



Education and Sport Development

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NORTH WEST PROVINCE

PROVINCIAL ASSESSMENT

GRADE 11

**ECONOMICS PAPER 1
JUNE EXAMINATION 2017**

MARKS: 150

DURATION: 2 HOURS

This question paper consists of 13 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. Write the question number above each answer.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Read the questions carefully and start each question on a NEW page.
5. Leave 2–3 lines between subsections of questions.
6. Answer questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive levels of the questions.
7. Write neatly and legibly.
8. Only the required number of questions will be marked in the order in which they appear in the ANSWER BOOK.
9. Use only black or blue ink.
10. Non-programmable pocket calculators may be used.

SECTION A (COMPULSORY)**QUESTION 1****30 MARKS – 20 MINUTES**

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

1.1.1 Sun, the atmosphere, climate and weather are ...

- A Capital
- B Natural Resource
- C Entrepreneurship

1.1.2 The level of profits depends on...

- A the type of Business
- B Professionalism
- C Supply of goods and services

1.1.3 GDP can be measured by any of the following methods ...

- A spending by government
- B spending by business
- C production method (GDP(P))

1.1.4 Lower income households spend a greater proportion of their total income on ...

- A. Non- durable goods
- B Semi- durable goods
- C Durable goods

1.1.5 Decision making within the market economy is...

- A Centralized
- B Automatic
- C Decentralized

1.1.6 The centrally planned economy is also called ...

- A command system
- B communism
- C capitalism

1.1.7 The state in a mixed economy is responsible for providing a range of ...

- A. Cultured services
- B social services

C political services

1.1.8 The Land Redistribution programme started in ...

- A 1995
- B 1994
- C 1996

(8 x 2) (16)

1.2 Choose the correct description from **COLUMN B** that matches the item in COLUMN A. Write only the letter (A – I) to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Productivity	A is the capital goods bought by government and business
1.2.2 Procurement Policy	B information technology, storage and advertisement
1.2.3 Gross Capital Formation	C gives more economic power to black people
1.2.4 Income Method	D is the relationship between the quantity of inputs and the quantity of outputs of goods and services
1.2.5 Market economy	E calculate the final output in terms of how much it cost the firms to employ their factors of production
1.2.6 New Growth Path	F macro economics policy 2010
1.2.7 International competitiveness	G destruct natural environment
1.2.8 Business Services	H the ability of businesses in an economy to match the price and quality of other nations outputs?
	I the price of a country's currency expressed in terms of that of other countries.

(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.

1.3.1 They do not have an annual cycle of growth, but take millions of years to form.

1.3.2 Money used to carry our daily operations and raw material in the production of consumer goods.

1.3.3 The transfer of ownership of a business from the private sector to the state.

1.3.4 Welfare services, social grants, public order and safety.

1.3.5 Processing and assembling of goods such as electrical appliances from several different raw materials.

1.3.6 Economic activities concerned with processing raw material and manufacturing goods .

(6 x 1) (6)
TOTAL SECTION A: 30

SECTION B

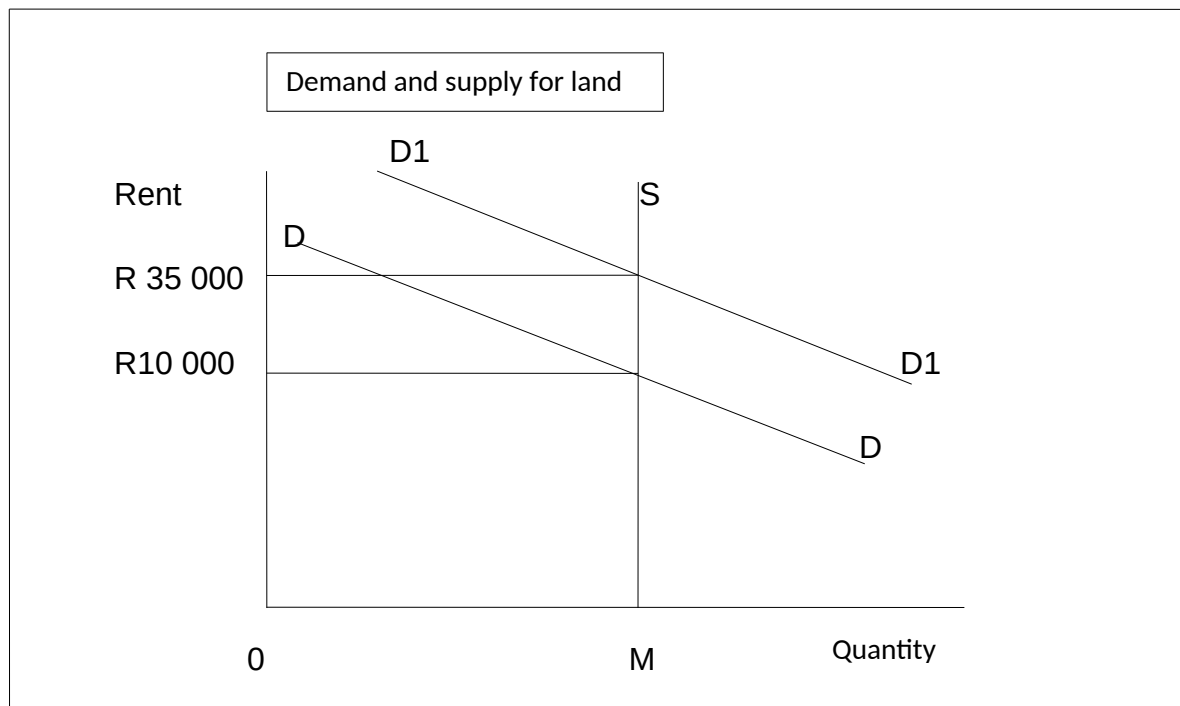
Answer **TWO** of the three questions in this section in the ANSWER BOOK.

QUESTION 2**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

- 2.1.1 Give TWO reasons why the S.A government will intervene in the economy. (2 x 1) (2)
- 2.1.2 Why Affirmation Action is implemented in the South African economy (1 x 2) (2)

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



[Source: Adapted from Focus grade 11]

- 2.2.1 Identify the original price and original quantity from the graph. (2 x 1) (2)
- 2.2.2 List any TWO factors that can influence the level of rent. (2 x 1) (2)
- 2.2.3 Define the term economic rent. (2)
- 2.2.4 Calculate the economic rent according to the graph. Show all calculations. (2 x 2) (4)

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

	R Millions (2015)
Compensation of employees	R1 732 809
Other tax on production	R71 649
Subsidies on product	R12 972
Factor primary income from the rest of the world	R82 235
Factor primary income to the rest of the world	R183 779
Consumption of fixed capital	R522 116
Tax on products	R404 939
Other subsidies on production	R8 021
Net operating surplus	R1 086 547

[Source: Quarterly Bulletin SARB December 2015]

- 2.3.1 Identify the GDP method used in the above table. (1)
- 2.3.2 How much was spent on exports? (1)
- 2.3.3 Calculate the GDP at market price.
(Hint: Determine GDP @ factor cost and basic price). (4)
- 2.3.4 Outline the role of main aggregates. (2 x 2) (4)
- 2.4 Tabulate TWO advantages of a market economy and a centrally planned economy. (2 x 4) (8)
- 2.5 Briefly discuss the importance of final consumption expenditure by government. (8)

[40]

QUESTION 3:**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name two types of assets that make up gross fixed capital investment (2 x 1) (2)

ENTREPRENEURSHIP IS ENCOURAGED AMONG SOUTH AFRICAN YOUTH

Deputy President Cyril Ramaphosa says government is trying to reignite the spirit of entrepreneurship among young South Africans.

He has stressed not only the importance of seizing educational opportunities, but also encouraging entrepreneurship.

He told young people that they have a large role to play in the growth of South Africa's economy.

3.1.2 Why savings are important in the

economy?

(1 x 2) (2)

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

Source: Edited by Tamsin Wort – News 24]

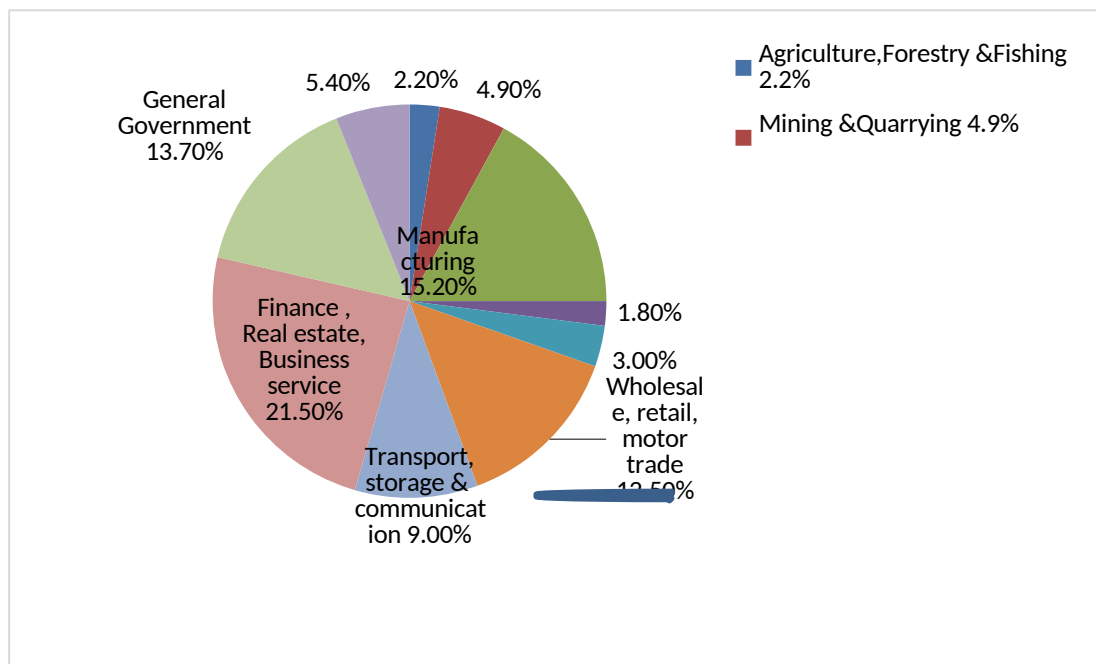
3.2.1 Which portfolio Mr Cyril Ramaphosa is holding in South Africa?

(1)

- 3.2.2 What do you call the act of combining the three production factors? (1)
- 3.2.3 Explain the meaning of this statement “young people have a large role to play in the growth of South Africa’s economy”? (2)
- 3.2.4 According to the extract, why *educational opportunities* are important? (2)
- 3.2.5 Differentiate between a successful entrepreneur and an unsuccessful entrepreneur? (2 x 2) (4)

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

SECTOR CONTRIBUTION TO THE SOUTH AFRICAN ECONOMY



Source: SARB QB March 2015

- 3.3.1 Identify TWO industries of the primary sector from the pie chart. (2 x 1) (2)
- 3.3.2 How much has been contributed by the primary sector? (2)
- 3.3.3 What would be the positive influence of primary sector on infrastructure? (2)

3.3.4 Do you agree that economic growth has been driven mainly by the tertiary sector nowadays? Motivate your response. (2 x 2) (4)

3.4 Differentiate between intermediate goods and final goods. (2 x 4) (8)

3.5 Why there is slow economic growth in South Africa? (8)
[40]

QUESTION 4

40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name TWO factors that influence the remuneration of natural resources.

(2 x 1) (2)

4.1.2 What is the main factor that determines how much households can spend on final goods and services?

(2 x 1) (2)

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

Socialism and centrally-planned-economy by Karl Marx



Source: blogspot.co.za 2014 / 2015

- 4.2.1 Which economic system is used in China? (1)
- 4.2.2 Who is the father of this economic system? (1)
- 4.2.3 Explain the meaning of this phrase "... and then there were three!"? (2 x 2) (4)
- 4.2.4 Explain the role of the three men standing in the cartoon. (2 x 2) (4)

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

Ebrahim Patel: Invest in infrastructure to grow

"A shift in investment towards South Africa's ambitious long-term infrastructure strategy should be put under the spotlight at the Asisa Conference, Economic Development Minister Ebrahim Patel told delegates at the Sandton Convention Centre.

"This could result in a new sustainable growth path for the country," he said. "There needs to be a consensus that large infrastructure programmes will benefit South Africa and that it will be a catalyst for the economy"

"The last five years saw the biggest investment in infrastructure," he said. "Some of these projects are eye-catching, but others are less visible like the upgrades to roads and introduction of water and electricity in rural parts of South Africa"

"We have some long-term infrastructure projects in the pipeline and we are now converting them into bankable projects," he said, adding that the project pipeline would cost R4.7 trillion.

Source: www.fin24.com – 5 May 2015

- 4.3.1 What is the estimated amount for pipeline project? (1)
- 4.3.2 Identify an example of infrastructure component in the extract. (1)
- 4.3.3 How will large infrastructure programmes benefit the South African economy? (2 x 2) (4)

QUESTION 5:**40 MARKS – 40 MINUTES**

“A section of South Africa’s society will forever be marginalised,” Standard Bank Chief Economist Goolam Ballim says.

- Discuss economically marginalised groups in detail. (26 marks)
- In your opinion, do you think the government is doing enough to eliminate the economical marginalisation of groups of people? Refer to the success or failure of government programmes in this regard. (10 marks)

[40]**QUESTION 6****40 MARKS – 40 MINUTES**

Every country follows some kind of economic system.

- In South Africa we have a mixed economy. Explain in detail what a mixed economy entails. (26 marks)
- Explain how social economic issues in your area are addressed by a mixed economy. (10 marks)

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