the prosperity phase? (2)

2.2 Study the diagram below and answer the questions that follow



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2.2.1 Identify the turning point during which there is very high employment. (1)
2.2.2 Name the business cycle feature that is measured from trough to trough. (1)
2.2.3 Briefly describe the term *leading indicator.* (2)
2.2.4 Why is the government intervention not necessary under exogenous explanation? (2)
2.2.5 How can the government use restrictive fiscal policy to smooth out the fluctuation in the economy? (2)

ACTIVITY 3

3.1 Answer the following questions

3.1.1 Name any TWO types of business cycle. (1 x 2) (2)
3.1.2 Why is extrapolation important in the forecasting of business cycles? (2)

3.2 Study the picture below and answer the questions that follows



Source: google.com

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3.2.1 Identify the contraction phase in the above picture. (1)
3.2.2 Name the type of business cycle that is caused by a change in technology. (2)
3.2.3 Briefly describe the term *real business cycle*. (2)
3.2.4 Explain the use of expansionary fiscal policy to stimulate economic activity. (2)
3.2.5 How can a government improve efficiency of markets in the economy? (4)

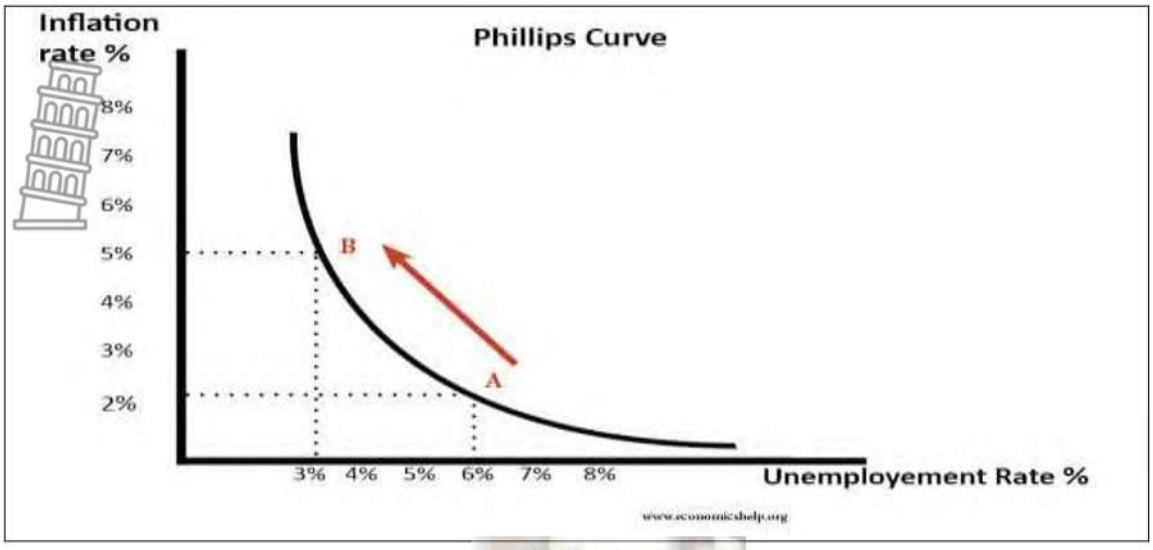
ACTIVITY 4

4.1 Answer the following questions

4.1.1 Name any TWO periods of business cycles. (2 x 1) (2)
4.1.2 Why is it important to use moving averages to forecast business cycles? (1 x 2) (2)

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4.2 Study the graph below and answer the questions that follow



4.2.1 Identify the level of inflation where unemployment rate is 3 %in the graph above. (1)
4.2.2 Name the lower turning point of business cycle. (1)
4.2.3 Briefly describe the term *new economic paradigm.* (2)
4.2.4 Explain the relationship between unemployment and inflation as illustrated by the above graph. (2)
4.2.5 How can the government lower the cost of production for businesses? (4)

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ACTIVITY 5

5.1 Answer the following questions

5.1.1 Name TWO approaches to business cycles. (2x1) (2)
5.1.2 How are leading indicators used in the forecasting of business cycles? (1 x 2) (2)

5.2 Study the extract below and answer the questi0ons that follow.

ECONOMY FLUCTUACTIONS IN SOUTH AFRICA

The South African economy has experienced several ups and downs over the past decade. During the periods of economic expansion, businesses increased production, employment rose, and consumer spending improved.

Sources: business –ed.com

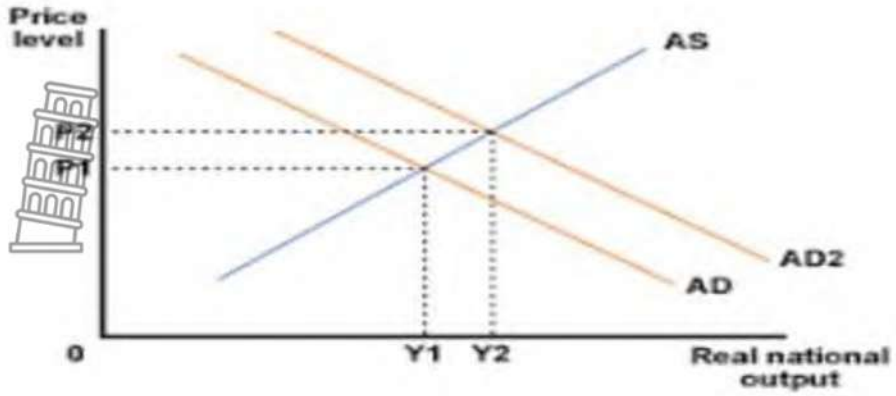
5.2.1 Identify the period where employment rose from the extract above (1)
5.2.2 Name any ONE economic indicator underpinning forecasting of a business cycle. (1)
5.2.3 Briefly describe the term *recession.* (2)
5.2.4 Explain the purpose of trend line in a business cycle. (2)
5.2.5 How can government use monetary policy to stimulate economic activity? (4)

ACTIVITY 6

6.1 **Answer the following questions:**
6.1.1 Name TWO components of Philips curve. (2)
6.1.2 Why are lagging indicators used less often by policy makers? (2)

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



6.2.1 Identify the original equilibrium price from the graph above. (1)
6.2.2 Name any ONE demand side policy that is used to smooth the fluctuations in the economy. (1)
6.2.2 Briefly describe the term *business cycle*. (2)
6.2.4 Why does inflation tend to fall during recession? (2)
6.2.5 How can reduction of costs be used as a supply side measure? (4)

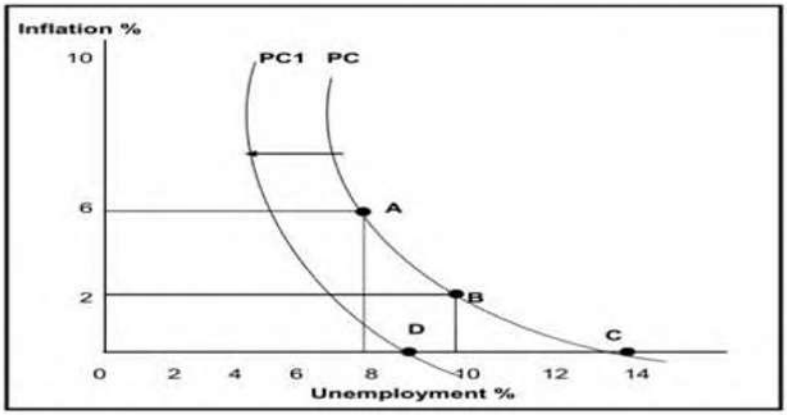
ACTIVITY 7

7.1 Answer the following questions

7.1.1 Name TWO policies in which the new economic paradigm is embedded. (2)
7.1.2 How can competition stimulate aggregate supply? (2)

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THE RELATIONSHIP BETWEEN UNEMPLOYMENT AND INFLATION



Adapted from Enjoy Economics

7.2.1 Identify the economic model shown in the graph above. (1)
7.2.2 Give the concept that relate to the level of unemployment where the inflation is zero. (1)
7.2.3 Briefly describe the term *cash reserve requirements.* (2)
7.2.4 Explain the effect of a decrease in unemployment on the inflation rate. (2)
7.2.5 How can the government reduce unemployment without triggering inflation? (4)

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ACTIVITY 8

8.1 Answer the following questions

8.1.1 Name TWO turning points of a business cycle. (2)

8.1.2 How can a complete business cycle be measured? (2)

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

MONETARY POLICY

The SARB MPC held the repo rate at 6.75% (prime: 10.25%) in March 2026, citing fuel price shocks and Middle East conflict risks, despite inflation landing at a 3.0% target in February. While headline inflation was 3.0%, the SARB expects it to rise toward 4% in the second Quarter of 2026 due to high energy prices before slowing later.

Source: www.SARB.com

8.2.1 Identify the type of interest that is charged by South African Reserve Bank to commercial banks from above extract. (1)

8.2.2 Name any ONE instrument of fiscal policy that is used to smooth out the fluctuations in business cycles. (1)

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

8.2.4 Explain the benefits of keeping interest rates unchanged to the South African economy. (2)

8.2.5 Why are open market transactions important to dampen an overheating economy? (4)

ACTIVITY 9

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

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

9.3 Briefly discuss recovery phase and depression phase of the business cycle. (8)

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

9.5 With the aid of a well labelled graph explain the influence of the supply-side policy in increasing output whilst lowering prices. (8)

ACTIVITY 10

- Discuss in detail the features underpinning the forecasting of business cycles. (26)
- How can exogenous factors cause economic fluctuations to business cycles? (10)

ACTIVITY 11

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

For *more activities on this topic refer to:*

2024 Last Push Learner Revision Document pages 10-25

2025 Last Push Learner Revision Document pages 9-16

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2. PUBLIC SECTOR

TOPIC 3: PUBLIC SECTOR	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Evaluate the role of the public sector in the economy with special reference to its socio-economic responsibility in the South African context	(Focus: Composition and necessity of public sector, problems of public sector provisioning, objectives, fiscal policy and reasons for public sector failure)
3.1 The composition and necessity of the public sector	• Briefly describe the **composition** of the public sector • Explain the **necessity** of the public sector: - To supply public goods - To conserve resources - To manage the economy
3.2 Problems of public sector provisioning	• Discuss how each of the following factors contributes to poor public sector provisioning: - Accountability - Efficiency - Assessing needs - Pricing policy - Parastatals - Privatisation/Nationalisation
3.3 Objectives of the public sector	• ***Discuss in detail the main objectives of the public sector in the economy*** - **Economic growth** - **Full employment** - **Exchange rate stability / Balance of Payments equilibrium** - **Price stability** - **Economic equity**
3.4 Budgets	• Broadly outline the various budgets • Emphasise public debt as a % of GDP • Analyse current **main budget** data relating to: - Taxes - Sources of income - Expenditure allocation - Personal income tax tables (tax calculation) • Differentiate between **Medium Term Expenditure Framework (MTEF)** and **Medium Term Budget Policy Statement (MTBPS)** • Explain how socio-economic rights are embedded in the budgets of the South African government
3.5 Fiscal policy (including Laffer curve)	• Briefly discuss the following: - The main **variables** (tax and government expenditure) - **Features** of fiscal policy: goal-bound, demand-based, cyclical • Discuss the **effects** of fiscal policy. - Income distribution - Consumption - Price level - Incentives/Disincentives in relation to the **Laffer curve** - (Draw and interpret the Laffer curve) - Discretion

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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 (1.1.1–1.1.7) in the ANSWER BOOK, for example 1.1.6 D

1.1.1 Goods that are beneficial to the society are known as…
- A. demerit goods
- B. merit goods
- C. imported goods
- D. manufactured goods

1.1.2 The transfer of ownership of business from the private sector to the public sector is called…
- A. South African Reserve Bank
- B. privatisation
- C. department of Basic Education
- D. nationalisation

1.1.3 The compulsory payment made to the government by people and businesses is known as…
- A. taxation
- B. fines
- C. licence fees
- D. donations



1.1.4 A business that is fully or partly owned by the government is called…
- A. public-private partnership
- B. privatization
- C. nationalization
- D. state-owned enterprise (SOE)

1.1.5 The document that shows income and expenditure estimates of the government for a three-year period is known as…
- A. medium-Term Expenditure Framework (MTEF)
- B. national Development Plan (NDP)
- C. national Development Strategy (NDS)
- D. national Skills Development Strategy (NSDS)

1.1.6 The spending of money on lobbying to increase wealth without actually any more wealth is called…
- A. corruption
- B. rent seeking
- C. bureaucracy
- D. nepotism

1.1.7 The income received by individuals without rendering any service is called…
- A. rent income
- B. taxation
- C. tariff
- D. transfer payment

(2X7) (14)

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1.2 Match column A with column B

Column A		Column B	
1.2.1	National budget	A.	Complex administrative procedures that delay service delivery.
1.2.2	Free rider	B.	Annual plan showing government revenue and expenditure.
1.2.3	Fiscal policy	C.	Benefits enjoyed by people who did not pay for them.
1.2.4	Bureaucracy	D.	Government action of using taxation and spending to influence the economy.
1.2.5	Progressive tax	E.	Goods that are non-rival and non-excludable,
1.2.6	Public goods	F.	Government-owned business enterprise.
		G.	Tax where higher-income earners pay a higher percentage.

(1X6) (6)

1.3 Provide a concept for each of the following descriptions.

1.3.1 The inability of the government to allocate resources efficiently or provide services effectively.
1.3.2 Excessive administrative procedures that delay decision-making and service delivery.
1.3.4 Payments made by the government to households without receiving any services.
1.3.5 A tax charged at the same rate regardless of the taxpayer's income level.
1.3.6 The curve that shows the relationship between the tax rate and tax revenue.

(1X6) (6)

ACTIVITY 2

2.1 Answer the following questions

2.1.1 Name any TWO necessities of the public sector. (2 x 1) (2)
2.1.2 How can the government improve the efficiency of parastatals in South Africa? (2)

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

Parastatals in South Africa

State-owned enterprises (SOEs) are businesses that are owned wholly or partly by the government. They are established to provide essential goods and services, promote economic development, create employment, and support strategic sectors of the economy. Although they operate like businesses, their main objective is often to serve the public interest rather than to maximize profits. Despite their important role, many parastatals face challenges such as poor financial management and corruption.

Daily News 10 May 2026

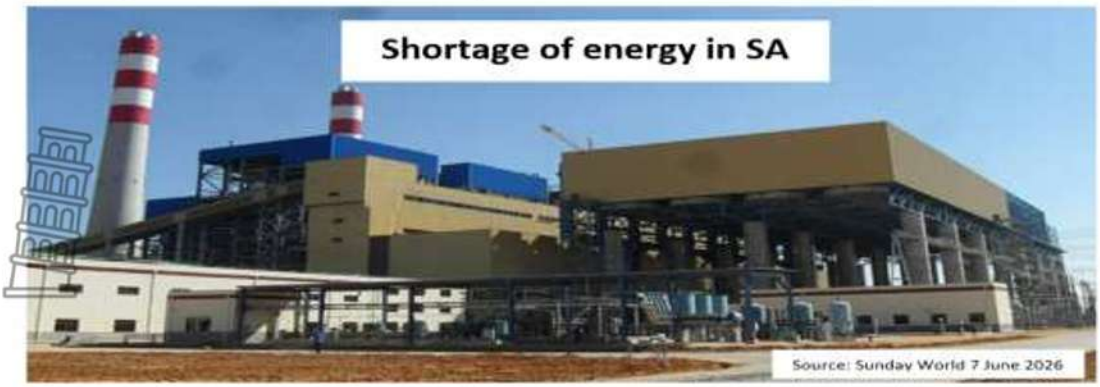
2.2.1 Identify any ONE problem faced by parastatals in the extract above. (1)
2.2.2 Name the main source of government revenue. (1)
2.2.3 Briefly describe the term *full employment*. (2)
2.2.4 Explain the necessity of the public sector in the economy. (2)
2.2.5 Why is the existence of SOEs important to the economy? (4)
2.4 How can the South African municipalities improve efficiency in service delivery? (8)

ACTIVITY 3

3.1.1 Name any TWO spheres of the public sector. (2 x 1) (2)
3.1.2 Why is the public sector involvement important in the management of the economy? (1 x 2) (2)

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3.2 Study the picture below and answer the questions.



3.3.1	Identify the product supplied by the government in the picture above.	(1)
3.3.2	Name any ONE form of indirect tax in South Africa.	(1)
3.3.3	Briefly describe the term *free riders*.	(2)
3.3.4	Explain the negative impact of the failure of parastatals.	(2)
3.3.5	Why is inefficiency a problem in public sector provisioning?	(4)
3.5	How can public sector failure negatively influence economic stability?	(8)

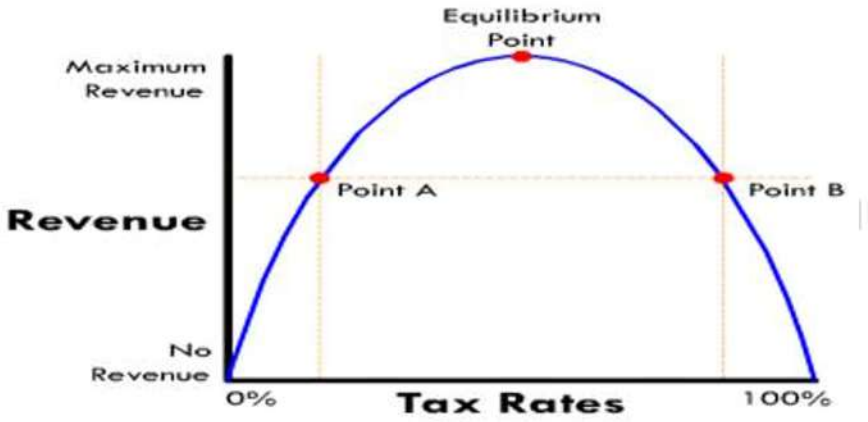
ACTIVITY 4

4.1 Answer the following questions

4.1.1	Name any TWO objectives of the public sector.	(2 x 1)	(2)
4.1.2	Why does the government provide merit goods?	(1 x 2)	(2)

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



4.2.1	Identify the curve depicted on the graph above.	(1)
4.2.2	Name one instrument of the fiscal policy.	(1)
4.2.3	Briefly describe the term *collective goods*.	(2)
4.2.4	Explain the impact of privatisation of state-owned enterprises on the economy.	(2)
4.2.5	Why would the government support parastatals?	(4)
4.3	Discuss the effect of slow economic growth on the economy.	(8)

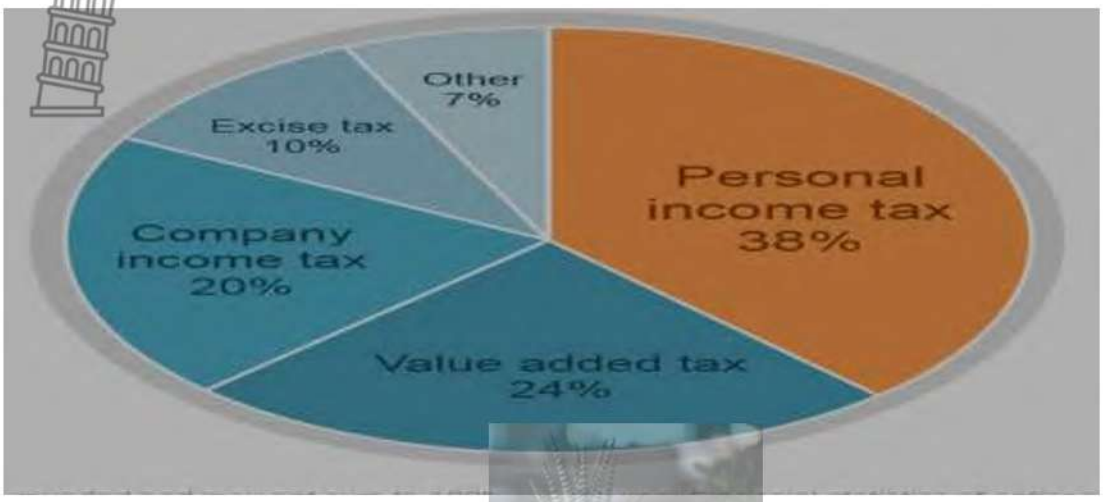
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ACTIVITY 5

5.1.1 Name any TWO examples of direct taxes. (2)

5.1.2 How will an increase in the VAT rate affect the general standard of living? (2)

5.2 Study the pie chart below and answer the questions.



Source: www.google.com

5.2.1 Identify the tax that contributed the most percentage to government revenue in the pie chart above. (1)

5.2.2 Name any ONE feature of the public goods. (1)

5.2.3 Briefly describe the term *tax evasion.* (2)

5.2.4 Explain the impact of regressive taxation on the poor. (2)

5.2.5 Why does the South African government spend the largest amount of budget on education? (4)

5.3 Briefly discuss pricing policy and parastatals as problems of public sector provisioning. (8)

ACTIVITY 6

6.1 Answer the following questions

6.1.1 List the TWO main characteristics of fiscal policy. (2 x 1) (2)

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

6.2 Study the extract below and answer the questions that follow

PUBLIC SECTOR CHALLENGES

The public sector comprises three levels of government, namely national, provincial and local government. The government programmes include the Medium-term Strategic Framework implemented from 2014–2030 as part of the National Development Plan. It consists of various focus areas such as education, health and economic growth and development.

Adapted from www.gov.za]

6.2.1 Identify the level of government where policies are developed and coordinates services across all Provinces. (1)

6.2.2 Name the department that implements the fiscal policy. (1)

6.2.3 Briefly describe the term *accountability*. (2)

6.2.4 Explain the impact of levying a sugar tax on producers. (2)

6.2.5 Why is it necessary for the government to pay social grants? (4)

6.3 Explain the importance of government spending on infrastructure development. (8)

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ACTIVITY 7

7.1 Answer the following question

7.1.1 Name any TWO effects of public sector failure. (2 x1) (2)

7.2 Study the picture below and answer the questions that follow



7.2.1 Identify the objective of the public sector in the picture above. (1)

.2.2 Name the main source of state revenue. (1)

7.2.3 Briefly describe the term *budget*. (2)

7.2.4 Explain the relationship between the main budget and the MTEF. (2)

7.2.5 How can the government intervene to solve high rate of youth unemployment in the country. (4)

7.3 Discuss economic equity as an objective of the public sector. (8)

7.4 How can the government intervene in the rising fuel prices? (8)

ACTIVITY 8

8.1 Discuss privatisation as a problem of public sector provisioning. (8)

8.2 Discuss the economic and political effects of public sector failure. (8)

ACTIVITY 9

- Discuss in detail the main objectives of the public sector in the economy. (26)
- How successful is the implementation of South Africa's fiscal policy (10)

ACTIVITY 10

- Discuss in detail the reasons for public sector failure (link them to typical problems experienced through public sector provisioning). (26)
- How can the unfair distribution of income in South Africa be resolved? (10)

For *more activities on this topic refer to:*

2024 Last Push Learner Revision Document pages 26-30

2025 Last Push Learner Revision Document pages 17-22

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4. FOREIGN EXCHANGE MARKET

TOPIC 4: FOREIGN EXCHANGE MARKETS	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Examination of the foreign exchange market, the establishment of exchange rates, and show how the Balance of Payments Account is affected	(Focus: Reasons for and effects of international trade, balance of payments, foreign exchange, foreign exchange markets and the correction of disequilibria in the foreign exchange market)
4.1 The main reasons for international trade	• ***Discuss in detail the reasons for international trade*** **Demand reasons:** - **Size of population** - **Income levels** - **Change in the wealth of the population** - **Preferences and taste** - **The difference in consumption patterns** - **Absolute and Comparative advantage** **Supply reasons:** - **Natural resources** - **Climatic conditions** - **Labour resources** - **Technological resources** - **Specialisation** - **Capital** • Briefly discuss the following **effects** of international trade: - Specialisation - Mass production - Efficiency - Globalisation
4.2 The Balance of Payments	• Briefly describe the **concepts** • Explain the value/purpose of the BoP • *Discuss the **composition** of the **current BoP** (which changed recently) in terms of the different accounts. Each item within the accounts should be explained. **1. CURRENT ACCOUNT** Goods exports + Net gold exports + Services receipts + Income receipts less Merchandise imports less Payment for services less Income payments Current transfers (net receipts) Balance on Current Account Memo item: trade balance **2. CAPITAL TRANSFER ACCOUNT** **NET LENDING TO (+) OR BORROWING FROM (-) REST OF THE WORLD** **3. FINANCIAL ACCOUNT** Net direct investment Net portfolio investment Net financial derivatives Net other investments Reserve assets (SDR allowances) **Balance on Financial Account** Memo item: balance on Financial Account excluding reserve assets. Unrecorded transactions

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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 -1.1.8) in the answer book, for example 1.1.9 B.

1.1.1 The interaction of economies with trade as an important element is known as…
A. privatisation
B. entrepreneurship
C. globalisation
D. export promotion

1.1.2 The different between the value of imports and export of good is referred to as…
A. net service.
B. reserve account
C. financial account
D. trade balance

1.1.3 The price of one national currency in terms of another currency is called a/an
A. inflation rate
B. revaluation
C. exchange rate
D. devaluation

1.1.4 When the country produces more output than other countries given the same input is referred as a/an…advantage.
A. Absolute
B. Relative
C. Comparative
D. Competitive

1.1.5 An import duty that is levied as a fixed amount per unit, wage or size of important goods is called a/an…tariffs.
A. ad valorem
B. composite
C. single
D. specific

1.1.6 The purchasing of financial assets such as shares on the stock exchange of another country is called… investment.
A. portfolio
B. direct
C. other
D. capital

1.1.7 Financial capital held by the monetary authorities such as an central bank to finance the trading this equilibrium is referred to as…
A. Financial derivative
B. Merchandise export
C. Reserve asset
D. Portfolio investment

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1.1.8 The account that reflects the ownership of fixed assets transferred by migrants is referred as…account

A. Current transfer
B. Financial
C. Capital transfer
D. Current (8X 2) (16)

1.2 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 – 1.2.8) in the answer book.

COLUMN A			COLUMN B
1.2.1	Unrecorded transaction	A	Future financial contract that derives their values from underlying asset
1.2.2	Special drawing rights	B	An international organisation that lends money to countries with ongoing balance of payment problems
1.2.3	Financial derivative	C	When an organisation or a country is released from its obligation to repay loan
1.2.4	Absolute advantage	D	A financial instrument distributed among member countries of the IMF to help with BOP problems
1.2.5	Balance of payment	E	An item in the balance of payment that caters for any omissions and errors
1.2.6	Debt forgiveness	F	A country produces a good and services at the lower cost than other countries
1.2.7	International Monetary Fund	G	The systematic record of all transaction between one country and the rest of the world
1.2.8	Comparative advantage	H	When average revenue is less than average cost
		I	One country can produce the good at a lower opportunity cost than others

(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 Comparison of the country's exports price with its import prices using an index.
1.3.2 Goods bought from foreign countries for consumption, production or resale.
1.3.3 The value of the country's currency in terms of another country's currency.
1.3.4 An increase in the price of a currency in terms of another currency due to market forces.
1.3.5 The worldwide interaction of economies with trade as an important element is called.
1.3.6 The deliberate action to increase the price of the currency in terms of another currency.

(6 x 1) (6)

ACTIVITY 2

2.1 Answer the following questions

2.1.1 Name any TWO examples of investments in the financial account. (2)
2.1.2 How does an increase in population affect international trade? (1 x 2) (2)

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

THE RAND WEAKENS AGAINST MAJOR CURRENCIES

The South African rand depreciated from R17,80/$1 to R19,10/$1 over a period of three months. Economists attribute the depreciation to increased imports, lower foreign investment inflows and global economic uncertainty. While exporters welcomed the weaker rand because their products became more competitive internationally, importers faced higher costs for imported machinery, fuel and electronic goods.

[***Source: adopted from business news***]

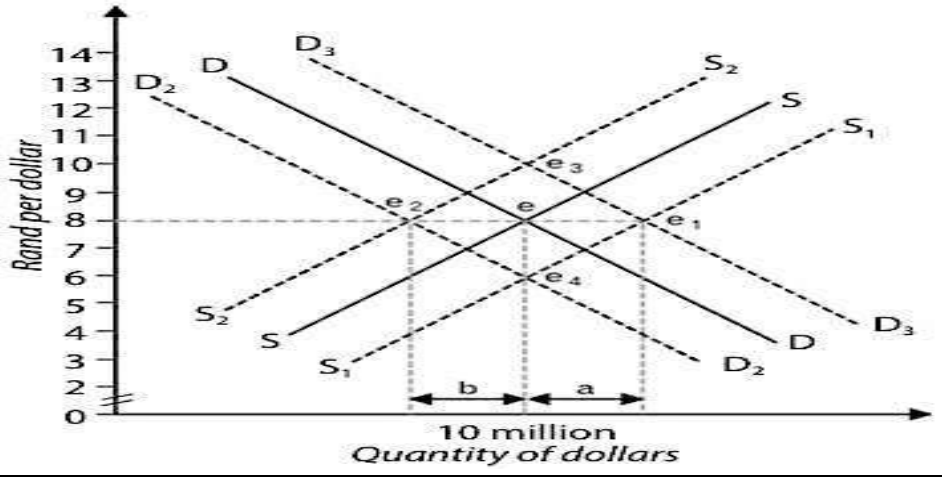
2.2.1 Identity the original exchange rate on the extract above. (1)
2.2.2 Name any ONE exchange rate system. (1)
2.2.3 Briefly describe the term *exchange rate.* (2)
2.2.4 Explain the effect of appreciation of currency on the economy. (2)
2.2.5 How would the depreciation of a rand impact on the trade relations between South Africa and the USA? (4)
2.3 How can South Africa benefit from international trade? (8)

ACTIVITY 3

3.1.1 Name any TWO supply reasons for international trade. (2)
3.1.2 How is international trade affected by high income levels? (2)

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

FOREIGN EXCHANGE MARKET



3.2.1 Identify the original demand curve in the above graph. (1)
3.2.2 Name the exchange rate system used in the graph above. (1)
3.2.3 Briefly describe the term *devaluation.* (2)
3.2.4 Explain the effect of the depreciation of rand on exports. (2)
3.2.5 How can the South African Reserve Bank intervene to stabilize the currency? (4)
3.3 Briefly discuss f*ree floating* and *managed floating* exchange rate systems. (8)

ACTIVITY 4

4.1 Answer the following questions

4.1.1 Name any TWO effects of international trade. (2)
4.1.2 Why is international trade important for the South African economy? (2)

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



Source: www.SARB.com

4.2.1 Identify a demand reason for international trade in the above picture. (1)
4.2.2 Name the market where currencies are traded. (1)
4.2.3 Briefly describe the term *mass production*. (2)
4.2.4 Explain the impact of comparative advantage on the country's competitiveness. (2)
4.2.5 How does an increase in wealth of the population impact on demand for imports? (4)
4.3 How can the South African economy be influenced by international trade? (8)

ACTIVITY 5

5.1 Answer the following questions

5.1.1 Name any TWO exchange rate systems. (2)
5.1.2 Why are reserve assets important on the balance of payments (BOP)? (2)

5.2 Study the cartoon below and answer the questions that follow

FINANCIAL ACCOUNT OF BALANCE OF PAYMENTS (BOP) – 2024

ITEMS	R millions
Net direct investment	68 622
Net portfolio investment	-23 348
Net financial derivatives	4 311
Net other investment	13 481
Reserve assets	A
Balance on financial account	**62 869**
Memo item: balance on financial account excluding reserve assets	63 066
Unrecorded transactions	-18 613

An increase in reserve assets is indicated by a negative (-) sign and a decrease is indicated by a positive (+) sign.

[Adapted from *SARB Quarterly Bulletin*, December 2024]

5.2.1 Identify the item that records the purchase of shares by individuals in the table above. (1)
5.2.2 Name the sub-account of the Balance of Payments that record transactions relating to debt forgiveness. (1)
5.2.3 Briefly describe the term *direct investment*. (2)
5.2.4 Explain the purpose of unrecorded transactions in the Balance of Payments (2)
5.2.5 Use the information above to determine whether there is an increase or decrease in the reserve assets (A). Show ALL calculations. (4)
5.3 Analyse the effect of the United States of America/Iran war on international production. (8)

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ACTIVITY 6

6.1 Answer the following questions

6.1.1 Name TWO variables that are used to calculate the terms of trade. (2)

6.1.2 How can an increase in global oil price impact South African economy? (2)

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

BALANCE OF PAYMENTS(BOP)
THE FINANCIAL ACCOUNT

ITEM	2026(R million)
Net direct investment	-335
Net portfolio investment	1666
Net financial derivative	-26
Net other investment	-1153
Reserve asset (SDR allowance)	-1508
Balance on financial account	-1660
Memo item: Balance on financial account, excluding reserve asset	A

Source www.SARB.gov .com

6.2.1 Identify the item that records commodities controlled by monetary authorities. (1)

6.2.2 Name the account in the balance of payment that record export and import of good and services. (1)

6.2.3 Briefly describe the term *financial derivatives*. (2)

6.2.4 Explain the purpose of Special Drawing Rights allowances in balance of payments. (2)

6.2.5 Use the information in the table above to calculate the balance on financial account(A)
Show all the calculations (2 x 2) (4)

6.3 How can international institutions assist countries in correcting the balance of payment? disequilibrium? (8)

ACTIVITY 7

7.1 Study the extract below and answer the questions that follow

SOUTH AFRICA RECORDS WIDEST TRADE SURPLUS IN 6 MONTHS

South Africa notched a trade surplus of ZAR 20,1 billion in May 2024, significantly higher than the downwardly revised ZAR 9,68 billion in the previous month. It was the widest trade surplus in six months, as exports soared by 5,7% over a month to a six-month peak of ZAR 178,4 billion. Conversely, imports decreased by 0,5% to ZAR 158,3 billion, leading to an improvement in South Africa's terms of trade.

[Adapted from Trading Economics]

7.1.1 Identify the value of trade surplus in the above extract. (1)

7.1.2 Name the current account item that records donations. (1)

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

7.1.4 Explain the impact of changes in the trade balance on the current account balance. (4)

7.1.5 How can a current account surplus benefit the South African economy? (2)

7.2 How can South Africa discourage importing of goods from other countries? (8)

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ACTIVITY 8

8.1 Study the table below and answer the questions that follow

BALANCE OF PAYMENT 2024 (R BILLION)

CURRENT ACCOUNT	2024
Merchandise exports	1 820
Net gold exports	139
Service receipts	298
Income receipts	281
Less: Merchandise imports	1 782
Less: Payments for services	369
Less: Income payments	451
A?	-248

[Adapted from Trading Economics]

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

8.1.2 Name the missing item (A) from the current account in the table above. (1)

8.1.3 Briefly describe the term *balance of payments*. (2)

8.1.4 Explain change in demand as a measure to correct balance of payment disequilibria. (2)

8.1.5 Calculate the value of the trade balance. Show the formula and ALL calculations. (4)

8.2 Analyse the impact of a devaluation of the rand on the economy. (8)

ACTIVITY 9

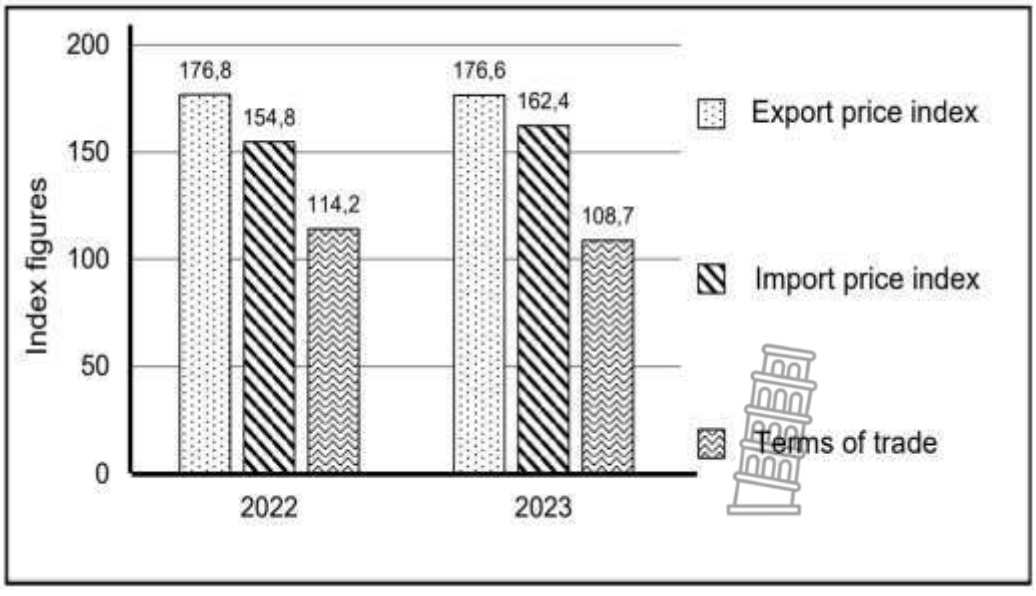
9.1 Answer the following questions.

9.1.1 Name any TWO examples of current transfers (2)

9.1.2 Explain the significance of the improvement in terms of trade? (2)

9.2 Study the graph below and answer the questions that follow

SOUTH AFRICA'S TERMS OF TRADE



[Adapted from SARB: Quarterly Bulletin, June 2024]

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9.1.1 Identify the export price index for 2023 in the graph above. (1)
9.1.2 State the formula for calculating the terms of trade. (1)
9.1.3 Briefly describe the term *globalisation.* (2)
9.1.4 Explain the effect of international trade on production of goods and services.? (4)
9.1.5 How can a balance of payments deficit be corrected? (4)

ACTIVITY 10

10.1 Study the extract below and answer the questions that follow

SOUTH AFRICA: TERMS OF TRADE 2022			
Month	**Index of import prices**	**Index of export prices**	**Terms of Trade**
January	108,2	102,9	95,1
February	107,9	105,4	97,6
March	107,7	109,7	**A**

[Adapted from https://www.statssa.gov.za/publications/P01427/P01427March2022.pdf]

10.1.1 Identify the value of terms of trade for January in the above extract. (1)
10.1.2 Name any TWO examples of current transfers (1)
10.1.3 Briefly describe the term *trade balance*. (2)
10.1.4 How can a current account surplus benefit the South African economy? (2)
10.1.5 Calculate the terms of trade for March 2022 (A). Show ALL calculations. (4)
10.2 Briefly discuss *absolute* and *comparative advantage* as supply reasons for international trade. (8)

ACTIVITY 11

- Discuss in detail the reasons for international trade. (26)
- Evaluate the success of South African government in correcting the balance of payments deficit. (10)

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 31-42
2025 Last Push Learner Revision Document pages 23-28

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ECONOMIC PURSUITS

5. INTERNATIONAL TRADE POLICIES

MAIN TOPIC: ECONOMIC PURSUITS	
TOPIC 8: PROTECTIONISM AND FREE TRADE	**CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES**
Discussion of protectionism and free trade; Evaluate South African international trade policies and major protocols in terms of the following:	(Focus on export promotion, import substitution, protectionism and free trade)
8.1 Export promotion	• ***Discuss in detail export promotion*:** - **Definition** - **Methods** - **Reasons/Advantages** - **Disadvantages**
8.2 Import substitution	• Discuss **import substitution**: - Definition - Methods - Reasons/Advantages - Disadvantages
8.3 Protectionism	• ***Discuss in detail the arguments in favour of protectionism*:** - **Industrial development** - **Infant industries** - **Stable wage levels and high standard of living** - **Increased employment** - **Self-sufficiency and strategic industries** - **Prevention of dumping** - **Stable exchange rates and BoP** - **Protection of natural resources**
8.4 Free trade	• Explain the following **arguments** in favour of **free trade**: - Specialisation - Economies of scale - Choices/Increased welfare - Innovations/Best practice - Improved international relations
8.5 A desirable mix	• Briefly describe the concept **desirable mix** • Briefly explain the desirable mix between: - Import substitution and export promotion - Protection and free trade • Explain trade liberalisation and the role of the World Trade Organisation (WTO) as part of globalisation • Briefly explain the different forms of economic integration (cite appropriate examples)
8.6 An evaluation	• Briefly **evaluate** the following South Africa's **trade policies**: - Import substitution and export promotion - Protection and free trade • **Briefly evaluate** the successes and failures of the following South Africa's **trade protocols**: - Southern African Custom Union (SACU) - Multilateral Monetary Area (MMA) - Southern Africa Development Community (SADC) - African Union (AU) - European Union (EU) - Mercusor - AGOA - Japan – South Africa's Partnership Forum - Brazil, Russia, India, China and SA (BRICS)

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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 A policy where there are no restrictions to trade such as taxes on goods or bans on imports is called …
A. dumping
B. protectionism
C. free trade
D. diversification

1.1.2 An Interfacing and interaction of economies with trade as a key element is known as …
A. free trade
B. communication
C. industrialization
D. globalization

1.1.3 The application of a trade policy whereby the state discourages importing of certain goods and services is called …
A. protectionism
B. import substitution
C. export promotion
D. globalization

1.1.4 Newly established firms that still need protection from foreign competition are called ... industries
A. competitive
B. strategic
C. declining
D. infant

1.1.5 The practice of selling goods in a foreign country at lower prices than in the country of origin is known as …
A. exportation
B. dumping
C. importation
D. import substitution

1.1.6 Import duties imposed as a percentage of the value of the imported goods is known as …tariffs
A. composite
B. specific
C. ad valorem
D. average

1.1.7 Economic integration where member countries agree on a common economic policy is called a……..
A. free-trade area
B. customs union
C. economic union
D. common market

1.1.8 A policy where goods that were previously imported are replaced with goods produced locally is called …
A. subsidies.
B. import substitution.
C. export promotion.
D. diversification.

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1.1.9 Financial assistance made by the government to local producers for them to be competitive is called…

A. subsidies
B. tariffs
C. quotas
D. import substitution

(9x2) (18)

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

Column A	Column B
1.2.1 Trade liberalization 1.2.2 Protectionism 1.2.3 Ad valorem 1.2.4 Export promotion 1.2.5 Dumping 1.2.6. Sanctions	A. A tariff that is charged as a percentage of the value of imported goods B. A tariff that is charged as a certain amount per unit, mass or size of a good C. The government policies and regulations which are designed to benefit local producers of goods and services in their competition with imported goods D. The abolition of government intervention in trade flows on both the import and export. E. Penalty applied by one or more countries on another country F. The practice of selling goods in a foreign country at lower prices than in the country of origin.. G. Incentives to encourage the production of goods that can be exported.

(6x1) (6)

1.3 Give the economic term for each of the following descriptions. Write on the term/concept next to the question number.

1.3.1 Goods that were previously imported are replaced with locally produced goods.
1.3.2 Withdrawal of capital investment from a company or a country.
1.3.3 The financial help given to exporters to help them export their goods.
1.3.4 A limited supply of goods and services to reduce imports.
1.3.5 The situation whereby consumers and producers are free to buy and sell goods anywhere without any restrictions.
1.3.6 World-wide exposure and interaction of economies with trade as a key element.

ACTIVITY 2

2.1 Study the cartoon below and answer the questions that follow



www.google.com

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2.1.1 Identify the South African trade policy in the cartoon above. (1)
2.1.2 Name the organization that promotes free trade. (1)
2.1.3 Briefly describe the term *export promotion*. (2)
2.1.4 Explain the impact of free trade on the prices of goods. (2)
2.4.5 How would imposing tariffs on imported goods benefit South Africa? (2 x 2) (4)
2.4 Briefly discuss *specialisation* and *economies of scale* as arguments in favour of free trade. (8)
2.5 Evaluate the success of the methods implemented by the South African government to promote exports. (8)

ACTIVITY 3

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

SA ECONOMY UNDER PRESSURE FROM US TARRIFS

South African exporters are expected to face renewed pressure after the United States increased tariffs on imports from 60 countries, with economists warning that the move could weigh on export-driven industries even though the final tariff imposed on South Africa is lower than initially feared. The US recently increased tariffs on South African exports from 10% to 12.5%, significantly below the more than 30% initially proposed under the so-called "Liberation Day" tariff measures.

Source: google.com

3.1.1 Identify the new tariff percentage that USA has imposed on South African goods. (1)
3.1.2 Name the trade protocol that South Africa and the United States are both members of. (1)
3.1.3 Briefly describe the term *globalisation*. (2)
3.1.4 Why is import substitution important for the country's economy? (2)
3.1.5 How will export promotion negatively affect the South Africa's economy? (4)
3.4 Discuss the different forms of economic integration. (8)
3.5 How can the government protect local infant industries against unfair international competition? (8)
3.6 Analyse the negative effects of protectionism on the South African economy. (8)

ACTIVITY 4

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

SOUTH AFRICAN TRADE POLICY



Source: www.google.com

4.1.1 Identify the international trade policy depicted above. (1)
4.1.2 Name the organisation that promotes reduction of all trade barriers. (1)
4.1.3 Briefly describe the term *common market*. (2)
4.1.4 Explain the negative impact of dumping on the South African economy. (2)
4.1.5 Why is export promotion good for economic growth? (4)
4.2 Evaluate South Africa's import substitution as a trade policy. (8)

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ACTIVITY 5

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

SOUTH AFRICAN TRADING PARTNERS



Source: www.googlesearch.com

5.1.1 Identify the trade protocol depicted in the cartoon above. (1)

5.1.2 Name any product that South Africa trade within Mercosur countries. (1)

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

5.1.4 Explain the effect of cheap imports on South Africa's industries. (2)

5.1.5 How has the Mercosur trade agreement influenced the South African economy? (4)

ACTIVITY 6

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

President urges faster SACU reforms



President Cyril Ramaphosa has called on member states of the South African Custom Union (SACU): South Africa, Lesotho, Namibia, Botswana to accelerate reforms and strengthen regional cooperation to help the bloc respond to changing global trade,

Source: www.googlesearch.com

6.1.1 Identify any ONE member country of the SACU depicted in the above extract. (1)

6.1.2 Name any ONE type of an economic integration. (1)

6.1.3 Briefly describe the term *trade protocol*. (2)

6.1.4 Explain the importance of South Africa to trade with other countries. (2)

6.1.5 How does South Africa benefit from the European Union? (4)

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ACTIVITY 7

7.1 Study the cartoon below and answer the questions that follow



www.economicsimages.com

7.1.1 Identify one trade policy mentioned in the above cartoon. (1)
7.1.2 Name the organization that seeks to promote globalization. (1)
7.1.3 Briefly describe the term *free trade*. (2)
7.1.4 Explain economies of scale as an argument in favour of free trade. (2)
7.1.5 Why do developing countries face challenges when trading with developed countries? (4)

ACTIVITY 8

8.1 Study the cartoon below and answer the questions that follow



www.googlecom

8.1.1 Identify the trade protocol in the above cartoon. (1)
8.1.2 Name ONE of the new members of the expanded BRICS nations. (1)
8.1.3 Briefly describe the term *customs unions.* (2)
8.1.4 Explain the importance of the Southern Africa Development Community (SADC) trade policy. (2)
8.1.5 How can South Africa benefit from being a member of BRICS? (4)

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ACTIVITY 9

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



9.1.1	Identify the value of South African exports to the USA.	(1)
9.1.2	Name any product exported to the US.	(1)
9.1.3	Briefly describe the term *trade neutrality*.	(2)
9.1.4	Explain the benefit of South Africa by being a member of the trading bloc.	(2)
9.1.5	How can the non-renewal of the AGOA affect the South African economy?	(4)

ACTIVITY 10

- Discuss in detail the arguments in favour of protectionism. (26)
- Why is it important for South Africa to increase its export capacity? (10)

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 43-54
2025 Last Push Learner Revision Document pages 29-35

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6. ECONOMIC GROWTH AND DEVELOPMENT

TOPIC 9: ECONOMIC GROWTH AND DEVELOPMENT	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Compare South African growth and development policies in terms of international benchmarks; also highlight the North/South divide	• Distinguish between **growth** and **development**
9.1 The demand-side approach	• ***Discuss in detail* the demand-side approach in promoting growth and development in South Africa** - Give an overview of the **demand-side approach**: o **The monetary policy (interest rate changes, open market transactions, moral suasion)** o **The fiscal policy (progressive personal income tax, wealth tax, cash benefits, natural benefits, other redistribution, land restitution and redistribution, subsidies on property)**
9.2 The supply-side approach	• *Discuss* the **supply-side** approach in promoting growth and development in South Africa - Give an overview of the **supply-side approach**: o Efficiency and effectiveness of markets o Business efficiency o The cost of doing business
9.3 Approaches to growth and development policies used in South Africa	• ***Discuss in detail the following South African growth and development policies and strategic initiatives*:** - **Reconstruction and Development policy (RDP)** - **Growth, Employment and Redistribution Programme (GEAR)** - **National Skills Development Strategy (NSDS)** - **Accelerated and Shared Growth Initiative for South Africa (AsgiSA)** - **Joint Initiative on Priority Skills Acquisition (JIPSA)** - **Expanded Public Works Programme (EPWP)** - **The New Growth Path (NGP)** - **National Development Plan (NDP)** - **Small Business Development Promotion Programme** - **Black Economic Empowerment Programmes**
9.4 The North/South divide	• Compare countries in the North to those in the South with respect to the following: - Unequal **standards of living** (per capita income, life expectancy, education) - **Challenges** of globalisation (poverty, growth, trade) - **Environment** (countries in the North, countries in the South)

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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 A policy in which the marginal tax rate increases as taxable income increases is called…
A. regressive tax system
B. proportional tax system
C. progressive tax system
D. equitable tax system

1.1.2 An increase in the real value of production in a country is known as economic …
A development
B growth
C. integration
D prosperity

1.1.3 Financial support paid by the government to businesses as an incentive to decrease their cost of production is known as …
A. subsidies
B. tariffs
C. sureties
D. investment

1.1.4 A strategy aimed at creating 5 million jobs by 2030
A New Growth Path (NGP)
B Reconstruction and Development Plan (RDP)
C Accelerated and Shared Growth Initiative for South Africa (AsgiSA)
D National Development Plan (NDP)

1.1.5 Return of land to those that have lost it due to discriminatory laws is called …
A. land distribution.
B. land reform.
C. land redistribution.
D. land restitution. (5x2) (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 number (1.2.1 –1.2.5) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Restrictive monetary policy 1.2.2 Human development index 1.2.3 JIPSA 1.2.4 National Development Plan 1.2.5 Wealth taxes	A. A tax levied on capital goods. B. A policy used to decrease economic activities through interest rate. C. Tax levied on individual personal assets. D. A composite economic indicator used to measure the standard of living. E. A policy that focuses on the acquisition of skills. F. It is a national strategy in South Africa to develop the economy with an outlook towards 2030.

(5x1) (5)

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1.3 Give One term for each of the following descriptions by writing the correct term.

1.3.1 The policy implemented in 1994 to redress inequalities of the past.

1.3.2 A tool used by the SARB to persuade banks to act in a responsible manner based on prevailing economic conditions.

1.3.3 The government programme that was initiated to half poverty and unemployment in South Africa by 2014.

1.3.4 Countries that are characterised by low per capita income.

1.3.5 A tax system that is used to redistribute income in favour of the poor.

(5x1) (5)

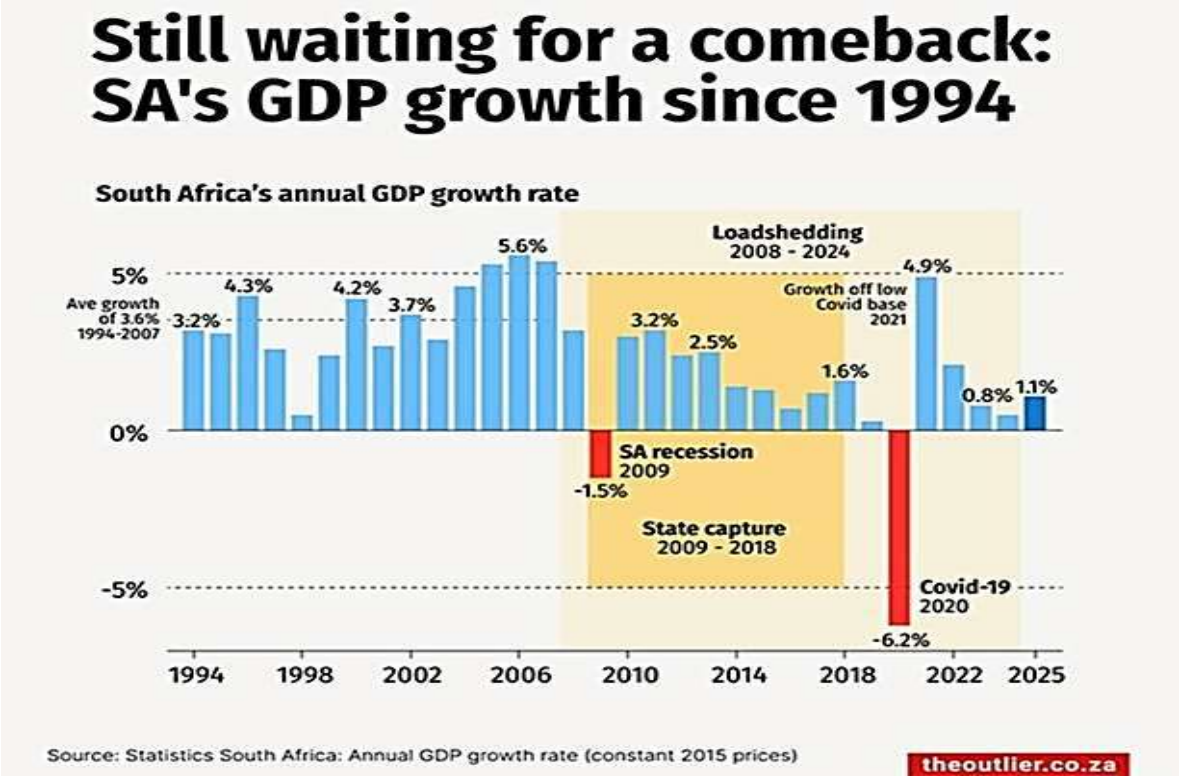
ACTIVITY 2

2.1 Answer the following questions.

2.1.1 Name any TWO measures of the standard of living. (2)

2.1.2 Why does government need to provide cash benefits to certain groups of people? (2)

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



Source: www.theoutlier.co.za

2.2.1 Identify the longest period of economic prosperity from the graph above. (1)

2.2.2 Name the main indicator used to measure economic growth. (1)

2.2.3 Briefly describe the term *property subsidy*. (2)

2.2.4 Explain the impact of an increase in investment on economic growth. (2)

2.2.5 Why do banks have to comply with the cash reserve requirement set by the SARB? (4)

ACTIVITY 3

3.1 Answer the following questions.

3.1.1 Name any TWO examples of wealth tax. (2)

3.1.2 How does the lack of skilled labour negatively affect the economy? (2)

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

SOUTH AFRICA GETS $1.5BN LOAN TO FUND INFRASTRUCTURE

The South African government and the World Bank have signed a US$1.5 billion Development Policy Loan aimed at supporting infrastructure reforms and boosting inclusive economic growth. The financing will support reforms in the electricity, freight and logistics sectors, as well as efforts to address challenges in water and sanitation.

Source: www.allafrica.com.co.za

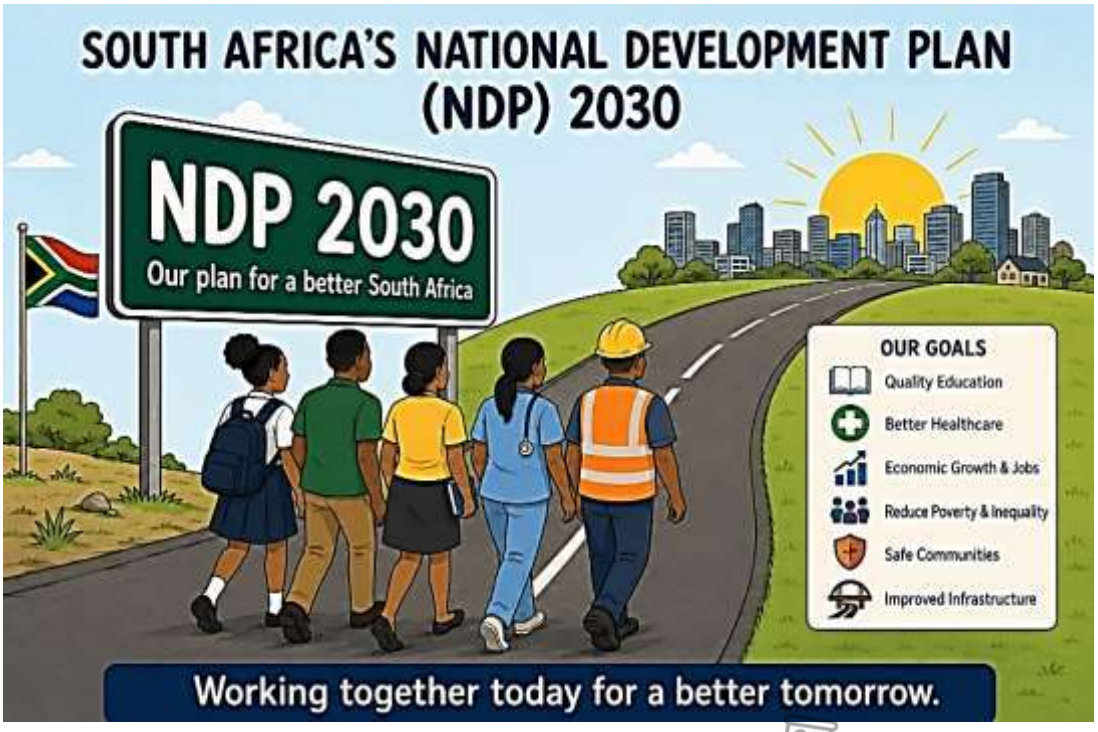
3.2.1 Identify a term that relates to the transportation of goods from the extract above. (1)
3.2.2 Name the government department that is responsible for developing infrastructure in South Africa. (1)
3.2.3 Briefly describe the term *public private partnership*. (2)
3.2.4 Why is shortage of electricity considered as a supply-side shock to the economy? (2)
3.2.5 How does poor sanitation affect the standard of living? (4)

ACTIVITY 4

4.1 Answer the following questions.

4.1.1 Name TWO land reform programmes. (2)
4.1.2 Why does South Africa experience high inequality among its population. (2)

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



Source: Google generated

4.2.1 Identify the growth and development policy from the above picture. (1)
4.2.2 Name the South African government policy that aims to create employment using labour-intensive methods. (1)
4.2.3 Briefly describe the term *life expectancy.* (2)
4.2.4 Explain the negative impact of high crime rate in the economy. (2)
4.2.5 Why are economic redress policies important in the South African economy? (4)

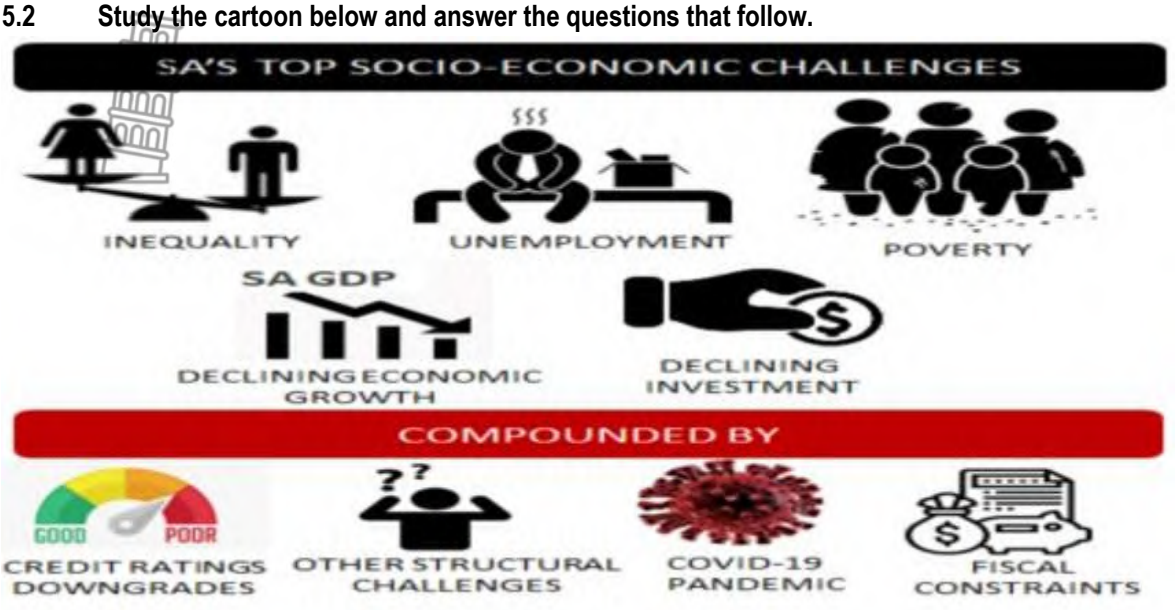
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ACTIVITY 5

5.1 Answer the following questions

5.1.1 Name TWO policies that are used under the demand-side approach. (2)

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



Source: www.gov.za

5.2.1 Identify a socio-economic challenge that is prevalent mostly among the youth from the above cartoon. (1)

5.2.2 Name the South African institution that measures economic growth. (1)

5.2.3 Briefly describe the term *per capita income.* (2)

5.2.4 Why do developed countries have a higher life expectancy than developing countries? (2)

5.2.5 How can fiscal constraints negatively affect the economy? (4)

5.3 Distinguish between *economic growth* and *economic development*. (8)

ACTIVITY 6

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



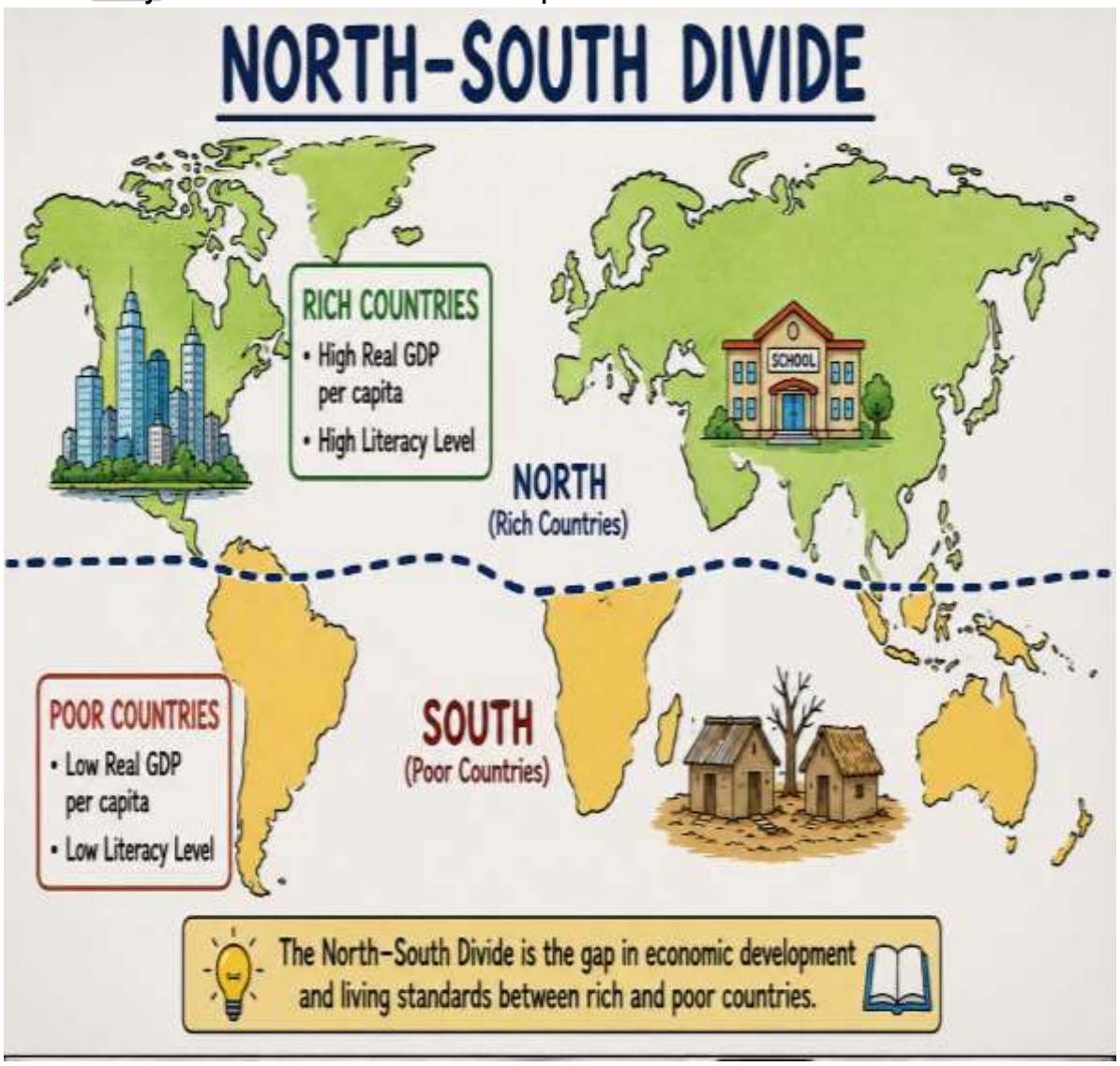
Source: www.businessday.co.za

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6.1.1 Identify the year that had the most decline in economic activity from the graph above. (1)
6.1.2 Name the government policy used to influence money supply. (1)
6.1.3 Briefly describe the term *open market transactions.* (2)
6.1.4 Explain the importance of moral suasion as monetary policy instrument. (2)
6.1.5 Why is price stability important for achieving economic growth? (4)
6.2 How can interest rates affect the economy? (8)

ACTIVITY 7

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



Source: google generated

7.1.1 Identify a term that relates to first world countries from the cartoon above. (1)
7.1.2 Name the South African government policy that was introduced in 1994 to reduce inequality (1)
7.1.3 Briefly describe the term *economic development.* (2)
7.1.4 Explain the impact of low literacy levels on workers. (2)
7.1.5 How does the economic activities of industrialised countries affect the environment? (4)
7.2 How can government assist in lowering the costs of doing business? (8)

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ACTIVITY 8

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



Source: google generated

8.1.1 Identify a policy that was aimed at providing social services including housing from the above information. (1)

8.1.2 Name the South African government department that provides welfare services. (1)

8.1.3 Briefly describe the term *sustainable development*. (2)

8.1.4 Explain the importance of promoting small businesses for economic development. (2)

8.1.5 Why is it important for the government to form a working partnership with the private sector in the economy? (4)

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)

ACTIVITY 10

- Discuss in detail the South African growth and development policies and strategic initiatives since 1994. (26)
- How can South Africa use supply-side measures to promote economic growth and development? (10)

For *more activities on this topic refer to:*

2024 Last Push Learner Revision Document pages 43-54

2025 Last Push Learner Revision Document pages 36-40

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7. INDUSTRIAL DEVELOPMENT

TOPIC 10: REGIONAL DEVELOPMENT	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Justify South Africa's industrial development policies and their suitability in terms of international best practice **10.1 Industrial development in South Africa** **10.2 Regional development** **10.3 South Africa's endeavours** **10.4 Incentives to encourage industrial development** **10.5 Appropriateness of South Africa's industrial policies**	• Briefly describe the **concept** 'industrial development' • Explain the **reasons** for industrial development • Briefly explain South Africa's **Industrial Development Policies:** - The focus of the National Industrial Policy Framework **(NIPF)** - The focus of the Industrial Policy Action Plan **(IPAP)** • Briefly explain the following **Industrial Development Strategies:** - The focus of the National Research and Development Strategy **(NRDS)** - The focus of the Integrated Manufacturing Strategy **(IMS)** • Outline the **aims** of regional development • ***Discuss in detail South Africa's initiatives (endeavours) in regional development:*** - **Spatial development initiatives (SDI's)** - **Corridors** - **Industrial Development Zones (IDZ's)** - **Special Economic Zones (SEZ's_** • Discuss **spatial development initiatives (SDIs**) in South Africa and link to p**rivate-public partnerships**. • Discuss **corridors** in South Africa • Discuss **Industrial Development Zones** (IDZs) in South Africa • Discuss **Special Economic Zones** (SEZs) in South Africa. (Relate this new development to the shortcomings of the IDZs and the benefits of SEZs) • Name the various spatial initiatives (SDI, corridors). Indicate/Identify them on a map of SA • Briefly discuss the **incentives** used by the SA government to improve industrial development: - Small Businesses Support Program - SEDA Technology Program (STP) - Skills Support Program (SSP) - Critical Infrastructure Facilities - Custom-free incentives - Foreign investment incentives - Strategic Investment Program - Services to Business Processes • Outline the appropriateness of South Africa's industrial policies.

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10.6 Appropriateness of South Africa's regional development policies in terms of benchmark criteria	Briefly discuss regional development in terms of the following benchmark criteria - Free market orientation - Competitiveness - Sustainability - Good governance - Provisioning of resources - Investment of social capital - Integration - Partnerships
10.7 Small business development	Briefly evaluate South Africa's regional development policies in terms of the above benchmarks. Explanation and evaluation
10.8 The appropriateness of black economic empowerment in the SA economy	Explanation and evaluation of BBBEE

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 – 1.1.8) in the ANSWER BOOK. e.g 1.1.6 D

1.1.1 Purpose-built industries that are physically enclosed and linked to an international air or seaport are called…

A. Special economic zone
B. Industrial development zone
C. Corridor
D. Spatial development initiative

1.1.2 The best international practise criteria which focus on ensuring that the benefits of one region spill over to other industries and areas is known as....

A. Good governance
B. Integration
C. Provision of resources
D. Partnership

1.1.3 The use of science and technology to promote industrial development is part of the…

A. Industrial Policy Action Plan
B. National Industrial Policy Framework
C. National Research and Development Strategy
D. Integrated Manufacturing Strategy

1.1.4 A cash grant to build or expand physical infrastructure is called…

A. Industrial development zone
B. Integrated manufacturing grant
C. Foreign investment grant
D. Critical infrastructure program

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1.1.5 A piece of land that forms a passageway that allows access from one area to another and is part of regional development is called…
A. Custom
B. Corridor
C. Freeway
D. Zones

1.1.6 The Department of Trade and Industry initiative that focuses on improving competitiveness in production is called…
A. National industrial Policy Framework
B. National Research and Development Strategy
C. Integrated Manufacturing Strategy
D. Small Business Support Programme

1.1.7 An international benchmark criterion for regional development that requires democratic decision making and transparency is called…
A. Good governance
B. Integration
C. Partnership
D. Free-market orientation

1.1.8 The process of transforming natural resources into finished goods is called…
A. National research development strategy
B. Industrial policy action plan
C. Special economic zone
D. Integrated manufacturing strategy

(8x2) (16)

1.2 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.2.1 – 1.2.10) in the ANSWER BOOK. Acronyms and abbreviations will NOT be accepted.

1.2.1 Approaches and methods implemented to improve the expansion of industries.
1.2.2 A track of land that forms a passageway allowing access from one area to another.
1.2.3 Policies that are aimed at increasing the economic livelihood of specific areas.
1.2.4 A regional development initiative that attracts infrastructure and business investments to neglected areas.
1.2.5 The total industrial capacity of an economy that is available for use.
1.2.6 Efforts by the government to move manufacturing and other businesses from metropolitan areas to rural areas.
1.2.7 A cash grant to build or expand physical infrastructure.
1.2.8 A tax-free grant for skill development.
1.2.9 Industries that employ more labour than capital in the production process.
1.2.10 The collaboration between the government and private companies to finance, build and operate large infrastructure projects.

(10x1) (10)

ACTIVITY 2

2.1 Answer the following questions

2.1.1 Name TWO industrial development strategies in South Africa. (2)
2.1.2 How do Special Economic Zones improve industrial development? (2)

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

RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE (metal and marine industries)



OTHER SOUTH AFRICAN IDZs are OR TAMBO INT. AIRPORT (high tech industries), COEGA IDZ (metal and automotive industry), EAST LONDON IDZ (automotive and agro processing) SALDANHA IDZ

Adapted from www.google.com

2.2.1 Identify the Industrial Development Zone that manufactures vehicles. (1)

2.2.2 Name the key economic activity that Saldanha IDZ specializes in. (1)

2.2.3 Briefly describe the term *regional development*. (2)

2.2.4 Why is it necessary for the government to provide incentives to businesses? (2)

2.2.5 How can South Africa benefit from the introduction of Special Economic Zones (SEZ)? (4)

2.3 Briefly discuss Small Business Support Program and Services to Business Processes as incentives to encourage industrial development. (8)

ACTIVITY 3

3.1 Answer the following questions

3.1.1 Name TWO industrial development policies in South Africa. (2)

3.1.2 How can Public Private Partnerships contribute to regional development? (2)

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

Indusrial growth attracting local and foreign investment through tax incentives offering duty free, FDI grants, and skills support programme.



www.google.com

Downloaded from Stanmorephysics.com

3.1.1 Identify the financial incentive that allows for importing without paying any tariffs. (1)
3.1.2 Name any ONE South Africa`s industrial development policy. (1)
3.1.3 Briefly describe the term *corridors*. (2)
3.1.4 Explain the importance of using corporate tax to attract investment into special economic zones? (2)
3.1.5 How does industrial development promote entrepreneurship? (4)
3.2 Discuss the reasons why the government supports and encourages regional development and integration in Southern Africa. (8)
3.3 Why is the manufacturing sector important for the economy? (8)
3.4 Discuss the factors that may influence the success of industrial development zones (IDZs) in South Africa negatively. (8)

ACTIVITY 4

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

SPECIAL ECONOMIC ZONES (SEZ) IN SOUTH AFRICA

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 Spatial Development Initiatives. The Foreign Investment Grant and Critical Infrastructure Programme are some of the financial incentives that promote regional development.

Adapted from Business Report,

4.1.1 Identify one financial incentive that promotes regional development from the above passage. (1)
4.1.2 Name the government department that is responsible for industrial development in South Africa. (1)
4.1.3 Briefly describe the term *Industrial Development Zone*. (2)
4.1.4 Explain the benefit of foreign investment grant in regional industrial development. (2)
4.1.5 Why is the new Special Economic Zone programme regarded as an improvement of the current Industrial Development Zones? (4)
4.2 Discuss the aims of regional development. (8)

ACTIVITY 5

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

INDUSTRIAL DEVELOPMENT IN SOUTH AFRICA

The mission of the Department of Trade, Industry and Competition (DTIC) is to promote structural transformation towards a dynamic industrial and globally competitive economy. The Critical Infrastructure Facilities (CIFs), among other incentives, aim to attract investment by supporting infrastructure that is deemed to be critical. The South African government is implementing the CIFs to stimulate investment growth in line with National Policy Framework (NIFP).

Adapted www.timeslive.co.za

5.1.1. Identify the policy that sets out the government`s approach to industrialisation. (1)
5.1.2. Name any ONE incentive provided by the DTIC to promote industrial development in South Africa. (1)
5.1.3. Briefly describe the term *Special Economic Zone (SEZ).* (2)
5.1.4. Explain the importance of public private partnership in Spatial Development Initiatives. (2)
5.1.5. Why is infrastructure development in previously neglected areas important? (4)
5.2 Evaluate South Africa's regional development policies in terms of the international benchmark criteria. (8)

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ACTIVITY 6

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

COEGA – NELSON MANDELA BAY



The investment comes amid the devastating state of an already depressed economy, with South Africa losing more jobs than it creates.

Adapted from www.timeslive.co.za

6.1.1 Identify an example of industrial development zone depicted by the above picture. (1)
6.1.2 Name any other corridor in South Africa. (1)
6.1.3 Briefly describe the term *regional development*. (2)
6.1.4 Why do special economic zones (SEZs) have a wider industrial development objective? (2)
6.1.5 How can industrial development influence the international competitiveness of a country? (4)
6.2 Briefly discuss *good governance* and *investment* in social capital as benchmark criteria for regional development. (8)
6.3 Evaluate the potential success of special economic zones (SEZ) in South Africa. (2X4) (8)

ACTIVITY 7

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

DEVELOPMENT PACE OF GAUTENG AREA

YEAR	Developed area (in km²)	Not yet developed area (in km²)	Change in developed areas (in km²)	% change in developed areas (in km²)
2022	1422	16748,31	-	-
2023	2472,64	15677,67	1070,64	6,37%
2024	3224,63	14745,68	731,77	4,67%
2025	3847,75	14320,56	625,12	A

Adapted from google.com

7.1.1 Identify the area development trend in Gauteng since 2022. (1)
7.1.2 Which development concept is best illustrated in the table above? (1)
7.1.3 Briefly describe the term *Spatial Development Initiatives*. (2)
7.1.4 Explain the key differences between Special Economic Zones and Industrial Development Zones. (2)
7.1.5 Calculate the percentage change in the developed area as indicated by letter A in 2025. Show all your calculations. (4)
7.2 Briefly discuss the *provision of resources* and *competitiveness* as benchmark criteria for South Africa`s regional development policies. (8)

ACTIVITY 8

- Discuss in detail South Africa's initiatives (endeavours) in regional development. (26)
- Evaluate the appropriateness of South African regional development policies in terms of international benchmark. (10)

For *more activities on this topic refer to:*

2024 Last Push Learner Revision Document pages 43-54

2025 Last Push Learner Revision Document pages 41-46

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8. ECONOMIC AND SOCIAL INDICATORS

TOPIC 11: ECONOMIC AND SOCIAL INDICATORS	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Analyse South Africa's economic and social performance indicators and their uses	
11.1 Assessing the performance of an economy	• Briefly describe the **concepts** • Briefly discuss the importance of **measuring** the performance of the economy
11.2 Economic indicators	• ***Discuss in detail the following economic indicators:*** - **Inflation rate indicators** o Production prices (PPI) o Consumer prices (CPI) - **Foreign trade indicators** o Terms of trade o The exchange rate - **Employment indicators** o Economically active population (EAP) o Employment rate o Unemployment rate - **Productivity indicators** o Labour productivity o Remuneration per worker - **Interest rate indicators** o Repo rate (link to other interest rates such as prime rate) - **Money supply indicators** o M1 o M2 o M3
11.3 Social indicators	• ***Discuss in detail the following social indicators:*** - **Demographic indicators** o Population growth o Life expectancy - **Nutrition and health indicators** **Nutrition** o Malnutrition o Obesity **Health** o Child mortality o Under 5 mortality o Spending on health o Access to clean water o Access to sanitation - **Education** o Percentage public-sector spending o Percentage enrolment in secondary schools - **Services** o Electricity o Refuse/Garbage removal o Water supply o Sanitation

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11.4 International comparisons	- **Housing and urbanisation** **Housing** ○ Number of houses completed **Urbanisation** ○ Natural growth in population ○ Migration ○ Founding of new towns • Compare South Africa's growth and development performance with that of other countries by focusing on the following: - Globalisation - International standardisation (IMF, World bank, UN) - Financial aid and support - Comparison and forecasting

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 the question number (1.1.1- 1.1.5) in the ANSWER BOOK, for example 1.1.6 D

1.1.1 The process whereby people move from rural areas to towns and cities is called…
A. urbanisation
B. emigration
C. migration
D. immigration

1.1.2 An indicator that measures the number of children who die before the age of one year is called …
A. spending on health
B. under-five mortality rate
C. infant mortality rate
D. access to sanitation

1.1.3 The percentage of the population living in poverty in a country is indicated by …
A. life expectancy
B. Gini coefficient
C. per capita gross domestic product.
D. headcount index

1.1.4 The number of employed people expressed as percentage of economically active population…
A. population
B. labour force
C. unemployment rate
D. employment rate

1.1.5 An indicator generally used to measure the cost of production is known as the … index.
A. Consumer price
B. Production price
C. Price
D. Headcount

(5x2) (10)

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1.2 Choose the 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- 1.2.5) in the ANSWER BOOK.

	COLUMN A	COLUMN B
1.2.1	Life expectancy	A.Measures changes in prices of goods and services
1.2.2	Social indicator	B.Number of years a newborn is expected to live.
1.2.3	Repo rate	C. Monitors identifiable and definable issues related to human well-being.
1.2.4	Demographics	D. a policy aimed at improving service delivery to the people
1.2.5	Consumer Price Index	E. The price paid by commercial banks for borrowing money from the South African Reserve Bank.
		F. Statistics that describe population and their characteristics

(5x1) (5)

1.3 Provide the economic term/ 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 The percentage at which the number of people living in a country increases over time.
1.3.2 The output per worker in a particular period of time.
1.3.3 Compares a country's export prices to its import prices by means of indexes
1.3.4 The interest rate charged by commercial banks to their clients.
1.3.5 People within the economically active population who are willing and able to work but cannot find a job

(5 x 1) (5)

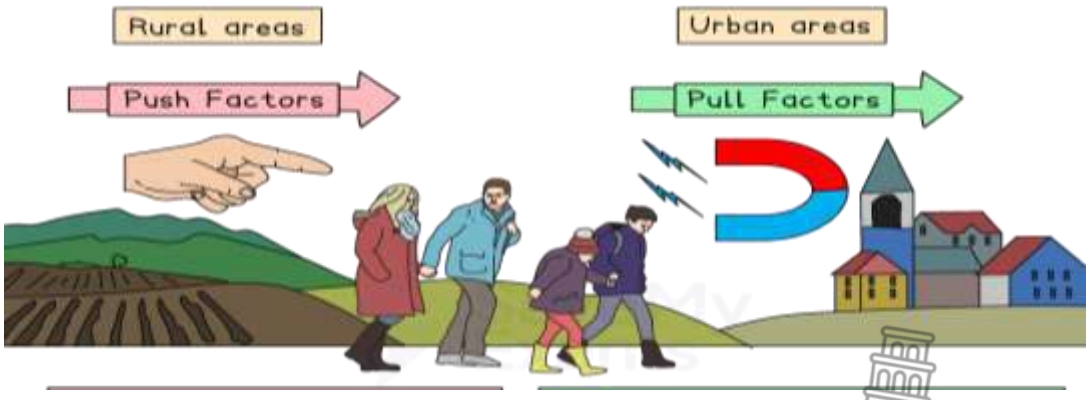
ACTIVITY 2

2.1 **Answer the following questions**

2.1.1 Name any two instruments used to measure human development (2)
2.1.2 Why do people often migrate to cities? (2)

2.2 Study the cartoon below and answer the questions that follow

URBANISATION



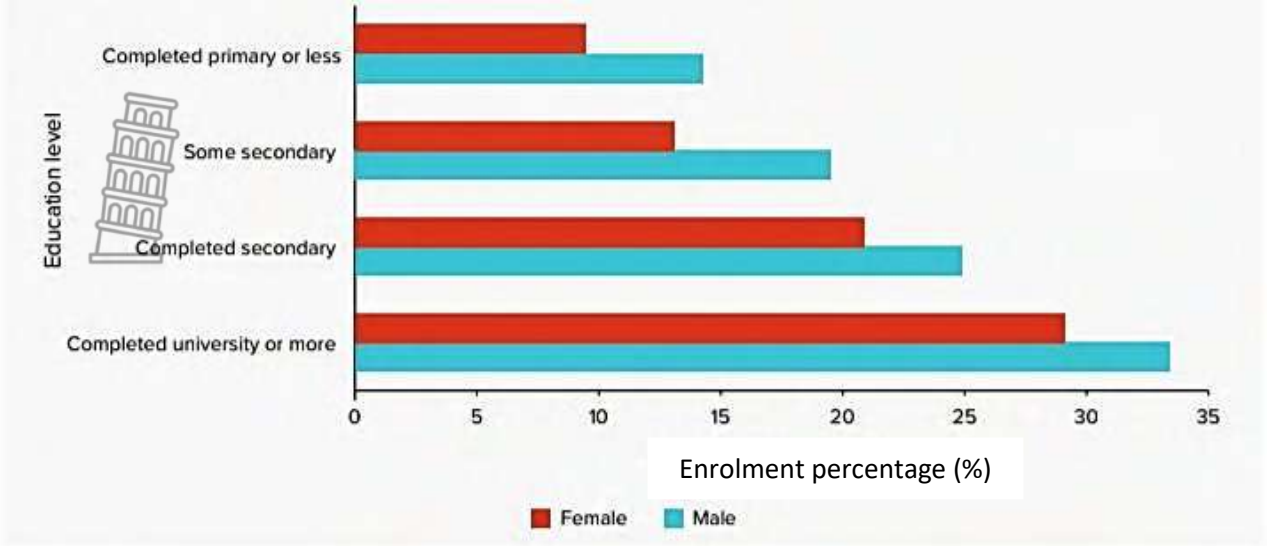
[Adapted from: www.//savemyexams.com/igcse/geogr]

2.2.1 Identify the social indicator that is depicted above. (1)
2.2.2 Name any ONE type of nutrition indicators. (1)
2.2.3 Briefly describe the term *migration* (2)
2.2.4 Explain the importance of social indicators to the government of South Africa. (2)
2.2.5 Why is a high rate of urbanisation a problem to the government? (4)

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ACTIVITY 3

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



Source: google.com

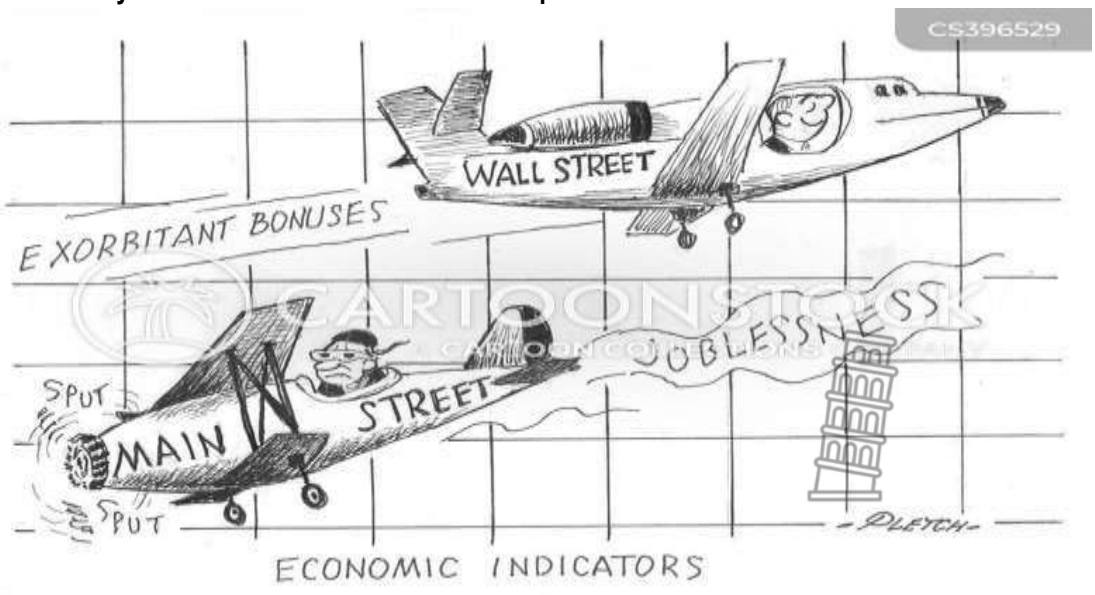
3.1.1 Identify the social indicator from the above graph. (1)
3.1.2 Name any ONE economic indicator. (1)
3.1.3 Briefly describe the term *social indicator.* (2)
3.1.4 Explain the importance of quality health system in the economy? (2)
3.1.5 How can high population growth affect the standard of living? (4)
3.2 Briefly discuss *population growth* and *life expectancy* as demographic indicators (8)
3.3 How does the poor services delivering impact economic development in South Africa. (8)

ACTIVITY 4

4.1 Answer the following questions

4.1.1 Name any two foreign trade indicators. (2)
4.1.2 Why it is important for the government to prepare economic indicators? (2)

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



Source: Google.com

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4.2.1 Identify the concept that is concerned with the performance of the economy. (1)
4.2.2 Give another name for unemployment on the above cartoon. (1)
4.2.3 Briefly describe the term *economically active population*. (2)
4.2.4 Explain the importance of measuring unemployment in the country? (2)
4.2.5 How can the government create sustainable employment opportunities? (4)

ACTIVITY 5

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

INFLATION RATE INDICATOR

South Africa's annual inflation rate increased to **5.0% in June 2026**, up from **4.5% in May 2026**, marking the highest level since June 2024. Transport costs, particularly a **34.3% rise in fuel prices**, were the biggest contributor to highest inflation. Rising inflation reduces consumers' purchasing power and increases cost of living, making it an important economic indicator for assessing the country's economic performance and guiding monetary policy.

Source: Statistics South Africa (2026)

5.1.1 Identify a new percentage of inflation rate in the extract. (1)
5.1.2 Name the policy used by SARB to curb inflation. (1)
5.1.3 Briefly describe the term *economic indicator.* (2)
5.1.4 Explain the importance of measuring the performance of the economy. (2)
5.1.5 How can the rise in fuel prices contributes to high cost of living? (4)
5.2 Discus employment as an economic indicator (8)

ACTIVITY 6

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

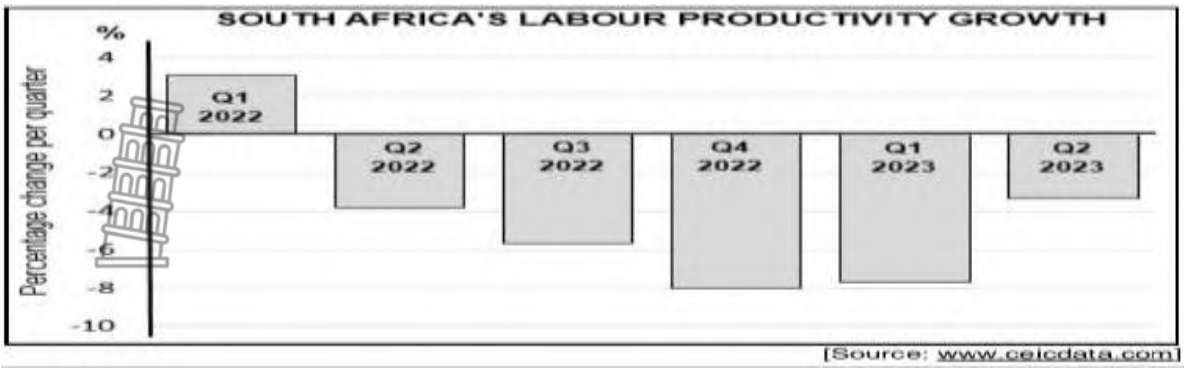


6.1.1 Identify the economic indicator depicted by the cartoon above. (1)
6.1.2 Name any ONE international institution that requires countries to standardise economic indicators. (1)
6.1.3 Briefly describe the term full *employment*. (2)
6.1.4 Explain interest rate as the measure to increase gross domestic product? (2)
6.1.5 How can the government reduce unemployment in the country? (4)

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ACTIVITY 7

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



7.1.1 Identify the percentage change in labour productivity for the fourth quarter of 2022. (1)

7.1.2 Name any ONE economic indicator that relates to productivity. (1)

7.1.3 Briefly describe the term *economic indicator*. (2)

7.1.4 Explain the importance of healthcare services to the labour force? (2)

7.1.5 How can a decrease in labour productivity impact the economy? (4)

ACTIVITY 8

8.1 Answer the following questions.

8.1.1 Name TWO example of price change indicators. (2)

8.1.2 Why is it important to have sufficient money supply in the economy? (2)

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

DEVELOPMENT IN LABOUR PRODUCTIVITY, LABOUR SHARE AND WAGES IN SOUTH AFRICA

South Africa's GDP per capita, a simple measure of labour productivity and relative income, has fallen since 2017. The real value of average compensation rose between 2008 and 2021 but has fallen sharply since. The share of labour in total income has also declined since 2021. This post shows that there are some surprising difference between the productivity and labour cost estimates from Stats SA and the World Bank.

[Adapted from: codera.co.za]

8.2.1 Identify one example of an economic indicator in the extract above. (1)

8.2.2 Name the indicator that relates to coin and notes available in the economy. (1)

8.2.3 Briefly describe the term d*emographics.* (2)

8.2.4 Explain the importance of managing money supply in the economy. (2)

8.2.5 How can an increase in wages per worker affect the performance of the economy? (4)

8.3 Briefly discuss *Consumer Price Index* and *Producer Price Index* as economic indicators. (8)

ACTIVITY 9

9.1 Study the extract below and answer the questions that follow

SOUTH AFRICA'S ECONOMIC INDICATORS

South Africa's economy was forecasted to grow by 1,5 %in 2025 and 1,8% in 2026. Inflation is expected to remain well below the target in 2025. The decrease in fuel prices in September to November 2024, also played a major role in the reduction of inflation. The exchange rate of the rand to the major currencies such as the dollar had also improved, leading to relatively cheaper fuel prices.

(*Adapted from: Google*)

9.1.1 Identify the economic indicator related to foreign trade in the extract. (1)

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9.1.2 Name the inflation indicator that informs about the cost of producing goods in a country. (1)
9.1.3 Briefly describe the term *labour productivity.* (2)
9.1.4 Why are countries required to standardise their economic indicators? (2)
9.1.5 How can interest rate as an economic indicator influence inflation? (4)

ACTIVITY 10

10.1 Study the table below and answer questions that follow.

LIFE EXPECTANCY TRENDS IN SOUTH AFRICA

YEAR	LIFE EXPECTANCY AT BIRTH WITHOUT HIV	LIFE EXPECTANCY AT BIRTH WITH HIV
2021	66.3	56.0
2022	65.5	52.1
2023	64.2	53.4
2024	63.1	51.0

[Source: www.statssa.gov.za]

10.1.1 Identify the year that shows the highest life expectancy without HIV from the above table. (1)
10.1.2 Name the institution that publishes social indicators trends in South Africa. (1)
10.1.3 Briefly describe the term *life expectancy*. (2)
10.1.4 Explain the impact of a high inflation rate on the real income of households. (2)
10.1.5 How can government improve the life expectancy of a country. (4)

ACTIVITY 11

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



11.1.1 Identify a social indicator depicted by the above cartoon. (1)
11.1.2 Name any ONE example of demographic indicator. (1)
11.1.3 Briefly describe the term *terms of trade*. (2)
11.1.4 Why is the investment in nutrition important? (2)
11.1.5 How does the poor literacy levels negatively impact the citizens? (4)
11.2 Discuss health as a social indicator. (8)

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ACTIVITY 12

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

DEMOGRAPHICS OF SOUTH AFRICA

South Africa's population break by race, based on the Statistics South Africa mid-year estimates, shows that Black Africans form the vast majority at 51.5 million people (81,7%), followed by Coloureds at 5.3 million people (8,5%), white 4.5 million people (7.2%), and Indian or Asian at 1,6 million people (2.6%).

https://southafrica-info.com

12.1.1 Identify the social indicator discussed in the extract above. (1)

12.1.2 Name the social indicator that allocated the largest budget in South Africa (1)

12.1.3 Briefly describe the term *urbanisation* (2)

12.1.4 Why is it important for government to measure population growth? (2)

12.1.5 How can education improve the standard of living in the country? (4)

12.2 How does the South African government use social indicators to plan for future development? (8)

ACTIVITY 13

- Discuss the various economic indicators in detail. (26)

ACTIVITY 14

- Discuss in detail the various social indicators. (26)
- How successful has the South African government been in promoting economic development through use of these indicators. (10)

For *more activities on this topic refer to:*
2025 Last Push Learner Revision Document pages 47-56

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PAPER 2: MICROECONOMICS

9. PERFECT MARKET

MAIN TOPIC: MICROECONOMICS	
TOPIC 5: PERFECT MARKETS	**CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES**
Examine the dynamics of perfect markets with the aid of cost and revenue curves	**NOTE:** 1. Review cost and revenue tables and curves done in Grade 11. 2. Distinguish between short and long term/run. 3. Graphs can tested as a middle order 8 marker in the following ways" - Draw a graph only/draw a graph and explain/provide an explanation to a given graph
5.1 Perfect competition	• Briefly describe the **concept** • Examine the **characteristics** of a perfect market.
5.2 Individual business and industry	• Distinguish between individual businesses and the industry. • Use graphs to explain the **derivation of the demand curve** for the individual business. • Construct a revenue table to show that D= P=AR=MR • Use graphs to explain **profit maximisation** using: - Total cost and total revenue curves - Marginal cost and marginal revenue curves • Derive the supply curve from cost curves The examination of individual business and industry should be accompanied by an analysis of tables and graphs.
5.3 Market structure	• Briefly describe the concept • Briefly recap comparisons between the main market structures done in Grade 11 (number of business, nature of business, examples, entry into market, prices). Refer to 6.5 for detail comparison, after completion of all four market structures.
5.4 Output, profits, losses and supply	• ***Discuss in detail the various equilibrium positions with the aid of graphs***:
5.4.1 Individual business	- Economic profit - Economic loss - Normal profit (short and long run)
5.4.2 The industry	• Explain economic profit/economic loss/normal profit with the aid of graphs(short run). • Explain normal profit with the aid a of graph (Long run) • Explain **shutdown point** using costs and revenue (FC, VC, TC, TR) and explain graphically (AR and AVC) Show the relationship between the industry equilibrium positions and the individual firm's equilibrium positions with graphs, i.e. how entry and exit into the market influence equilibrium position from the short run to the long run.
5.5 Competition policies	• Describe the **aims/objectives** of the competition policy • Briefly describe the Competition Act, 1998 (Act 89 of 1998), as amended • Explain the role of the **Competition Commission, Competition Tribunal and Competition Appeal Court** • Explain South Africa's **anti-monopolistic policy** • Evaluate the successes/failures of the competition policy. (relate to current examples)

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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 -1.1.8) in the answer book, for example 1.1.9 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 The revenue a firm earns per unit of output sold is known as...revenue
A. average
B. marginal
C. total
E. sales

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 is known as competition….
A. Commission
B. Tribunal
C. Appeal Court
D. policy

1.1.7 The period of production where all the factors of production are variable is known as ...
A. long term
B. medium term.
C. short run.
D. long run.

1.1.8 Additional cost incurred for producing an extra unit is known as…cost
A. fixed
B. average
C. marginal
D. total

(8 X 2 = 16)

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1.2 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 – 1.2.8) 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 be recovered
1.2.2 Profit maximization	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 point where marginal is equal to marginal cost.
1.2.5 Perfect market	E	Occurs if inputs increase and output decrease by less 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 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

(8x1) (8)

1.3 Give ONE term for each of the following description. Write only the term next to the question number (1.3.1 – 1.3.4) in the ANSWER BOOK.

1.3.1 The average revenue is greater than the average cost of a firm.
1.3.2 Value of input owned by an entrepreneur and use in the production process.
1.3.3 The cost that remains the same even if the output changes.
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 questions that follow.

REVENUE FOR A FIRM

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

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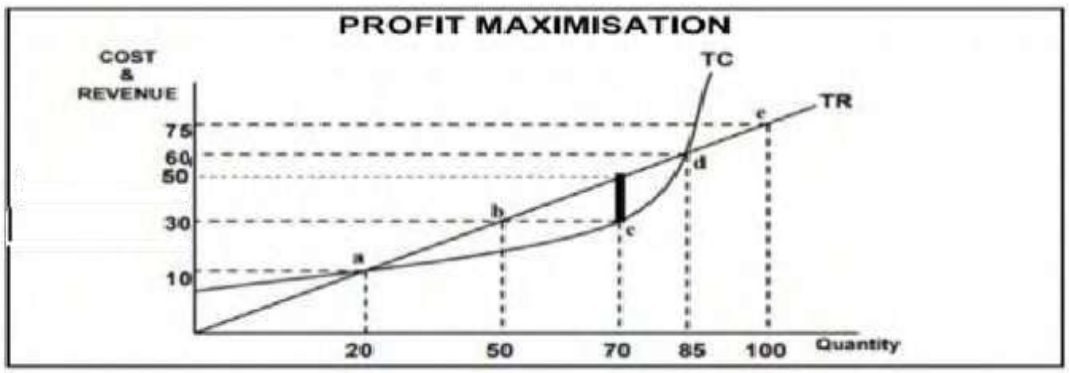
2.2.1 Identify the market price that is charged by perfect market in the table above. (1)
2.2.2 Name any one example of fixed cost (1)
2.2.3 Briefly describe the term *variable cost*. (2)
2.2.4 Why are businesses in perfect market called price takers.? (2)
2.2.5 Calculate the marginal cost for the 4th output. Show ALL calculations. (4)

ACTIVITY 3

3.1 Answer the following questions

3.1.1 Give any TWO examples of variable costs. (2)
3.1.2 Why is the marginal revenue (MR) curve in the perfect market the same as the demand curve? (2)

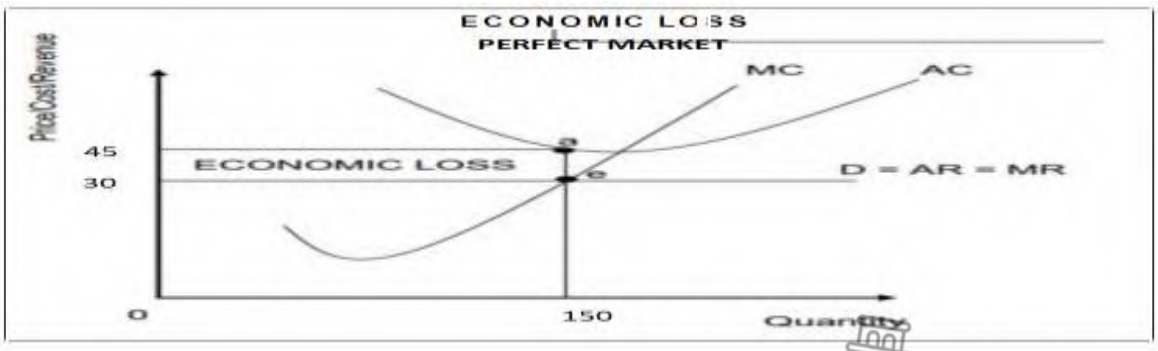
3.2 Study the graph below and answer the questions that follow.



3.2.1 Identify the break-even point from the graph above. (1)
3.2.2 Name the type of profit that is made by perfect market in long run (1)
3.2.3 Briefly describe the term *total cost*. (2)
3.2.4 Why does the total cost curve start above zero? (2)
3.2.5 Use the graph above to calculate the maximum profit that will be made by business. show all calculations. (4)

ACTIVITY 4

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

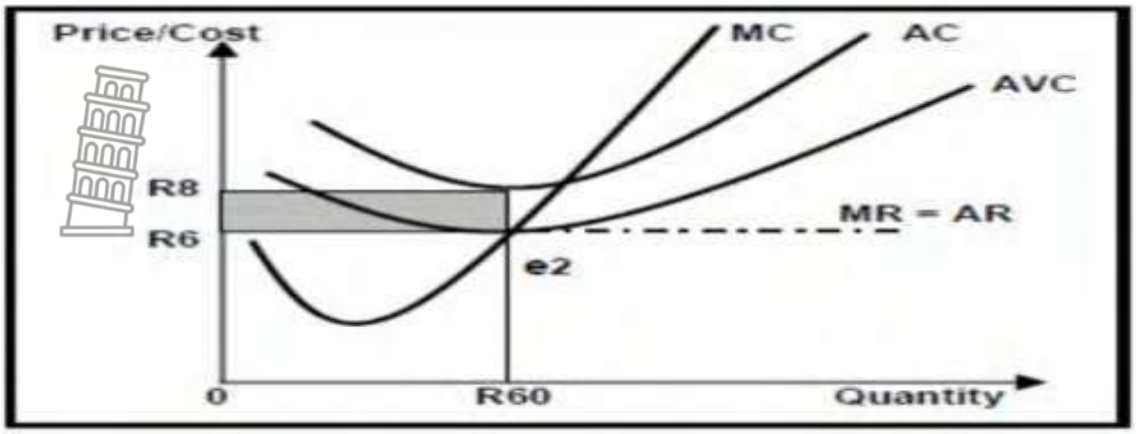


4.1.1 Identify the market structure shown by the graph above. (1)
4.1.2 Name the curve that represent the supply curve of the business? (1)
4.1.3 Briefly describe the term *average cost*. (2)
4.1.4 Explain the why a firm in a perfectly competitive market earns only normal profit in the long run. (2)
4.1.5 Use the graph above to calculate the total revenue for this business. Show ALL calculations. (4)

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ACTIVITY 5

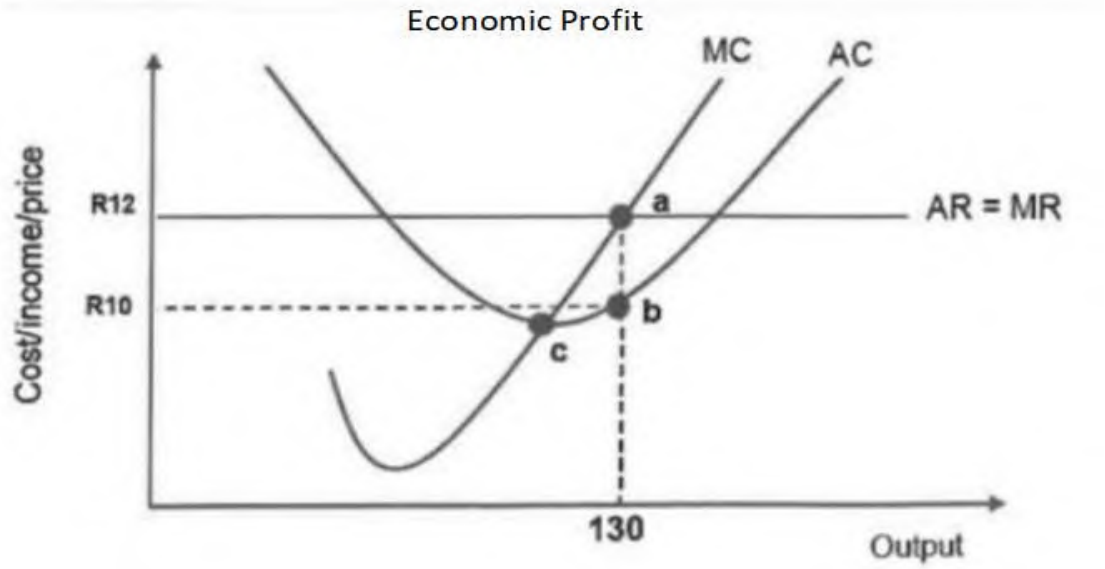
5.1 Study the graph below and answer the questions that follow.



5.1.1 Identify the market price from the above diagram. (1)
5.1.2 Name the nature of a product that is sold in the perfect market. (1)
5.1.3 Briefly describe the term *marginal revenue*. (2)
5.1.4 Explain the importance of producing where marginal cost is equal to marginal revenue. (2)
5.1.5 Why should firms avoid producing beyond profit maximisation point (4)

ACTIVITY 6

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



6.1.1 Identify the profit maximisation point in the graph above. (1)
6.1.2 Name the period where all factors of production can change (1)
6.1.3 Briefly describe the term *economic profit*. (2)
6.1.4 Why does the individual business take the price determined by the industry? (2)
6.1.5 Calculate economic profit made above. Show all calculations. (4)

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ACTIVITY 7

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

PERFECT MARKET

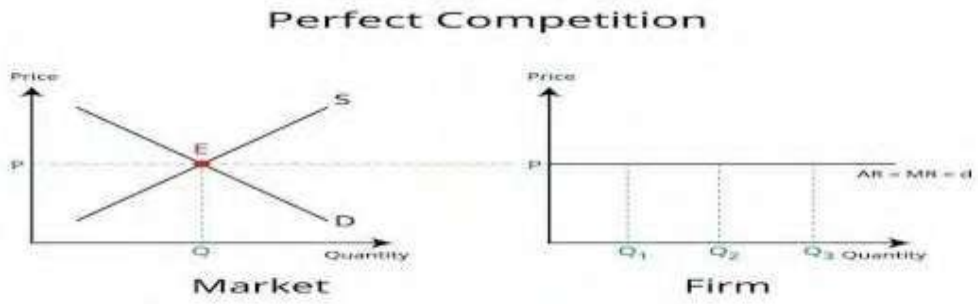
A perfect market is a market that is structured to have anomalies that would otherwise interfere with the best price-being obtained. No firm can influence the price of product since it is homogeneous. Due to the freedom of entry into the market, the level of competition is very high

7.1.1 Identify the nature of product that is sold in the perfect market from extract above. (1)
7.1.2 Name any ONE example of implicit cost. (1)
7.1.3 Briefly describe the term *industry*. (2)
7.1.4 Why is the demand curve for perfect market horizontal? (2)
7.1.5 How can exit of firms in a perfect market affect the economy? (4)

Source: Google

ACTIVITY 8

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



8.1.1 Identify the market price that is charged by an industry in the graph above. (1)
8.1.2 Name the type of profit that is made by a perfect market in a long run. (1)
8.1.3 Briefly describe the term *economic profit*. (2)
8.1.4 Why individual firm is regarded as a price taker? (4)

ACTIVITY 9

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

COMPETITION COMMISSION AND TRIBUNAL

New Africa tax-free stores accuse Dakar LTD of abuse of dominance due to its power. The matter arose after Dakar stopped supplying inferior products to new Africa. They are asking now asking the Tribunal for an order declaring that Dakar is abusing its dominance ,in contravention of the Competition act

Source: google

Downloaded from Stanmorephysics.com

9.1.1 Identify the institution that is responsible for investigating anti-competitive behaviour in the extract above (1)
9.1.2 Name the institution that review and amend cases. (1)
9.1.3 Briefly describe the term *implicit cost*. (2)
9.1.4 Explain the way in which dominant businesses can abuse their market powers (2)
9.1.5 How can small, medium and micro enterprises (SMME) contribute to the goals of competition policy? (4)

ACTIVITY 10

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



Source: google

10.1.1 Identify any ONE example of perfect competition from the above picture. (1)
10.1.2 Name any ONE example of sunk cost. (1)
10.1.3 Briefly describe the term *explicit cost* (2)
10.1.4 Explain the impact of new entry for perfect market in a long run. (2)
10.1.5 Why is the perfect market regarded as an efficient market. (4)

ACTIVITY 11

11.1 Distinguish between an *industry* and an *individual firm.* (8)
11.2 With an aid of a fully labelled graph explain the shutdown point using costs and revenue. (8)
11.13 Briefly discuss the role of the *Competition Commission* and the *Competition Tribunal* as institutions that promote competition in South Africa. (8)

ACTIVITY 12

- 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)

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 56-61
2025 Last Push Learner Revision Document pages 57-62

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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 A legal protection that gives an inventor the exclusive right to produce is known as…
A. copy right
B. patent
C. license
D. certificate

1.1.2 A monopoly created through government-imposed barriers to entry, such as government requirements is known as...
A. artificial monopoly
B. natural monopoly
C.local monopoly
D. pure monopoly

1.1.3 An advantage gained when a firm's average cost per unit decreases as production increases is known as…
A. diseconomies of scale
B. constant scale
C. economies of scale
D. economies

1.1.4 A point where marginal revenue is equal to marginal costs, while a firm is incurring a loss is known as…
A. loss minimisation point
B. loss maximisation point
C. shut-down point
D. break-even point

1.1.5 The income earned from each unit of a product sold is known as…
A. average costs
B. marginal costs
C. marginal revenue
D. average revenue (5x2) (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.

COLUMN A	COLUMN B
1.2.1 monopoly 1.2.2 economic profit 1.2.3 inelastic demand 1.2.4 allocative inefficiency 1.2.5 marginal costs	A. A situation where the market fails to supply goods that match the needs of the consumers. B. An imperfect market structure where only one firm operate as a supplier of a product. C. the additional costs incurred by a firm when one extra unit is produced. D. Exist when a change in price will result in a smaller percentage change in the quantity demanded. E. A huge profit a firm can earn, where average revenue is greater than average costs. F. Costs to a third party that are excluded from the market price of goods.

(5x1) (5)

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1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 to 1.3.4) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 The huge costs that are irretrievable if a business shutdown.
1.3.2 Occurs when the average cost of the business is greater than the average revenue.
1.3.3 A period of production where all input factors are variable.
1.3.4 A market where goods and services are bought and sold illegally.

(4x1) (4)

ACTIVITY 2

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

Understanding Monopoly Firm Dynamics

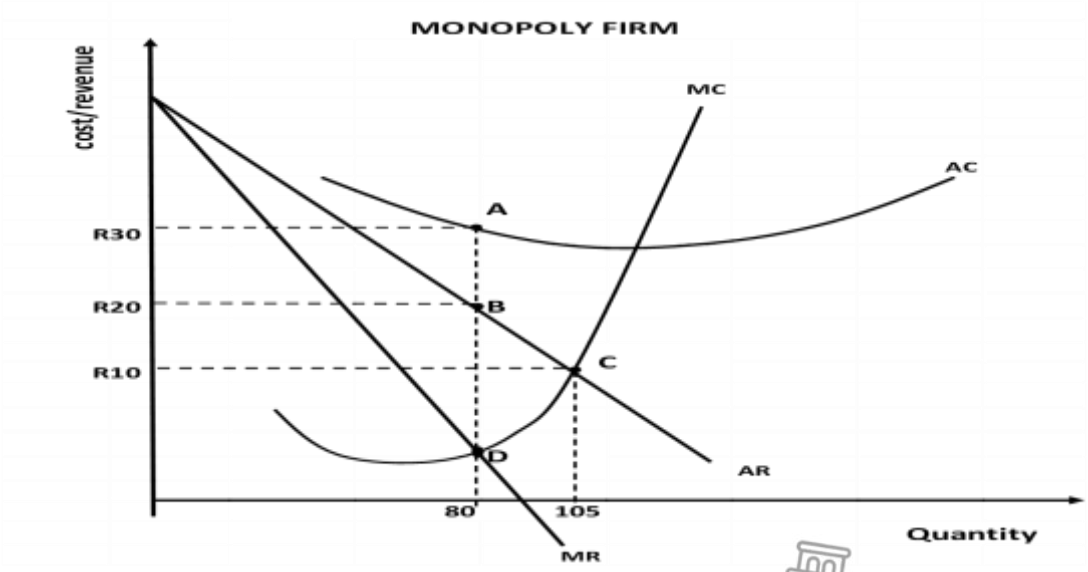
Monopoly refers to a market structure where a single firm is the sole producer of a product with no close substitutes, making it the price maker. Key features include one seller, restrictions on entry, and the absence of a supply curve. The monopolist determines price and output by maximizing the difference between total revenue and total cost, and can earn super normal or normal profits depending on the relationship between average revenue and average cost.

Source: https://www.scribd.com/presentation/863576443/Theory-of-Monopoly-Firm

2.1.1 Identify a number of businesses that can operate in a monopoly, from an extract above. (1)
2.1.2 Name the nature of a product that a monopolist produces. (1)
2.1.3 Briefly describe the term *natural monopoly*. (2)
2.1.4 Explain the long-run profit position of a monopoly firm. (2)
2.1.5 How could monopoly negatively affect consumers? (2x2) (4)

ACTIVITY 3

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



3.1.1 Identify a loss minimisation point from the graph above. (1)
3.1.2 Name any ONE artificial barrier in a monopoly market. (1)
3.1.3 Briefly describe the term *imperfect market.* (2)
3.1.4 Explain the reason for the marginal revenue curve to be positioned beneath the average revenue curve in a monopoly market. (2)
3.1.5 Calculate economic loss from the graph above. Show all calculations. (4)

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ACTIVITY 4

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



4.1.1 Identify an imperfect market structure shown in the diagram above. (1)

4.1.2 Name the slope of a demand curve in a monopoly market. (1)

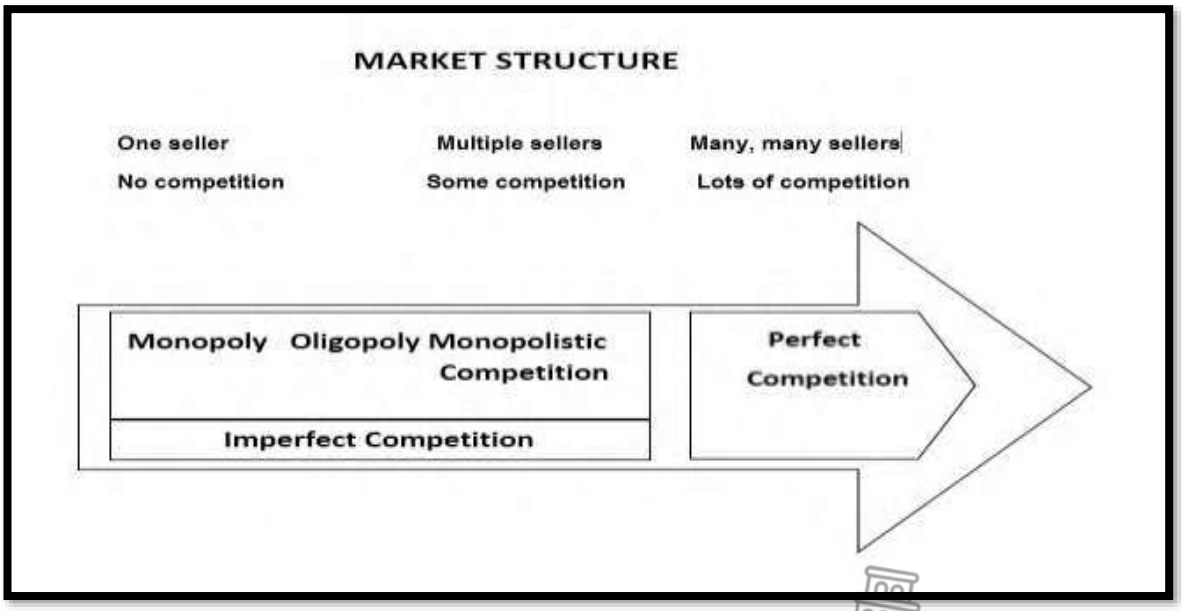
4.1.3 Briefly describe the term *short-run*. (2)

4.1.4 Explain the nature of a product in monopoly market. (2)

4.1.5 Why monopoly firm cannot charge excessively high prices to gain more profits. (2 x 2) (4)

ACTIVITY 5

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



5.1.1 Identify the market structure where there is no competition from the above diagram. (1)

5.1.2 State the profit usually made by a monopolist in a long run. (1)

5.1.3 Briefly describe the term *unique product.* (2)

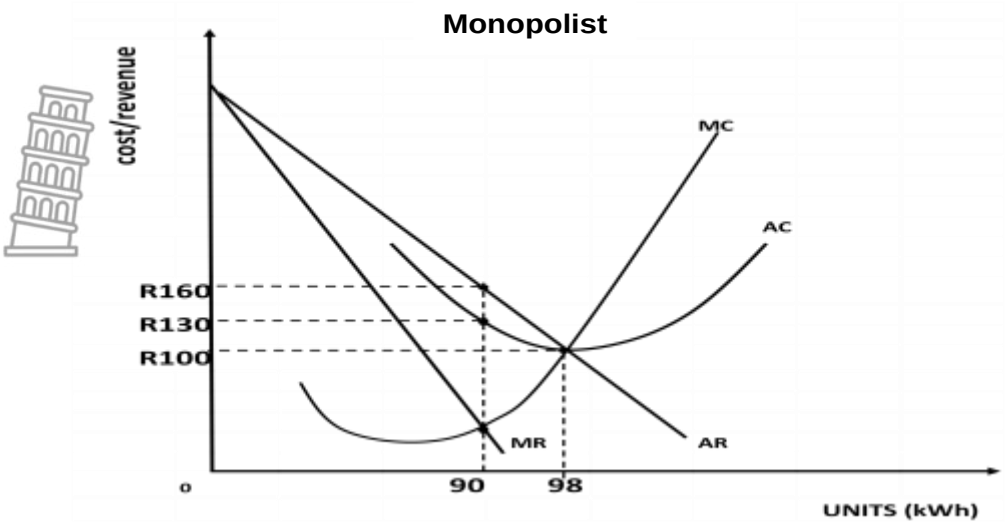
5.1.4 Explain a reason that may cause a state to create an artificial monopoly. (2)

5.1.5 Why could a monopolist incur economic losses in the long run? (2 x 2) (4)

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ACTIVITY 6

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



6.1.1	Identify a market price in the graph above.	(1)
6.1.2	Name any ONE example of a monopoly in South Africa except ESKOM.	(1)
6.1.3	Briefly describe the term *total cost*.	(2)
6.1.4	Explain a reason for monopoly firm to be considered a price maker.	(2)
6.1.5	Calculate economic profit made by ESKOM in the graph above. Show all calculations.	(4)

ACTIVITY 7

7.1	Briefly discuss artificial monopoly and natural monopoly.	(2x4)	(8)
7.2	How do monopolies negatively impact consumers in the economy.	(4x2)	(8)
7.3	Briefly discuss nature of the product and control over price as characteristics of monopoly.	(2x4)	(8)
7.4	Discuss the challenges that prevent state-owned (artificial) monopolies in South Africa from generating economic profit.	(4x2)	(8)

ACTIVITY 8

- Discuss the monopoly in detail without the aid of graphs. (26)

For *more activities on this topic refer to:*

2024 Last Push Learner Revision Document pages 62-65

2025 Last Push Learner Revision Document pages 62-66

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11. MONOPOLISTIC COMPETITION

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 A hybrid market structure that combines elements of perfect market and monopoly is called...
- A. Perfect market
- B. Monopolistic competition
- C. Monopoly
- D. Oligopoly

1.1.2 A long run equilibrium position faced by monopolistic competitors is known as…
- A. Economic profit
- B. Economic loss
- C. Normal profit
- D. Accounting profit

1.1.3 Goods or services that stand out from competitors through branding are known…
- A. Unique products
- B. Similar products
- C. Differentiated products
- D. Homogenous products

1.1.4 The process of creating a unique name, logo and identity for a product is known as …
- A. branding
- B. packaging
- C. advertising
- D. service

(4x2) (8)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. write only the letter next to the question number.

COLUMN A	COLUMN B
1.2.1 Product differentiation	A. Firms use advertising, branding instead of cutting prices.
1.2.2 Monopolistic competition	B. The minimum level of earnings needed to keep a business operating
1.2.3 Non- price competition	C. The government sets both price and quantity in the market.
1.2.4 Normal profit	D. Consumers and firms do not have full knowledge about prices and products.
1.2.5 Imperfect information	E. Making a product unique through branding, advertising or packaging.
	F. A large number of firms sell similar but not identical products.

(5x1) (5)

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ACTIVITY 2

2.1 Answer the following questions

2.1.1 Name any TWO examples of monopolistic competitive businesses. (2x1) (2)

2.1.2 Why is monopolistic competition regarded as a hybrid structure? (2)

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



2.2.1 Identify the market structure that is depicted in the above picture? (1)

2.2.2 Name the type of profit made by a monopolistic competition in the long run? (1)

2.2.3 Briefly describe the term *monopolistic competition*. (2)

2.2.4 Why businesses in a monopolistic competition have some control over the price of its products? (2)

2.2.5 How can branding affect the clothing industry? (4)

ACTIVITY 3

3.1 Answer the following questions.

3.1.1 Name any TWO forms of non- price competition. (2x1) (2)

3.1.2 Why is it relatively easy to enter the monopolistic competitive market? (2)

3.2 Study the picture below and answer questions that follow.



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3.2.1 Identify the nature of the product in the above picture. (1)
3.2.2 Name the type of information found in monopolistic competitive markets. (1)
3.2.3 Briefly describe the term *allocative efficiency*. (2)
3.2.4 Why is the demand curve for a firm in monopolistic competition relatively elastic? (2)
3.3.5 How can product differentiation negatively affect businesses in monopolistic competition? (4)

ACTIVITY 4

4.1 Answer the following questions.

4.1.1 Name any TWO examples of sunk costs. (2x1) (2)
4.1.2 Why collusion is impossible in a monopolistic competitive market? (2)

4.2 Study the extract below and answer questions that follow.

ONLINE AND IN-HOUSE DELI STORES

Just Teddy, a Deli in Johannesburg has two restaurants, an online store and an in-house store. Restaurants that address a need gap in the market with differentiated products can seldom be found elsewhere, also attracting more patrons owing to baking classes and online store.
The online store, which provided a lifeline during lockdown, is an additional source of revenue.

Adapted from www.news24.com

4.2.1 Identify a strategy that monopolistic competitors use for gaining customers from the above extract. (1)
4.2.2 Name the nature of decision-making under monopolistic competition. (1)
4.2.3 Briefly describe the term *branding.* (2)
4.2.4 Explain the impact of new entry in the market on profits. (2)
4.2.5 How would non- price competition strategies positively affect consumers? (4)

ACTIVITY 5

5.1 How do businesses in monopolistic competition use non- price competition to increase their market share? (8)
5.2 Briefly discuss *prices* and *production levels* in monopolistic competition. (8)
5.3 Compare perfect competition and monopolistic competition in terms of *demand curve* and *technical efficiency*. (8)

ACTIVITY 6

- Compare and contrast monopolistic competition with monopoly in detail. (26)
- Analyse the impact of imperfect markets in the economy. (10)

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 69-71
2025 Last Push Learner Revision Document pages 72-77

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12. OLIGOPOLY

ACTIVITY 1

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



[Source: www.iol.co.za, September 2024]

1.1.1 Identify the market structure that represents the banking industry, from the information above. (1)

1.1.2 Name the institution that investigates restrictive business practices. (1)

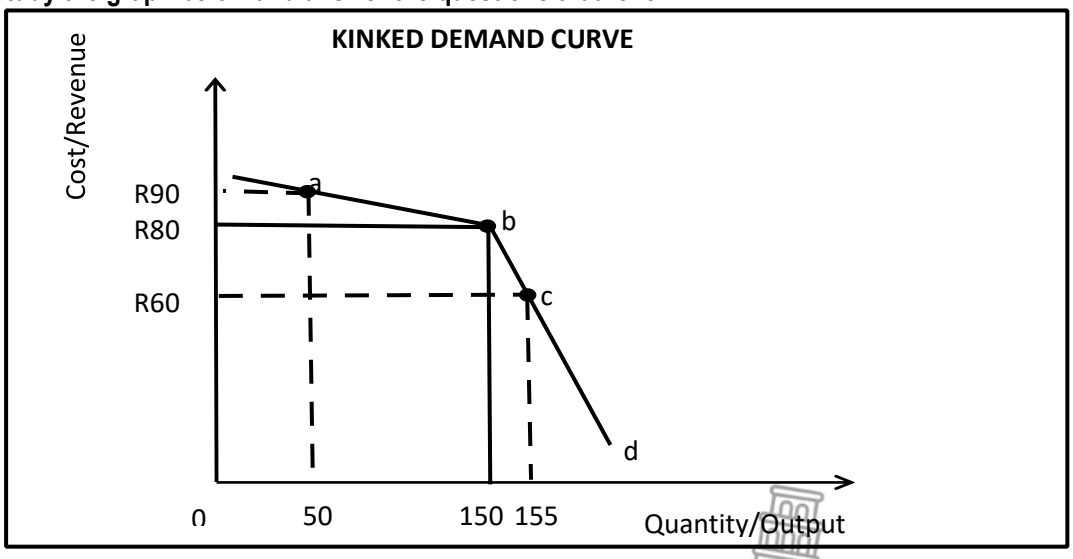
1.1.3 Briefly describe the term *price leadership*. (2)

1.1.4 Explain the impact of collusion by banks on consumers. (2)

1.1.5 Why would businesses aim to achieve economies of scale? (4)

ACTIVITY 2

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



2.1.1 Identify the market price in the above graph. (1)

2.1.2 Name any ONE type of price elasticity represented by the kinked demand curve. (1)

2.1.3 Briefly describe the term *oligopoly*. *(2)*

2.1.4 Explain the impact of price competition on the oligopoly market. (2)

2.1.5 Calculate Total revenue earned by the firm. Show all calculations. (4)

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ACTIVITY 3

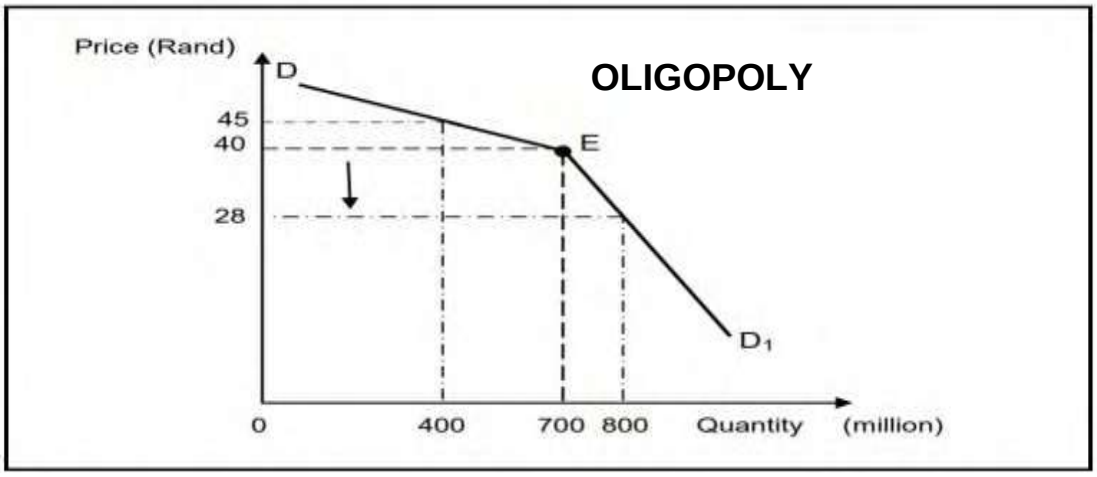
3.1 Study the table below and answer the questions that follow.

Assets of Major South African Banks (2026)			
Bank	**Assets (ZAR billions)**	**Branches**	**Market Position**
ABSA Bank	2,239	>1,000	Broad retail presence
Nedbank	1,558	>350	Corporate & green finance
Capitec	263	>880	Fastest retail growth
Standard Bank	3,621	>1,200	Largest by assets
FirstRand	2,679	>750	Strong retail & corporate
Source: SARB yearly bulletin 2025 - 2026			

3.1.1 Identify a dominant firm from the table above? (1)
3.1.2 Name the nature of the product sold in the pure oligopoly market (1)
3.1.3 Briefly describe the term *product differentiation*. (2)
3.1.4 Why businesses in the oligopoly industry are interdependent? (2)
3.1.5 How could control over price differ in oligopoly compared to perfect market? (4)

ACTIVITY 4

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



4.1.1 Identify the relatively inelastic demand part in the graph above. (1)
4.1.2 Name the demand curve faced by oligopolist. (1)
4.1.3 Briefly describe the term *overt collusion*. (2)
4.1.4 Explain the effect on consumers if collusion exist in an oligopoly industry. (2)
4.1.5 How can the government discourage anti-competitive practices in the oligopoly market? (4)
4.2 How do firms operating in an oligopoly market increase their market share? (4)
4.3 Evaluate the success of the competition policy in eliminating collusion in the market. (8)

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ACTIVITY 5

5.1 Study the following bar graph and answer the questions that follow

NETWORK QUALITY SCORE (OUT OF 10)



Source: commscloud.com/news

5.1.1 Identify the score of the leading network operator from the graph above. (1)
5.1.2 Name a market structure that is dominated by only two large firms. (1)
5.1.3 Briefly describe the term *imperfect markets* (2)
5.1.4 Explain the effect of price leadership on new firms. (2)
5.1.5 How may the long-run profits of firms in an oligopoly differ?
5.2 Briefly discuss explicit collusion and implicit collusion. (8)

ACTIVITY 6

6.1 With the aid of a correctly labelled graph, Explain the reason for oligopolies to sell at market price. (8)
6.2 How does mutual dependence influence the behaviour/actions of firms in the oligopoly market? (8)
6.3 Evaluate the reasons for firms in an oligopoly prefer to operate at the kinked point. (8)
6.4 How can product differentiation be used as a non-price competition strategy? (8)

ACTIVITY 7

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



7.1.1 Identify the nature of the product sold in a market structure above. (1)
7.1.2 Name the type of demand curve associated with an oligopoly. (1)
7.1.3 Briefly describe the term *tacit collusion.* (2)
7.1.4 Explain freedom of entry as a characteristic of oligopoly. (2)
7.1.5 Why is branding important in the oligopoly market? (4)
7.4 How does price fixing negatively affect consumers? (8)

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ACTIVITY 8

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



8.1.1 Identify the nature of the product sold by these firms in the picture above. (1)
8.1.2 Name the demand curve faced by a firm operating in this market structure. (1)
8.1.3 Briefly describe the term *duopoly*. (2)
8.1.4 Explain the relationship between the number of firms and a market price in an oligopoly. (2)
8.1.5 How could collusion by large firms in the market affect the economy? (4)

ACTIVITY 9

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



Source: google images

9.1.1 Identify the formal collusion depicted in the picture above. (1)
9.1.2 Name the institution that is responsible for imposing fines on anti-competitive behaviours in South Africa. (1)
9.1.3 Briefly describe the term *differentiated product*. (2)
9.1.4 Why is it important for the government to prevent collusion in the economy? (2)
9.1.5 How can firms in an oligopoly maximize revenue through non-price competition? (4)
9.2 How can the government discourage firms from engaging in anti-competitive behaviour? (8)

ACTIVITY 10

10.1 How can oligopoly firms use the non-price competition as a marketing strategy? (8)
10.2 How does competition commission contribute positively to the economy? (8)

ACTIVITY 11

11.1 How can restrictive business practices in an oligopoly negatively affect the economy? (8)

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 65-69
2025 Last Push Learner Revision Document pages 67-71

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13. MARKET FAILURE

Examination Guidelines

TOPIC 7: MARKET FAILURE	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Explain the reasons for and consequences of market failures, reflecting on the cost-benefit analysis	
7.1 The causes of market failures	• ***Discuss in detail how the following factors lead to the misallocation of resources in the market:*** - **Externalities** - **Missing markets** - **Imperfect competition** - **Lack of information** - **Immobility of factors of production** - **Imperfect distribution of income and wealth**
7.2 Consequences of market failures	• Compare the following inefficiencies with the aid of a well-labelled graph: - **Productive inefficiency** - **Allocative inefficiency** • Describe the following with the aid of well-labelled graphs: - **Negative externalities** - **Positive externalities** • ***Discuss in detail state intervention as a consequence of market failures, with the aid of relevant graphs*** - **Direct control** - **Imperfect markets** - **Minimum wages** - **Maximum prices** - **Minimum prices** - **Taxes and subsidies** - **Subsidies on goods and services** - **Redistribution of wealth** - **Government involvement in production**
7.3 Cost-benefit analysis	• Describe the **concept** cost-benefit analysis • Describe the **reasons** for a CBA • Apply the CBA in **practice**

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 (1.1.1-1.1.8) in the ANSWER BOOK, for example 1.1.9. D

1.1.1. The goods that are under-supplied by the market but are beneficial to the society are know as …

A. demerit goods
B. economic goods
C. merit goods
D. public goods

1.1.2. The value of the next best alternative that is given up when making economic decision is known as …

A. opportunity cost
B. Social cost
C. Production cost
D. Private cost

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1.1.3. A wage rate set by the government below which no employer may pay workers is known as …
A. maximum wage
B. alternative wage
C. minimum wage
D. low wage

1.1.4. A market in which illegal goods are bought and sold is known as…
A. factor market
B. product market
C. imperfect market
D. black market

1.1.5. A cash incentive given to a producer to lower the cost of production is known as …
A. taxation
B. subsidy
C. price
D. Surplus

1.1.6. Price set by the government above market price to benefit businesses is known as …
A. price floor
B. price wars
C. price ceiling
D. price market

1.1.7. A situation where the market supplies goods that do not match the needs of the society are known as …
A. pareto inefficiency
B. productive inefficiency
C. technical inefficiency
D. allocative inefficiency

1.1.8. The cost or benefit to the third parties which are not included in the market price is known as…
A. efficiencies
B. externalities
C. excludabilities
D. inefficiencies (8 x 2) (16)

1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A- I) next to the question numbers (1.2.1 – 1.2.8) in the answer book e.g. 1.2.9 F

COLUMN A		COLUMN B	
1.2.1	Missing market	A.	Aims at allocating scarce resources efficiently
1.2.2	Demerit goods	B.	A cost to the third party that which is not included in a market price of a good or service
1.2.3	Dumping	C.	When it is impossible to increase the welfare of one person without decreasing the welfare of another
1.2.4	Maximum prices	D.	Goods that are non-rival in consumption
1.2.5	Production possibility curve	E.	An instrument used by businesses to evaluate projects
1.2.6	Pareto efficiency	F.	Government intervenes to make goods more affordable
1.2.7	Feasibility study	G.	Goods that are socially harmful to society
1.2.8	Negative externalities	H.	They fail to produce certain goods and services despite being needed or wanted
		I.	Selling of goods and services to another country at a price that is lower than the country of origin

(8x1) (8)

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1.3 Provide the economic term / concept for each of the following descriptions. Write only the term/ concept next to the question number. NO ABBREVIATIONS WILL BE ACCEPTED.

1.3.1 Inefficiency that occurs because market fail to produce optimum output at the lowest possible cost.

1.3.2 Evaluation done by the government to weigh costs and benefit to determine whether it should be carried out.

1.3.3 Consumption of goods by one person without reducing consumption by others.

1.3.4 A situation where the market supplies goods that matches the needs of consumers.

(4 x 1) (4)

ACTIVITY 2

2.1. Answer the following questions

2.1.1 Name TWO types of externalities (2)

2.1.2 Why does government impose taxes on demerit goods? (2)

2.2 Study the pictures below and answer the questions that follow



PICTURE A
Negative externalities



PICTURE B



PICTURE C Demerit

2.2.1 Identify the concept that relates to the third part from the above picture. (1)

2.2.2. Name any ONE type of pollution. (1)

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

2.2.4 Explain the measures that can the government use to encourage the consumption of merit goods. (2)

2.2.5 How can the government intervene to discourage the production of demerit goods? (4)

2.3 Discuss imperfect competition as a reason for market failure. (8)

ACTIVITY 3

3.1 Study the extract below and answer questions that follow.

MARKET FAILURE

Some products may be under produced or not produced at all .i.e. parks. Some products may be produced or over produced but are not wanted by society e.g. drugs. The production and consumption of some products affect third parties e.g. pollution and smoking cigarettes

The distribution of market income may not enable all citizens to participate meaningfully in society

Source :EDUCBA

3.1.1 Identify the example of negative externality from the extract above (1)

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3.1.2 Name any one cause of market failure. (1)
3.1.3 Briefly describe the term *market failure*. (2)
3.1.4 Explain the effects of market failure on the distribution of goods and services. (2)
3.1.5 Why would the government intervene in the operation of markets? (4)

ACTIVITY 4

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



Source: Google+ images

4.1.1 Identify demerit goods in the pictures above. (1)
4.1.2 Name the goods that are under-supplied by the market, (1)
4.1.3 Briefly describe the term *externalities.* (2)
4.1.4 How can the government encourage positive externality (4)

ACTIVITY 5

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



The public broadcaster in South Africa provides 19 radio stations (AM/FM) and six television broadcasts to the general public. It is one of the largest state-owned enterprises in South Africa.

Adapted from www.ask.com/ entertainment

5.1.1 Identify a public broadcast in South Africa. (1)
5.1.2 Name any ONE characteristics of public goods. (1)
5.1.3 Briefly describe the term *public goods*. (2)
5.1.4 Explain the immobility of factors of production cause a of market failure. (2)
5.1.5 How can the government take measures to promote the availability of information to consumers and producers? (4)

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ACTIVITY 6

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

BUDGET SPEECH 2026

Sin tax is a levy placed on certain goods and services that are not necessarily essential for daily survival. The levy is applied to goods that cause health and social issues such as sugary drinks. For the average user, sin tax means that harmful goods will become expensive, placing them under financial pressure. This increase raises the risk of, more illegal goods flooding the market. The excise taxes on sugary drinks have been enforced since 2018 and it is expected that it may be increase in the 2026/2027 budget to combat obesity and health issues.

Source :Adapted from ENCA

6.1.1 Identity the type of tax charged on demerit goods above. (1)

6.1.2 Name any ONE example of collective goods. (1)

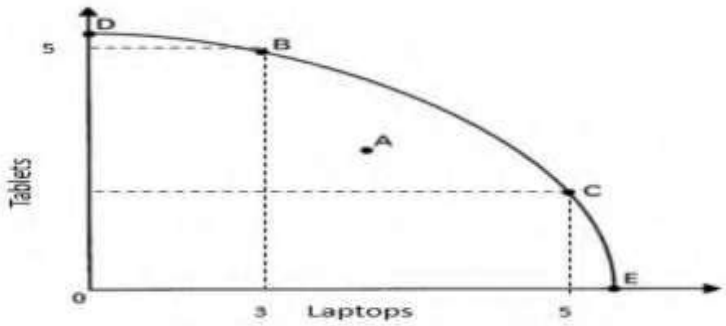
6.1.3 Briefly describe the term *private cost*. (2)

6.1.4 Why imperfect markets are regarded as inefficient? (2)

6.1.5 How can excise duties used as a good source of income for the government (4)

ACTIVITY 7

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



7.1.1 Identify the point where resources are not being used efficiently. (1)

7.1.2 Name the graph that shows different combination of two goods. (1)

7.1.3 Briefly describe the term *allocative efficiency*. (2)

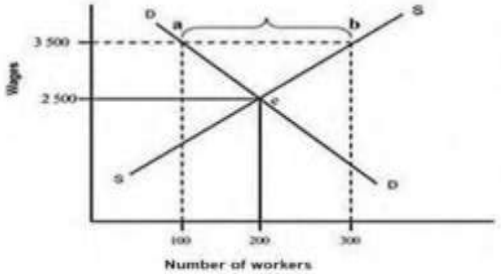
7.1.4 Explain the impact of producing at point **B**. (2)

7.1.5 How can a business be productive inefficiency? (4)

ACTIVITY 8

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

MINIMUM WAGE



Research into the effects of minimum wages on health is rapidly expanding. At least three mechanisms could link higher wages to changes in health status. Higher wages could allow workers to afford both health-improving and health-harming products and service.

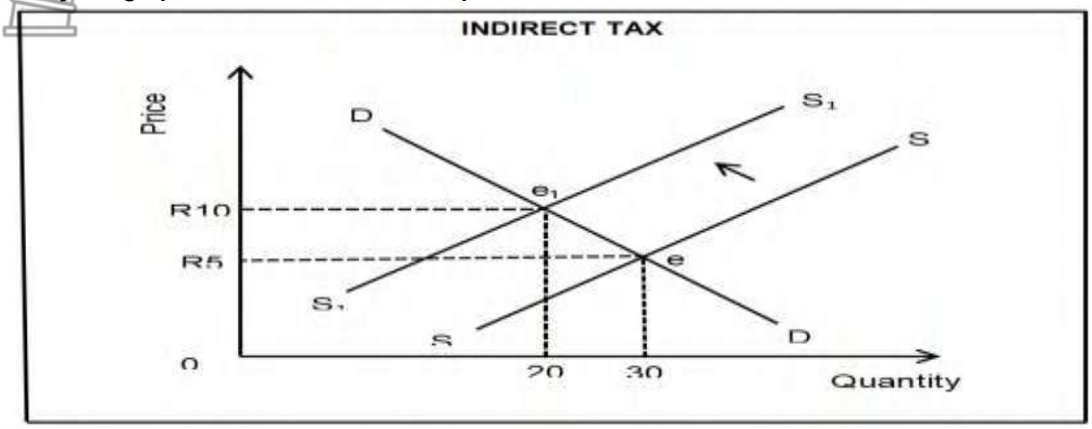
[Source: https//www.healthaffairs.org/]

Downloaded from Stanmorephysics.com

8.1.1 Identify the market wage on the graph above. (1)
8.1.2 Name the curve in the graph that represent employers. (1)
8.1.3 Briefly describe the term *minimum wage.* (2)
8.1.4 Why is competition in the market good for the economy? (2)
8.1.5 How can the minimum wage policy benefit workers? (4)

ACTIVITY 9

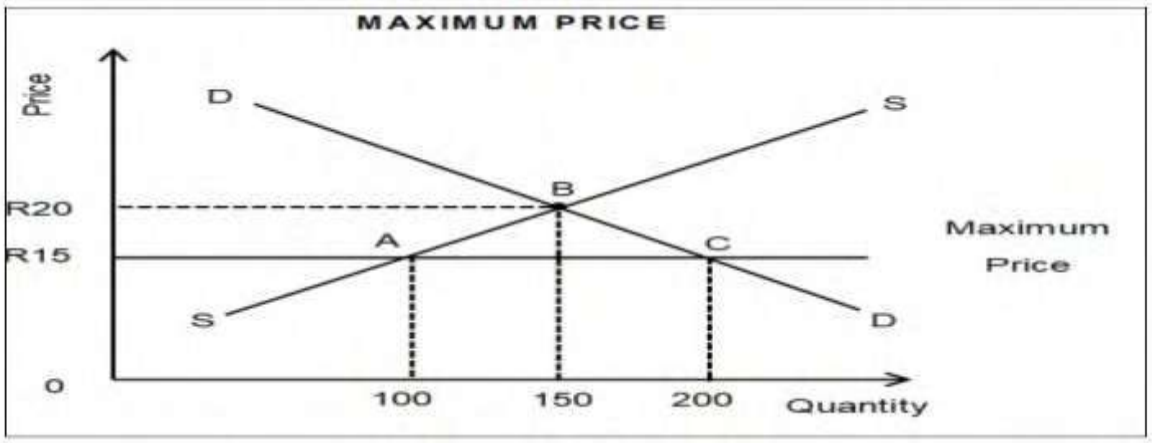
9.1 Study the graph below and answer the questions that follow.



9.1.1 Identify the original equilibrium point from the graph above. (1)
9.1.2 Name any ONE example of direct tax. (1)
9.1.3 Briefly describe the term *market failure*. (2)
9.1.4 Explain the importance of social welfare grants to household (2)
9.1.5 How can an increase in indirect tax affect economy? (4)
9.2 Briefly discuss *productive* and *allocative efficiency* as consequences of market failure. (8)

ACTIVITY 10

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

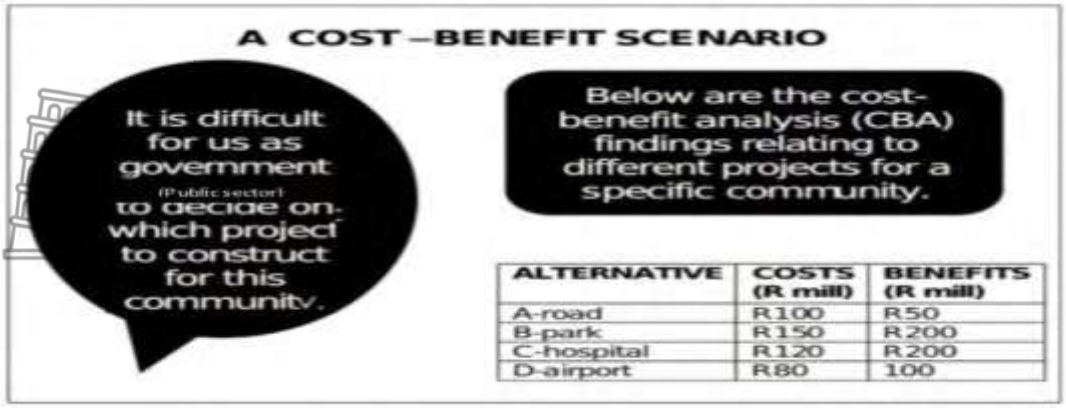


10.1.1 Identify the maximum price from the above graph. (1)
10.1.2 Name any product where maximum price is set. (1)
10.1.3 Briefly describe the term *price floor.* (2)
10.1.4 Explain the positive effect of implementing a minimum wage in the economy. (2)
10.1.5 Why does government provide production subsidies? (4)
10.2 Analyse the impact of minimum price on the economy. (8)

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ACTIVITY 11

11.1 Study the information below and answer questions that follow.



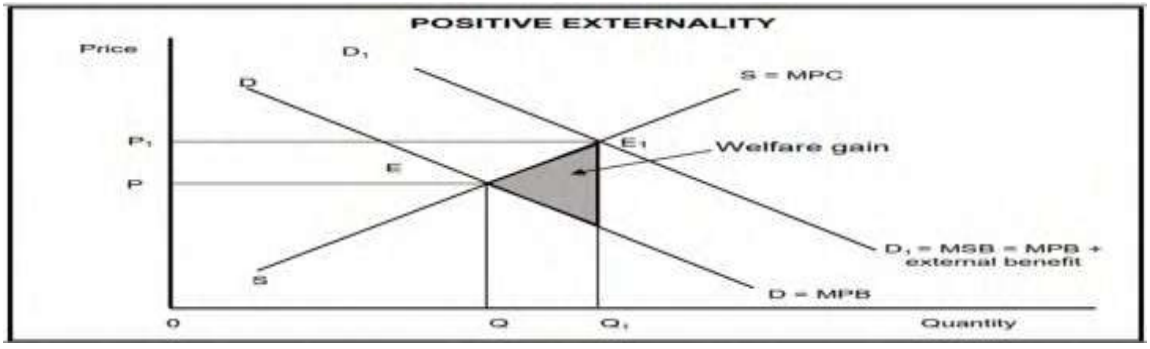
ALTERNATIVE	COSTS (R mill)	BENEFITS (R mill)
A-road	R100	R50
B-park	R150	R200
C-hospital	R120	R200
D-airport	R80	100

Source: google

11.1.1 Identify the sector that relies on cost-benefit analysis to decide on which projects to undertake. (1)
11.1.2 Name any ONE example of social costs. (1)
11.1.3 Briefly describe the term *social benefit.* (2)
11.1.4 Why is important for the government to make cost-benefit analysis before taking a project? (2)
11.1.5 Calculate the cost benefit ratio of building an airport. (4)

ACTIVITY 12

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



12.1.1 Identify the benefit to a third party who is not directly involved in the activity (1)
12.1.2 Name any ONE example of a product with positive externality. (1)
12.1.3 Briefly describe the term *merit goods* (2)
12.1.4 Explain the impact of a subsidy on the market of goods with positive externalities. (2)
12.1.5 Why are market reluctant to provide public goods? (4)

ACTIVITY 13

- Discuss in detail the factors that lead to the misallocation of resources in the market (26)
- How does government intervene in the economy to redistribute income and wealth (10)

ACTIVITY 14

- With the aid of graphs, discuss in detail the state intervention as a consequence of market failures. (26)
- How can the government deal with lack of information because of market failure? (10)

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 72-78
2025 Last Push Learner Revision Document pages 78-84

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CONTEMPORARY ECONOMIC ISSUES

14. INFLATION

MAIN TOPIC: CONTEMPORARY ECONOMIC ISSUES	
TOPIC 12: INFLATION	**CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES**
Analyse and investigate inflation and the policies used to combat it	
12.1 Inflation	• Briefly describe the **concept** • Briefly examine the following ways to **measure** inflation: - **Indexes** (CPI/PPI) - **Weighting** (Basket of goods and services) - **Inflation rate** (Calculations)
12.2 Types and characteristics of inflation	• Explain the different **types** of inflation - **Consumer inflation** o Headline inflation o Core inflation o Administered prices inflation - **Producer inflation** o CPI o PPI - **All inclusive inflation** - **Hyper inflation** - **Stagflation**
12.3 Causes of inflation	• Briefly distinguish between the different **characteristics** of demand-pull and cost-push inflation • Briefly compare the **Monetarists'** and **Keynesian explanations** of inflation • Discuss the causes of demand-pull inflation - Increase in household consumption o Decline in savings o Tax reduction o Access to credit - Investors' expenditure - Government expenditure - Export services • Discuss the **causes** of cost-push inflation - Wages - Key inputs - Exchange rate depreciation - Profit margins - Productivity - Natural disasters
12.4 Consequences of inflation	• ***Discuss in detail the consequences of inflation*** under the following headings: - **Debtors/Creditors** - **Wage and salary earners** - **Investors and savers** - **Tax payers** - **Industrial stability** - **Unemployment/poverty** - **Balance of payments problems** - **Psychological influence**
12.5 The inflation problem in South Africa	• Discuss expectations and inflation • Broadly outline the **inflation problem** in South Africa
12.6 Measures to combat inflation	• ***Discuss in detail the measures to combat demand-pull and/or cost-push inflation*** - **Monetary policy** - **Fiscal policy** - **Other measures**
12.7 Inflation targets	• Evaluate the success of **inflation targeting**

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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.

1.1.1 The increase in prices of goods and services that are set or controlled by the government are known as…
A. core inflation
B. headline
C. administered price inflation
D. consumer inflation

1.1.2 An increase in prices of goods and service while the country experiences unemployment and slow economic growth are known as…
A. deflation
B. headline inflation
C. stagflation
D. core inflation

1.1.3 The movement of income taxpayers into a higher tax bracket due to salary increase are known as…
A. bracket creep
B. tax adjustment
C. weighting
D. inflation adjustment

1.1.4 An inflation that occurs when the total demand for goods and services is more than the total supply is known as…
A. cost push
B. demand pull
C. administered price
D. core

1.1.5 An extremely rapid and uncontrollable rise in general price level at a rate of more than 50% is known as …
A. all-inclusive inflation
B. consumer inflation
C. producer inflation
D. hyperinflation

(5x2) (10)

1.2 Give ONE term for EACH of the following descriptions. Write only the term next to the question numbers (1.2.1 to 1.2.4) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.2.1 A measure designed to show average changes in the price, quantity or value of a group over a period of time
1.2.2 A type of inflation that occurs when the cost of production increases, leading to higher prices for goods and services
1.2.3 The sustained increase in the general price level of goods and services in an economy over a period of time.
1.2.4 The measure of inflation that includes the prices of all final goods and services.

(4 x 1) (4)

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ACTIVITY 2

2.1 Study the graph below and answer the questions that follow



2.1.1 Identify the inflation rate for May 2026 from the graph above. (1)

2.1.2 Name the price index that excludes value added tax (VAT). (1)

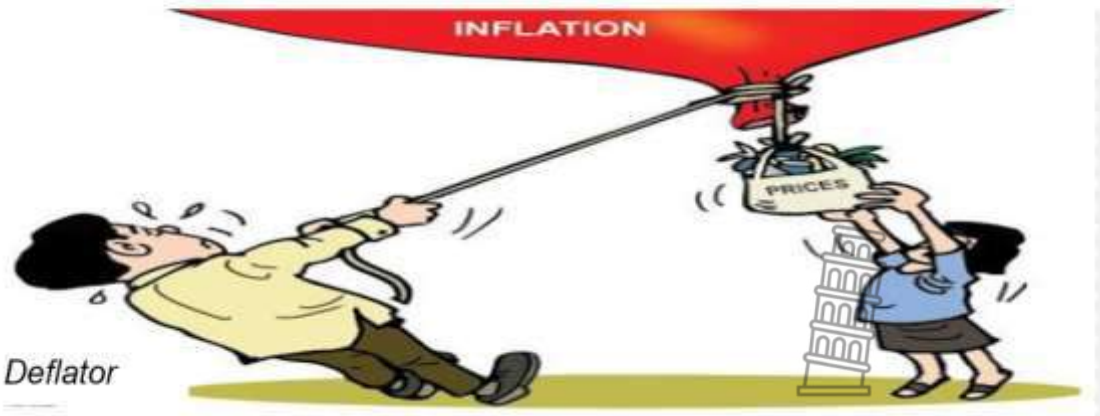
2.1.3 Briefly describe the term *deflation.* (2)

2.1.4 Why is core inflation more stable than consumer price index (CPI) inflation? (2)

2.1.5 How can increase in productivity help to combat inflation? (4)

ACTIVITY 3

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



Adapted from: google images

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3.1.1 Identify the economic term depicted by the above cartoon. (1)
3.1.2 Name the inflation target set by the South African Reserve Bank. (1)
3.1.3 Briefly describe the term *indexation.* *(2)*
3.1.4 Explain the impact of an increased inflation on industrial unrest. (2)
3.1.5 How will a higher inflation rate disadvantage low-income earner? (4)
3.2 Differentiate between *consumer price index* and *producer price index*. (8)

ACTIVITY 4

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

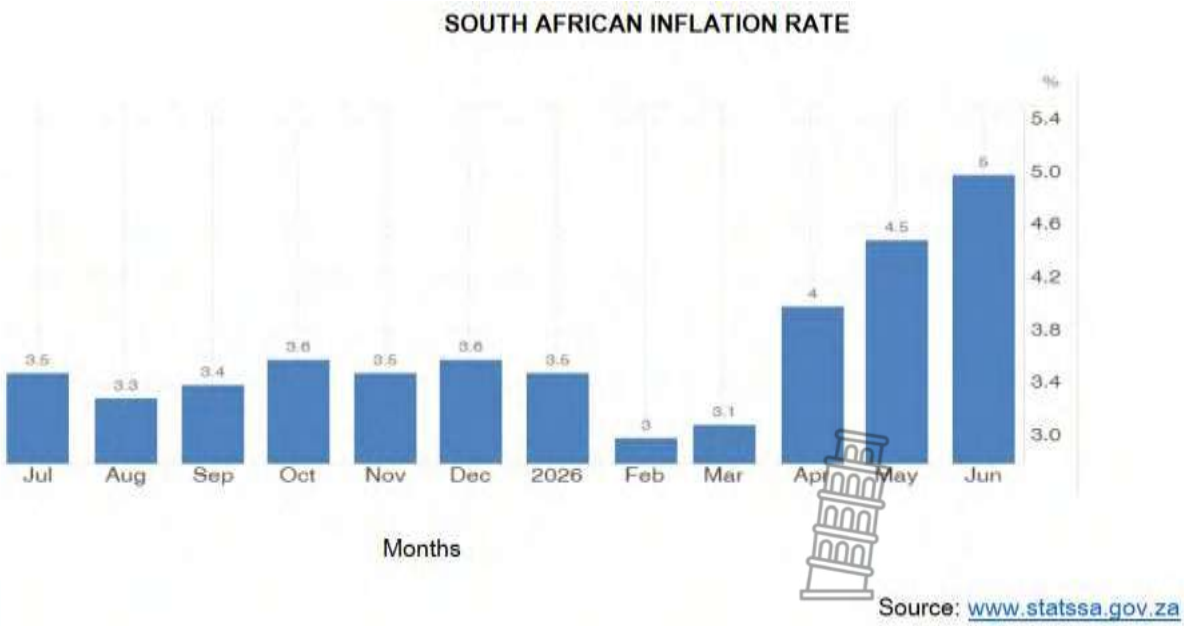


Adapted from: Google images

4.1.1 Identify the type of inflation that relates to the prices determined by the government (1)
4.1.2 Name any ONE cause of cost push inflation (1)
4.1.3 Briefly describe the term *headline inflation.* (2)
4.1.4 Explain the benefit of an increase general price for debtors in the economy. (2)
4.1.5 How would an oversupply of money affect the economy? (4)

ACTIVITY 5

5.1 Study the graph below and answer the questions that follow



Source: www.statssa.gov.za

5.1.1 Identify the month that shows the highest inflation rate from the graph above? (1)
5.1.2 Name any ONE item that is excluded from CPI basket. (1)

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5.1.3 Briefly describe the term *producer price index.* (2)
5.1.4 Explain the impact of inflation on low-income earners. (4)
5.1.5 Why do policymakers exclude some items when calculating core inflation? (2)
5.2 Briefly discuss *higher wages* and *exchange rates depreciation* as causes of cost push inflation. (8)

ACTIVITY 6

6.1 Study the extract below and answer the questions that follow

Inflation rises to a two-year high

Annual consumer inflation jumped to 5,0% in June 2026 from 4,5% in May 2026. This is the highest inflation print since June 2024 when the rate was 5,1%. Prices rose by 0,7% on average between May and June, the same increase recorded between April and May.
Transport was the largest contributor to both the annual and monthly changes in the consumer price index (CPI), mainly underpinned by higher fuel prices. The annual rate for transport accelerated to 12,7% in June from 9,4% in May. Fuel prices climbed by 34,3% in the 12 months to June

Adapted from: www.StatisticsSA.gov.za

6.1.1 Identify ONE cause of inflation in the above extract (1)
6.1.2 Name the institution that sets inflation target in South Africa (1)
6.1.3 Briefly describe the term Consumer price index. (2)
6.1.4 Explain monetary policy as a measure to curb cost push inflation. (2)
6.1.5 How can natural disasters contribute to inflation in the economy. (4)

ACTIVITY 7

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

INFLATION RATE HISTORY IN SOUTH AFRICA

YEAR	Average price of a basket of goods	CPI
2023	R5297,58	100
2024	R5383,00	101.7
2025	R5440.00	A
2026	R5530,52	104.4

Adapted from: www.focusontransport.co.za

7.1.1 Identify the base year in the table above. (1)
7.1.2 Name any ONE South African institution provides inflation statistics. (1)
7.1.3 Briefly describe the term *core inflation*. (2)
7.1.4 Why is it necessary to assign weights to different expenditure items? (2)

ACTIVITY 8

- Discuss in detail the consequences of inflation. (26)
- Analyse the impact of foreign direct investment of price stability. (10)

ACTIVITY 9

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

For *more activities on this topic refer to:*
2024 Last Push Learner Revision Document pages 79-84
2025 Last Push Learner Revision Document pages 85-88

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15. TOURISM

TOPIC 13: TOURISM	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Debate the economic importance of tourism for South Africa and suggest policies to promote it. Also refer to the importance of indigenous knowledge systems (IKS).	
13.1 Tourism	• Describe the relevant **concepts** • Briefly explain the **types** of tourism • Outline the ways to measure tourism
13.2 Reasons for its growth	• Briefly discuss the **reasons** for growth in the tourism industry (internationally and domestically)
13.3 The effects of tourism	• ***Examine in detail the effects of tourism*** - **GDP** - **Employment** - **Poverty** - **Externalities** - **Environment** - **Investment**
13.4 The benefits of tourism	• ***Examine in detail the benefits of tourism*** - **Households** - **Businesses** - **State** - **Infrastructure development**
13.5 South Africa's profile	• Discuss South Africa's **tourism profile** with reference to: - Indigenous knowledge o heritage sites o importance
13.6 Policy suggestions	• Discuss the Department of Tourism's **policy suggestions** under the following headings: - Marketing - Spatial distribution - Taxing - Infrastructure 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 the question numbers (1.1.1–1.1.4), the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 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 known as … (2)

A. travels.
B. ecotourism.
C. tourism.
D. tourists.

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1.1.2 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

1.1.3 Local people visiting other countries are known as…tourists

A. outbound
B. inbound
C. travellers
D. Explorers

1.1.4 The cooperation between private sector and government in funding and provision of tourists' infrastructure and activities is known as…

A. tourism sector
B. public-private partnership
C. tourist attraction
D. public sector intervention

(4X2) (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 Cultural tourism	A. Tourists travelling through South Africa using air, road, rail and sea transport to get to another destination.
1.2.2 Ecotourism	B. All the infrastructural facilities needed by tourists.
1.2.3 Transit tourists	C. Tourists come to visit museums and art galleries, e.g. Robben Island and the Apartheid Museum.
1.2.4 World heritage sites	D. Tourists visit undisturbed natural areas, wilderness, scenic attractions, flora and fauna.
	E. Places listed by the United Nations as having cultural, historical and scientific importance.

(1x4) (4)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.4) in the ANSWER BOOK. Abbreviations, acronyms and examples will not be accepted.

1.3.1 The culture, history and environment that is unique to the local people.
1.3.2 The combination of recreational travel with educational experience to explore ancient history by visiting sites of archaeological significance.
1.3.3 The travel of non-residents into a country for business or leisure.
1.3.4 Travelling for a purpose to attend work or trade conferences and meetings.

(1x4) (4)

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ACTIVITY 2

2.1 Study the extract below and answer the following questions.

G20 Summit in SA

South Africa hosted the G20 Summit in Johannesburg in November 2025. Over 15000 delegates, media and tourists visited the country. Hotels, restaurants, transport services and tour operators reported a 30% increase in bookings during that month.

Source: google.com

2.1.1 Identify the percentage increase in bookings from the above extract. (1)
2.1.2 Give the minimum length of stay that is used to measure tourism. (1)
2.1.3 Briefly describe the term *business tourism*. (2)
2.1.4 Explain the positive impact of the G20 Summit on the South African infrastructure. (2)
2.1.5 How can the government ensure growth in tourism? (4)

ACTIVITY 3

3.1 Answer the following questions

3.1.1 Name TWO environmental heritage sites. (2x1) (2)
3.1.2 How can crime prevention boost tourism sector in the economy? (1x2) (2)

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

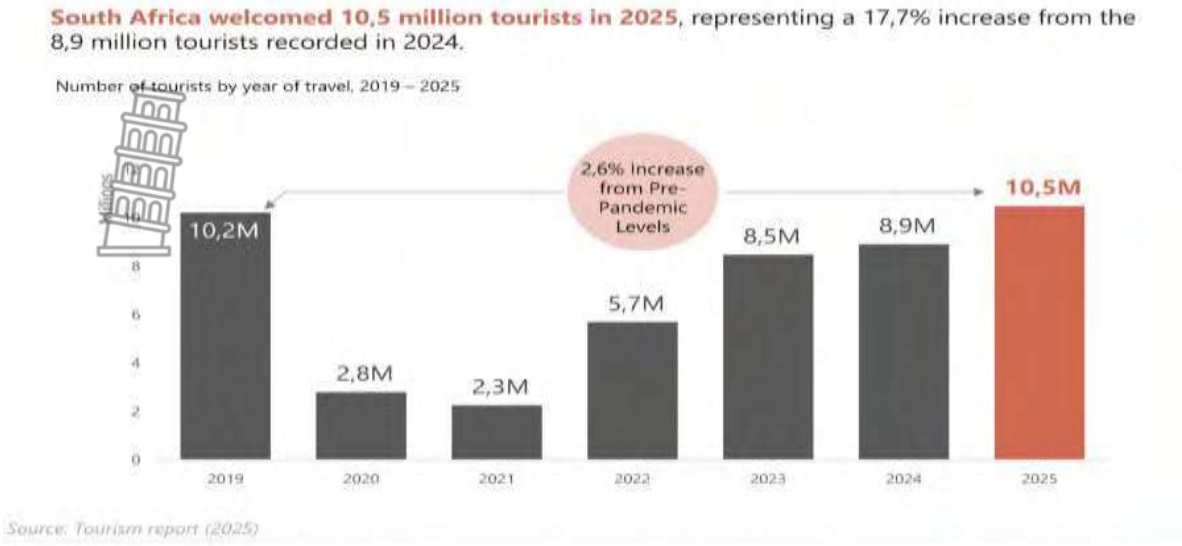


3.2.1 Identify the world heritage site in the data above. (1)
3.2.2 Name any ONE type of tourism in South Africa. (1)
3.2.3 Briefly describe the term *inbound tourism*. (2)
3.2.4 Explain the impact of the depreciation of the rand on tourists visiting South Africa. (2)
3.2.5 How would improvement in households' income levels influence tourism? (4)
3.3 Briefly discuss spatial distribution and marketing as tourism's policy suggestions. (2X4) (8)
3.5 Analyse the benefits of tourism in alleviating poverty in developing countries (8)

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ACTIVITY 4

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



4.1.1 Identify the percentage increase in the number of tourists who visited SA between 2024 and 2025 from the above graph. (1)

4.1.2 Name any ONE way that used to measure tourism. (1)

4.1.3 Briefly describe the term *paleo-tourism*. (2)

4.1.5 Why is marketing as a tourism policy suggestion important? (4)

4.2 Analyse the challenges faced by the tourism industry in South Africa. (8)

ACTIVITY 5

5.1 Study the picture below and answer questions that follow.



5.1.1 Identify the type of tourism depicted by the above picture. (1)

5.1.2 Name any one service industry that depends on tourism. (1)

5.1.3 Briefly describe the term *transit tourism.* (2)

5.1.4 Explain the role of marketing in distributing tourists effectively. (2)

5.1.5 How can the tourism industry benefit the poor in rural societies? (4)

ACTIVITY 6

- Examine in detail the benefits of tourism. (26)
- How can indigenous knowledge systems impact in promoting tourism in South Africa? (10)

For *more activities on this topic refer to:*

2024 Last Push Learner Revision Document pages 85-88 & 2025 Last Push Learner Revision Document pages 89-94

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16. ENVIRONMENTAL SUSTAINABILITY

TOPIC 14: ENVIRONMENTAL SUSTAINABILITY	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
Analyse environmental sustainability and investigate recent international agreements in this regard, for example the Rio de Janeiro and Johannesburg summits	
14.1 The state of the environment	• **Describe** the relevant **concepts** • Discuss the **state of the environment** under the following headings: - Pollution (definition and types) - Erosion - Deforestation - Climate change - Conservation - Preservation
14.2 Measures to ensure sustainability	• Brief discussion of how the **markets** can be used to ensure sustainability under the following headings: - The market does not take care of social costs and benefits - The market fails because of specific reasons - The mechanism of the market and social costs and benefits • ***Discuss in detail how the government can ensure sustainable development*** under the following headings: - **Grant property rights** - **Pay for environmental use** - **Levy environmental tax** - **Pay environmental subsidies** - **Issue marketable permits** - **Command and control** - **Voluntary agreements** - **Education**
14.3 International measures	• ***Discuss in detail the following problems and the international measures taken to ensure sustainable development*** under the following headings: - **Biodiversity** - **Chemical waste** - **Hazardous waste** - **Climate change policy (Nations Framework Convention on Climate Change [UNFCC], Kyoto Protocol, Paris agreement on climate change)** - **Indigenous knowledge** • Explain the major **international protocols and agreements** on sustainable development and evaluate their effectiveness to ensure sustainability - **Rio de Janeiro summit (UNCED)/Johannesburg summit (WSSD) (Rio +10) / Rio +20 summit** - **Millennium Development Goals/Sustainable Development Goals**

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ACTIVITY 1

1.1 Various options are provided as possible answers to t e 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.

1.1.1 The contamination of the environment by harmful substances or waste, which damages the air, water, land, and living organisms is known as…….

A deforestation
B pollution.
C preservation
D sustainability

1.1.2 The process of removing trees from the land without replacing them, is known as …

A soil erosion
B desertification
C deforestation.
D land degradation

1.1.3 Measures taken to ensure that non-renewable resources are threatened by extinction, are known as …

A preservation.
B intervention
C accumulation
D conservation

1.1.4 Agreement between the government and businesses to reduce pollutions without imposing taxes and regulations, are known as …

A property rights
B voluntary agreement
C marketable permits
D environmental taxes

1.1.5 Financial support provided by government to encourage investment in green energy, is known as …

A property subsidy
B employment subsidy
C export subsidy
D environmental subsidy

(5 x 2) (10)

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1.2. 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 Millennium Development Goals	A. Method used to create awareness and change people's attitudes toward the environment.
1.2.2 Quantity standards	B. The variety of living organisms in a particular area or on Earth as a whole.
1.2.3 Education	C. A strategy aimed at achieving the sustainable use and management of natural resources.
1.2.4 Environmental tax	D. Command and control approach that focuses on the amount of environmental pollution emitted
1.2.5 Biodiversity	E. An objective to eradicate extreme poverty and hunger
	F. Imposed on output of goods that generate pollution

(5 x 1) (5)

1.3 Give ONE term for each of the following description. Write only the term next to the question numbers (1.3.1 – 1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 The ability of the environment to survive its use for economic activities.
1.3.2 Natural resources that can be replaced or regenerated
1.3.3 Culture, history and environment that is unique to a specific culture or society.
1.3.4 A license given to businesses to pollute to a certain limit.
1.3.5. Taking care of the environment to ensure that the needs of the present and future generations are met.
1.3.6 A global problem that impacts the variation in the weather patterns.

(6 x 1) (6)

ACTIVITY 2

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



2.1.1 Identify the type of pollution from the picture above. (1)
2.1.2 Name any ONE other type of pollution. (1)
2.1.3 Briefly describe the *term erosion*. (2)
2.1.4 Explain the effect of climate change on the agricultural industry. (2)
2.1.5 Why do markets fail to protect the environment? (4)
2.2 Briefly discuss conservation and preservation in relation to the state of the environment. (8)
2.3 How can the government use command and control measures to ensure environmental sustainability? (8)

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ACTIVITY 3

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

Why is soil erosion such a big problem?

Soil is a natural resource that may look robust and endless but is in fact the fragile product of thousands of years of formation. Topsoil, which lies closest to the surface of the land, contains essential nutrients for crops. It is this layer of soil that is endangered by wind and water erosion. Soil erosion decreases soil fertility, which can negatively affect crop yield. It also sends soil-laden water downstream, which can create heavy layers of sediment that prevent streams and rivers from flowing smoothly and can eventually lead to flooding

Source: www.sciencedirect.com

3.1.1 Identify the term that refers to the wearing away and removal of the top layer of earth by forces like water. (1)

3.1.2 Name ONE cause of soil erosion. (1)

3.1.3 Briefly describe the term *global warming*. (2)

3.1.4 Explain the effect of soil erosion on food security. (2)

3.1.5 How can producers contribute to environmental sustainability? (4)

3.2 How can the government promote green economy in South Africa? (8)

ACTIVITY 4

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

Environmental problem



4.1.1 Identify the environmental problem illustrated in the picture above. (1)

4.1.2 Name the type of tax that is imposed by government to reduce environmental degradation. (1)

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

4.1.4 Explain the impact of climate change on farming activities. (2)

4.1.5 How can an environmental tax help to reduce global warming? (4)

4.2 Discuss how the government can ensure sustainable use of land and natural resources. (4 x 2) (8)

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ACTIVITY 5

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



Source: www.istockphoto.com

5.1.1 Identify the environmental problem from the cartoon above. (1)
5.1.2 Name the international measure that regulates with the control of hazardous waste. (1)
5.1.3 Briefly describe the term *indigenous knowledge system*. (2)
5.1.4 Explain the impact of the loss of indigenous knowledge on the environment. (2)
5.1.5 Why factories often be held accountable for contributing to air pollution? (4)
5.2 Evaluate the success of international agreements in reducing climate change. (8)

ACTIVITY 6

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



Source:www.swasya.com

6.1.1 Identify the environmental concept illustrated by the diversity of plants and animals shown in the picture above. (1)
6.1.2 Name the international measure that regulates policies to manage nuclear waste. (1)
6.1.3 Briefly describe the term *sustainable development*. (2)
6.1.4 Explain marketable permits as a measure to ensure sustainable development. (2)
6.1.5 How is the loss of biodiversity being addressed internationally? (4)
6.2 Why do international agreements fail to reduce the rate of climate change? (8)

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ACTIVITY 7

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

SOUTH AFRICA'S SHRINKING FORESTS

Large areas of indigenous forest and woodland are cleared every year to make way for farming, mining and urban settlement. Rural households also rely heavily on wood for fuel and building material, especially where electricity is unaffordably. Once the tree cover is removed, the exposed soil is left vulnerable to wind and water erosion, rainfall patterns become less predictable and many indigenous plant and animal species lose their natural habitat.

[Adapted from www.news24.com

7.1.1 Identify, from the extract above, ONE cause of deforestation. (1)
7.1.2 Name any ONE effect of deforestation mentioned in the extract. (1)
7.1.3 Briefly describe the term *ecosystem.* (2)
7.1.4 Explain the impact of deforestation on biodiversity (2)
7.2 Evaluate international measures taken to address environmental problems. (8)

ACTIVITY 8

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



www.cartoonstock.com

8.1.1 Identify the environmental problem illustrated in the cartoon above. (1)
8.1.2 Name the type of tax that is levied on goods that generate external environmental costs. (1)
8.1.3 Briefly describe the term *global warming*. (2)
8.1.4 Explain the effect of climate change on the South African economy. (2)
8.1.5 Why is soil erosion regarded as a threat to sustainable development in South Africa? (4)

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ACTIVITY 9

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



Shuttrestock.com

9.1.1. Identify the type of pollution illustrated in the picture above. (1)
9.1.2 Name any ONE example of non-renewable resources. (1)
9.1.3 Briefly describe the term *environmental sustainability*. (2)
9.1.4 Explain the effect of pollution on the health of communities living nearby. (2)
9.1.5 How can the Basel Convention help to manage hazardous waste? (4)

ACTIVITY 10

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

Protecting Natural Resources for Sustainable Development

Natural resources are essential for economic growth and improving people's standard of living. However, activities such as mining, farming, manufacturing, and transport can damage the environment through pollution, deforestation, and excessive use of natural resources. To ensure that future generations can also benefit from these resources, governments, businesses, and communities must promote sustainable practices. These include reducing pollution, recycling waste, conserving water, protecting forests and wildlife, and investing in renewable energy. By managing natural resources responsibly, countries can achieve economic growth while maintaining a healthy environment and improving the quality of life for all.

Source:dailynews.economics

10.1.1 Identify the environmental concept that relates to the introduction of waste matter into the environment. (1)
10.1.2 State any ONE measure that government use to ensure environmental sustainability. (1)
10.1.3 Briefly describe the term *preservation* (2)
10.1.4 Explain the benefits of conservation practices for future generations. (2)
10.1.5 Why is indigenous knowledge important in environmental conservation? (4)
10.2 How government intervention can be used to reduce pollution. (4x2) (8)

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ACTIVITY 11

- Discuss in detail government measures to ensure sustainable development. (26)
- How does South Africa use conservation to ensure a sustainable environment? (10)

ACTIVITY 12

- Discuss in detail the FIVE environmental problems and the international measures taken to ensure sustainable development. (26)
- Evaluate government intervention measures to ensure the sustainability of the environment. (10)

For *more activities on this topic refer to:*

2024 Last Push Learner Revision Document pages 89-96

2025 Last Push Learner Revision Document pages 95-100