



## Education and Sport Development

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Departement van Onderwys en Sport Ontwikkeling  
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**NORTH WEST PROVINCE**

**PROVINCIAL ASSESSMENT**

**GRADE 11**

**ECONOMICS P1**

**JUNE EXAMINATION 2019**

MARKS: 150

TIME: 2 hours.

This question paper consists of 12 pages.



**INSTRUCTIONS AND INFORMATION**

1. Answer FOUR questions as follows in the ANSWER BOOK

SECTION A: COMPULSORY

SECTION B: Answer TWO of the three questions

SECTION C: Answer ONE of the two questions

2. Answer only the required number of questions. Answers in excess of the required number will not be marked.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Write the question number above the answer.
5. Read the questions carefully.
6. Start EACH question on a NEW page.
7. Leave 2-3 lines between subsections of questions.
8. Answer the questions in full sentences and ensure that the format, content and context of your response comply with the cognitive requirements of the question.
9. Use only black or blue ink.
10. You may use a non-programmable pocket calculator.
11. Write neatly and legibly.



**SECTION A: COMPULSORY****QUESTION 1****30 MARKS - 30 MINUTES**

1.1 Various options are provided as possible answers to the following questions.

Choose the most correct answer and write only (A, B, C or D) next to the corresponding question number (1.1.1 -1.1.8) in the answer book, for example 1.1.9  
D

- 1.1.1 An individual that combines all the factors of production in the production process is known as a/an ...
- A capitalist.
  - B land owner.
  - C entrepreneur.
  - D labour.
- 1.1.2 A sector that employs more machineries than human beings is known as a ... industry.
- A capital-intensive
  - B labour-intensive
  - C skills-intensive
  - D brain-intensive
- 1.1.3 The value added method is used to avoid the problem of ... when calculating GDP.
- A recurring costs
  - B imputed cost
  - C double counting
  - D scarcity
- 1.1.4 An amount of income paid by the state to the country's citizens without productive services rendered is known as ...
- A salaries and wages.
  - B service receipts.
  - C income payments.
  - D transfer payment.



- 1.1.5 In a mixed economy, the most significant force in the distribution of goods and services is the ...
- A individual and firms.
  - B price system.
  - C consumers.
  - D government and firms.
- 1.1.6 All the economic decisions are taken by the...in a planned or command economy
- A government
  - B firms
  - C households
  - D state
- 1.1.7 The tertiary sector in the production process consists of ...industries.
- A factory
  - B service
  - C manufacturing
  - D transformation
- 1.1.8 A sector that deals with the extraction of mineral deposits from nature is known as the...industry.
- A tertiary
  - B secondary
  - C service
  - D primary
- (8x2) (16)



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

Write only the letter (A –F) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Capital deepening	A the primary owners for the factors of production
1.2.2 Capital widening	B when the state takes over the ownership of business from the private sector
1.2.3 Household	C change in weather patterns
1.2.4 Expenditure method	D occurs when the amount of capital per worker is increased
1.2.5 Fiscal policy	E platinum, uranium and chromium
1.2.6 Nationalisation	F measured through $C + I + G + (X - M)$
1.2.7 Mineral deposits	G occurs when the capital stock is increased to accommodate an increasing labour force
1.2.8 Climate	H includes taxation, government spending and state borrowing I measured through wages, rent, interest and profit

(8 x 1) (8)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 -1.3.6) in the ANSWER BOOK. **NO abbreviations or acronyms will be accepted.**

1.3.1 Physical or mental effort used in the production process of goods and services

1.3.2 The cost of borrowing capital

1.3.3 Goods that still have to undergo further production process

1.3.4 A decrease in the value of fixed assets

1.3.5 The transfer of business ownership from the state to the private sector

1.3.6 Consumer goods that are tangible and last longer than a year (6 x 1) (6)

**TOTAL SECTION A: 30**



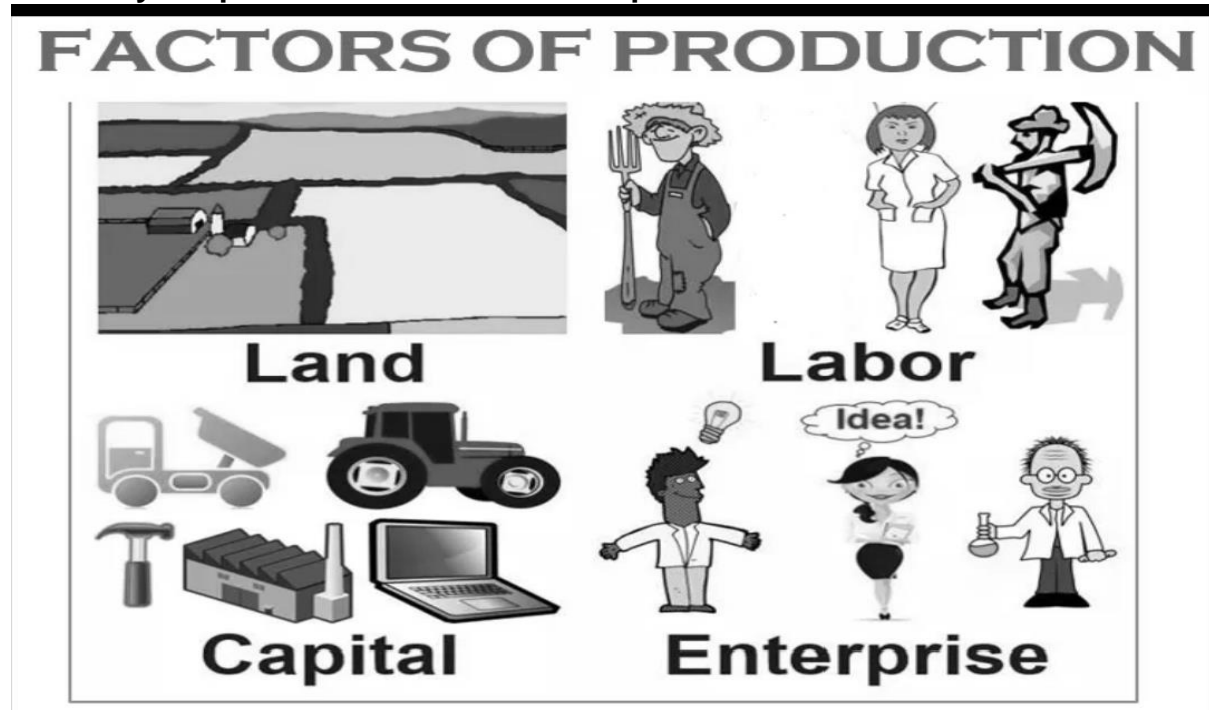
**SECTION B**

Answer any TWO of the three questions from this section in the answer book

**QUESTION 2****40 MARKS – 30 MINUTES****2.1 Answer the following questions**

2.1.1 Name any TWO characteristics of natural resources. (2x1) (2)

2.1.2 Why is technology regarded as the 'FIFTH' factor of production? (1x2) (2)

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

2.2.1 Name any type of labour depicted in the picture above. (1)

2.2.2 Which a word in the picture above is indicating one of the qualities of an entrepreneur? (1)

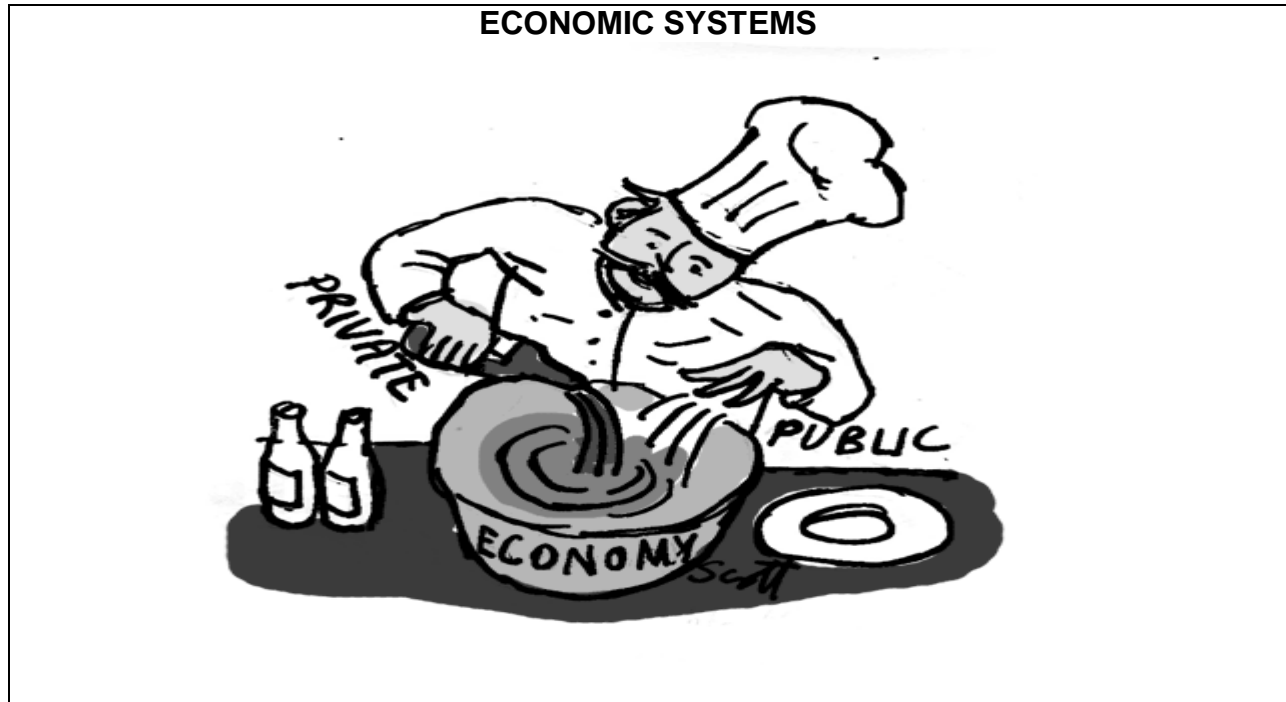
2.2.3 Briefly describe the concept *production*. (2)

2.2.4 How can entrepreneurship be promoted in South Africa? (2)

2.2.5 What is the economic importance of land in South Africa? (2 x 2) (4)



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



2.3.1 Name the economic system depicted above. (1)

2.3.2 Which sector is contributing the most into the economic system above? (1)

2.3.3 Briefly describe the concept *economic system*. (2)

2.3.4 How are the production decisions made under this economic system? (2)

2.3.5 Explain why the above economic system is not ideal for a country like South Africa. (2 x 2) (4)

2.4 Distinguish between *nominal wages* and *real wages*. (2 x 4) (8)

2.5 How does the South African government ensure the efficient delivery of socio-economic services? (8)

**[40]**



**QUESTION 3****40 MARKS- 30 MINUTES****3.1 Answer the following questions**

3.1.1 Name any TWO types of markets in the circular flow model. (2 x 1) (2)

3.1.2 Why is the mining industry important in South Africa? (1 x 2) (2)

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

**FUNCTIONAL CLASSIFICATION**

<b>GOVERNMENT EXPENDITURE</b>		
<b>R billion</b>	<b>2017/2018</b>	<b>%</b>
Basic education	189,5	21,6
Health	144,6	<b>A</b>
Defence, public order and safety	163,0	18,6
Higher education and training	56,6	6,4
Economic affairs	176,6	20,2
Social protection	143,9	16,3
<b>Allocated expenditure</b>	<b>874,2</b>	
Debt service cost	115,0	11,6
Unallocated expenditure	-	-
<b>Consolidated expenditure</b>	<b>989,2</b>	

3.2.1 Name the government division that is responsible for drawing up the budget above at national level . (1)

3.2.2 Identify the expenditure item that captures old-age pension from the table above. (1)

3.2.3 Briefly describe the concept *final consumption expenditure by government*. (2)3.2.4 What is the main reason behind the exclusion of **transfer** payments in the final consumption expenditure by the government? (2)3.2.5 Calculate the percentage value of health expenditure represented by letter **A**. Show ALL the calculations. (4)

### 3.3 Study the extract below and answer the questions that follow.

#### SA's key economic sectors

South Africa has been traditionally rooted in the primary sectors – the results of a wealth of mineral resources and favourable agricultural conditions.

Recent decades, however, have seen a structural shift in output. Since the early 1990s, economic growth has been driven mainly by the tertiary sector, which includes wholesale and retail trade, tourism, and communications.

Now South Africa is moving towards becoming a knowledge-based economy, with a greater focus on technology, e-commerce, financial and other services.

South Africa is world-renowned for its mining sector, with an abundance of mineral resources, accounting for a significant proportion of world production and reserves with an estimated worth of R20.3 trillion. The country is estimated to have the world's fifth largest mining sector in terms of gross domestic product.

**[Source: *Investors' Handbook, the DTI & the IDC data 2017/18*]**

- 3.3.1 Name a sector that used to be a pillar of the South African economy prior to the 1990s. (1)
- 3.3.2 According to the extract above, what is the main driver of economic growth? (1)
- 3.3.3 Briefly describe the concept *gross domestic production*. (2)
- 3.3.4 How can the South African government contribute to a knowledge-based economy? (2)
- 3.3.5 What makes you think that South Africa is experiencing the paradox of plenty challenges? (2 x 2) (4)
- 3.4 Distinguish between *non-durable goods* and *services*. (2 x 4) (8)
- 3.5 Why do you think that the tertiary sector is important in building a prosperous and strong economy? (8)
- [40]**



**QUESTION 4****40 MARKS- 30 MINUTES**

4.1 Answer the following questions

4.1.1 Mention any TWO examples of transfer payments. (2x1) (2)

4.1.2 What is the significance of the gross national income in the economy? (1x2) (2)

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

<b>CONSUMPTION EXPENDITURE</b>	<b>R bn</b>
Consumption expenditure by household	150 000
Government expenditure	130 000
Gross capital formation	80 000
Gross domestic expenditure	360 000
Exports on goods and services	45 000
Imports on goods and services	65 000
<b>GDP @ market prices</b>	<b>B</b>

[Source: Quarterly Bulletin, 2017]

4.2.1 Which method is used to determine GDP in the table above? (1)

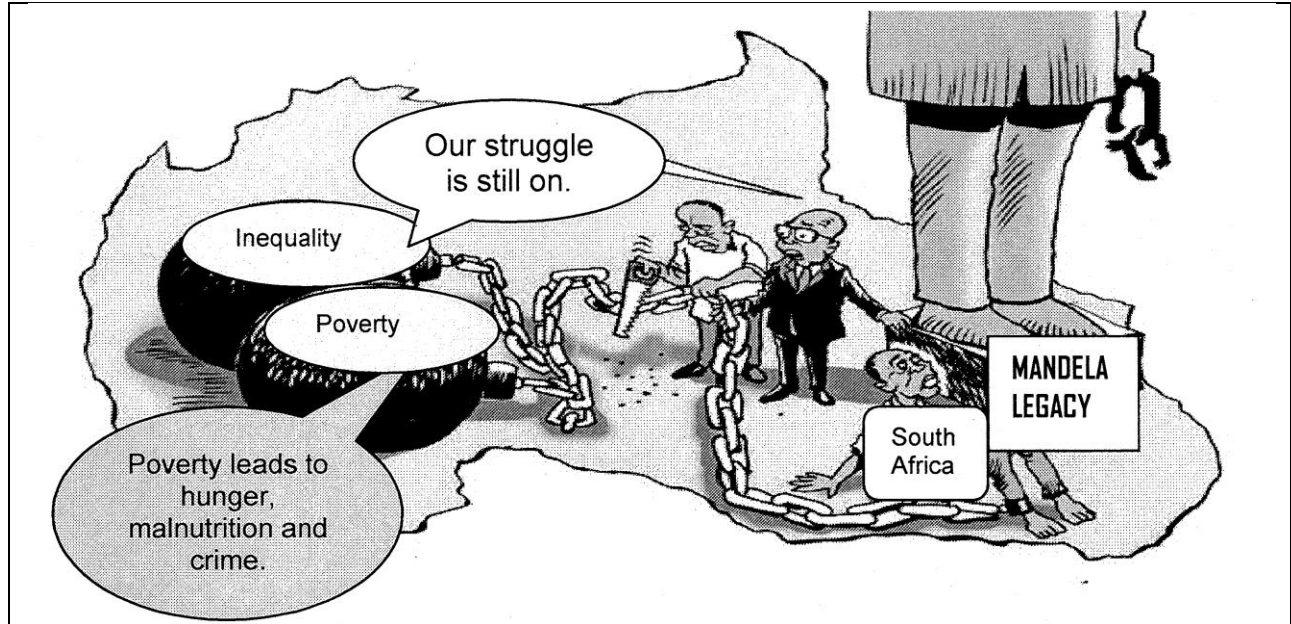
4.2.2 Name any other method that can be used to calculate GDP. (1)

4.2.3 Briefly describe the concept *gross domestic expenditure*. (2)

4.2.4 What is the significance of capital goods in the economy? (2)

4.2.5 Determine the value of **B**. Show ALL the calculations. (4)

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



[Source: Paresh cartoons.com]

- 4.3.1 Identify ONE socio-economic challenge in the cartoon above. (1)
- 4.3.2 State ONE negative consequence of poverty in the cartoon above. (1)
- 4.3.3 Briefly describe the concept *economic marginalization*. (2)
- 4.3.4 Suggest ONE way in which the problem of inequality can be solved. (2)
- 4.3.5 How can human resources be targeted to be more effective in solving the problems above. (2 x 2) (4)
- 4.4 Distinguish between *renewable resources* and *non-renewable resources*. (2 x 4) (8)
- 4.5 Why do you think that gross fixed capital formation is important for the economy? (8)

**TOTAL: 40**



**SECTION C**

Answer any ONE of the TWO questions from this section in your ANSWER BOOK.  
Your answer will be assessed as follows:

<b>STRUCTURE OF ESSAY:</b>	<b>MARK ALLOCATION:</b>
<b>Introduction</b>	Max. 2
<b>Body:</b> <ul style="list-style-type: none"> <li>• Main part: Discuss/Distinguish/Differentiate/Explain/Analyze /Evaluate/Assess</li> <li>• Additional part: Use / Draw / Sketch a graph / diagram ... / Deduce ... / Outline / Briefly explain / Expand on ... / Your own opinion</li> </ul>	Max. 26  Max. 10
<b>Conclusion</b>  Any relevant higher order conclusion that should include: <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed / analyzed without repeating facts already mentioned in the body</li> <li>• An opinion or valued judgment on the facts discussed</li> <li>• Additional support information to strengthen the discussion / analysis</li> <li>• A contradictory viewpoint with motivation, if so required</li> <li>• Recommendations</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40</b>

**QUESTION 5**

- Discuss in detail the free-market economy. (26)
- Briefly explain why a centrally-planned economy is not ideal economic system for a country like South Africa. (10) **[40]**

**QUESTION 6**

- Discuss in detail the economic importance of each of the following South Africa's infrastructure components:
  - Communication (10)
  - Transport (8)
  - Energy (8)
- **In your opinion, what do you think might have led to the recent energy crises in South Africa?** (10) **[40]**

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

