

Western Cape Education Department

ECONOMICS

Grade 12 Term 3
2026

Learner Booklet

PERFECT MARKETS

MULTIPLE-CHOICE QUESTIONS

1.1.1 An example of a variable cost item is ..

- A electricity
- B rent
- C insurance
- D life cover

1.1.2 The slope of the demand curve of an individual firm under perfect market conditions is ...

- A vertical.
- B horizontal.
- C trending downwards from left to right.
- D positive.

1.1.3 To avoid closure, the perfect competitor must be able to cover the ... costs.

- A average variable
- B average
- C labour
- D fixed

1.1.4 Unit costs are also known as ... costs.

- A marginal
- B total
- C average
- D variable

1.1.5 An individual firm under perfect competition has a ...demand curve.

- A perfectly elastic
- B perfectly inelastic
- C relatively elastic
- D relatively inelastic

1.1.6 The supply curve of a perfect competitor is represented by that part of the MC curve that lies above the ... curve.

- A total variable cost
- B average variable cost
- C average cost
- D fixed costs

1.1.7 Normal profit is also known as the ... point in a perfect market.

- A minimum
- B break even
- C maximum
- D zero

(7 x 2) (14)

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 – 1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A	ANSWER	COLUMN B
1.2.1 Marginal revenue		A. businesses that produce similar products
1.2.2 Industry		B. actual expenses incurred by a business for inputs into the production process
1.2.3 Normal profit		C. extra revenue earned by the seller as an additional unit of a product is produced and sold
1.2.4 Explicit costs		D. period of production where all factors of production has become variable
1.2.5 Shut-down point		E. occurs where average revenue is equal to average costs
1.2.6 Economic loss		F. a company in a perfect market will consider its doors to close as $MC = AVC$
		G. average revenue is less than average cost

(6 x 1) (6)

1.3. Give ONE term for each of the following descriptions. Write only the term next to the question number. ABBREVIATIONS, ACRONYMS and EXAMPLES WILL NOT BE ACCEPTED.

		ANSWER
1.	The minimum earnings necessary to prevent an entrepreneur from leaving the industry / When average revenue equals average cost	
2.	The cost remains constant regardless of the quantity produced	
3.	Profit made in addition to normal profit. When the average revenue is greater than the average cost	
4.	An institution whose main functions are to review orders made by the Competition Tribunal and modify or confirm these orders	
5.	Value of input owned by the entrepreneur and used in the production process (forgotten rent, interest + salary).	

(5 x 1) (5)

NAME/GIVE/LIST QUESTIONS

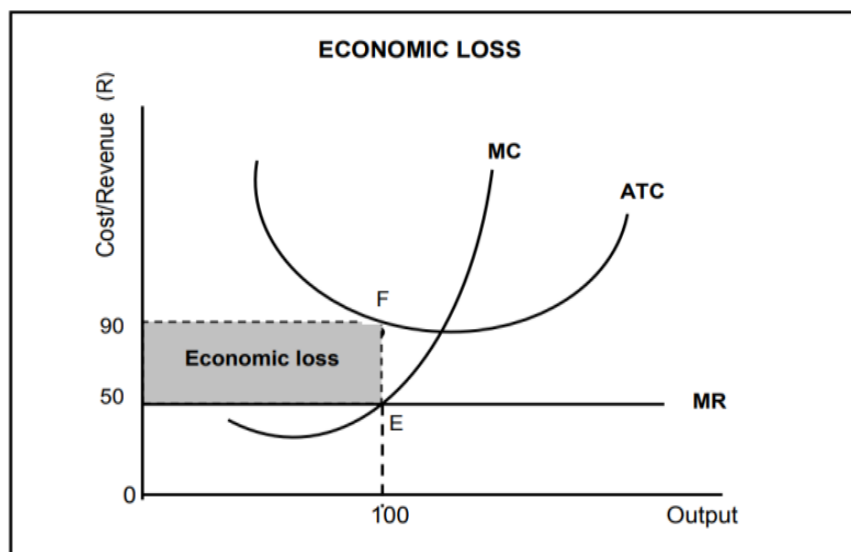
1. Give any TWO examples of variable costs. (2 x 1) (2)
2. Name any TWO institutions that regulate unfair competition in South Africa. (2 x 1) (2)
3. Name any TWO examples of a perfect market structure. (2 x 1) (2)

HIGH-ORDER QUESTIONS

1. Why is an individual firm in a perfect competition unable to influence the market price? (1 x 2) (2)
2. Why are businesses in the perfect market structure price takers? (1 x 2) (2)
3. Why do homogeneous products benefit the consumers? (1 x 2) (2)
4. How will consumers be impacted if one business increases its selling price in a perfect market? (1 x 2) (2)
5. Why will output in the goods market rise when businesses in the perfect market make an economic profit? (1 x 2) (2)

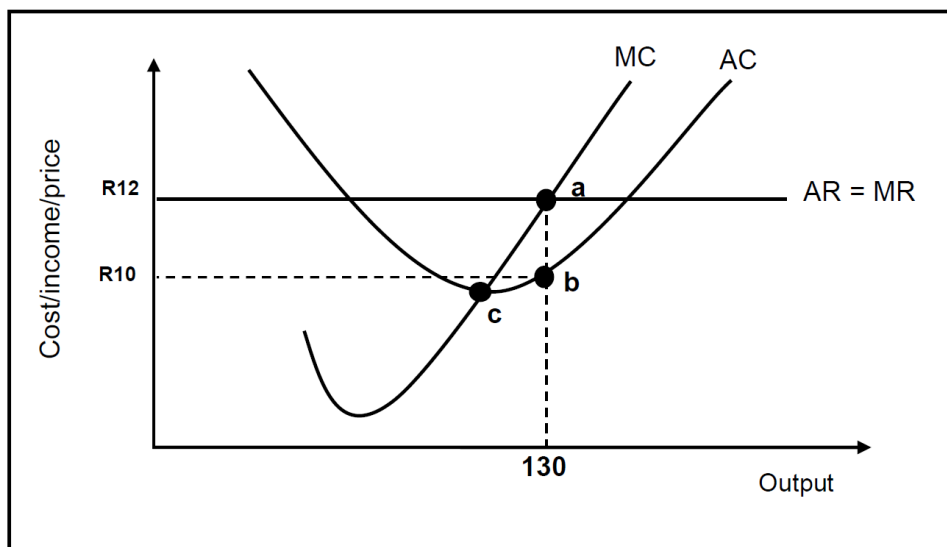
DATA RESPONSE QUESTIONS

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



- 1.1 Identify the value of the market price depicted in the graph above. (1)
- 1.2 Name the market structure of the graph above. (1)
- 1.3 Briefly describe the term *marginal cost*. (2)
- 1.4 How will this equilibrium position change in the long run? (2)
- 1.5 Calculate the economic loss this business faces. Show ALL calculations (4)

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



- 2.1 Identify the point that indicates profit maximization. (1)
- 2.2 Name the economic equilibrium position in the graph above. (1)
- 2.3 Briefly describe the term *short run* as used in Economics. (2)
- 2.4 How will price and quantity change in this market structure in the long run? (2)
- 2.5 Determine the total profit/loss made by this business. Show ALL calculations. (4)

Imperfect markets: Monopoly, Oligopoly, and Monopolistic competitor

Section A

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 Although a monopoly can charge any price it wishes, it chooses the price that is/ can ...

- A. the highest
- B. equal to marginal cost
- C. maximise profit
- D. competitive

1.1.2 A natural monopoly is most likely to exist when there are ...

- A. large economies of scale.
- B. large barriers to entry.
- C. government regulations.
- D. long-term patents.

1.1.3 Monopoly is faced with a ... demand curve.

- A. horizontal
- B. downward sloping
- C. kinked
- D. upward sloping

1.1.4 The market structure in which there is interdependence among firms is the ...

- A. oligopoly
- B. monopolistic competition
- C. monopoly
- D. perfect competition

1.1.5. When one firm raises its price, and other firms follow, this is an example of ...

- A. price leadership
- B. collusion
- C. a dominant firm
- D. a price follower

1.1.6 A market structure with few entry barriers and with many firms that sell differentiated products is known as ...

- A. perfect competitive.
- B. a monopoly.
- C. a monopolistic competition.
- D. an oligopolistic market.

1.1.7 A source of inefficiency in monopolistic competition is NOT ...

- A. when price exceeds marginal cost.
- B. when there is excess capacity
- C. product diversity
- D. minimised long-run average cost.

1.1.8 A monopolistic competition firm in long-run equilibrium will make ... profit.

- A. negative
- B. zero
- C. positive
- D. both positive and negative

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A – I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

Column A	ANSW	Column B
1.2.1. Price leadership		A cannot be recovered should the firm leave the market
1.2.2. Artificial monopoly		B has a horizontal demand curve
1.2.3. Natural monopoly		C occurs when $MC = MR$
1.2.4. Sunk costs		D exists due to extremely large economies of scale, e.g. Eskom
1.2.5. Deadweight loss		E one firm fixes the price, and others accept it as the market price
1.2.6. Branding		F a loss of total economic efficiency occurs when the optimal allocation of resources is not achieved
1.2.7. Heterogeneous		G encourages people to buy new products from the same product range
1.2.8. Profit maximisation		H products that are not the same (differentiated)
		I one business controls the supply; the product has no close substitutes
		(8 x 1) (8)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number. ABBREVIATIONS, ACRONYMS AND EXAMPLES WILL NOT BE ACCEPTED.

	Description	Answer
1.3.1.	When one firm takes over another firm, that firm ceases to exist	
1.3.2.	Formal or informal agreement between two or more firms to divide the market, set prices, or limit production to gain an unfair market advantage	
1.3.3.	Exists when a small number of very large firms produce similar or identical products	
1.3.4.	When a seller charges different prices for the same product to different consumer groups	
1.3.5.	When the market produces the maximum quantity of goods and services from a given set of resources	
1.3.6.	Gives the holder the exclusive rights to produce a product for as long as the rights are valid	

(6 x 1) (6)

Section B

Lower-order questions

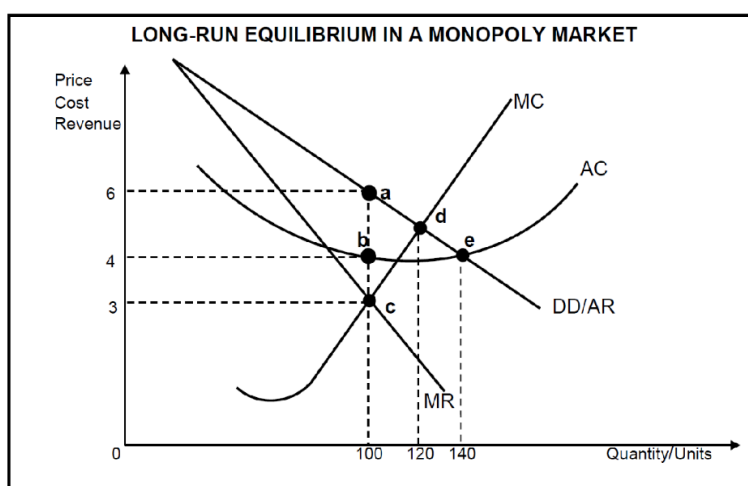
- 2.1.1 Name TWO main groups of monopolies. (2 x 1) (2)
- 2.1.2 Name any TWO barriers to entry for monopolies. (2 x 1) (2)
- 2.1.3 Name any TWO types of collusion. (2 x 1) (2)
- 2.1.4 Name any TWO forms of non-price competition in an oligopoly. (2 x 1) (2)
- 2.1.5 Name any TWO examples of monopolistic competition in South Africa. (2 x 1) (2)
- 2.1.6 Name the TWO segments of the kinked demand curve. (2 x 1) (2)

Higher-order questions

- 2.2.1 Why are the AR and MR curves two different curves in a monopoly? (1 x 2) (2)
- 2.2.2 How does the kinked demand curve explain price rigidity in an oligopoly? (1 x 2) (2)
- 2.2.3 Why is collusion desirable to oligopolistic firms? (1 x 2) (2)
- 2.2.4 Why is monopolistic competition considered inefficient? (1 x 2) (2)
- 2.2.5 Why do firms in monopolistic competition not earn losses in the long run? (1 x 2) (2)

Question 3 - Data response

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



- 3.1.1 Identify the profit maximisation point of the monopolist in the graph above. (1)
- 3.1.2 Give the long-run equilibrium profit of an oligopolist firm. (1)
- 3.1.3 Briefly describe the term *economies of scale*. (2)

- 3.1.4. Explain the favourable conditions that the monopolist may enjoy in comparison to other market structures? (2)
- 3.1.5 Determine whether the business is making an economic profit or an economic loss. Show ALL calculations. (4)

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

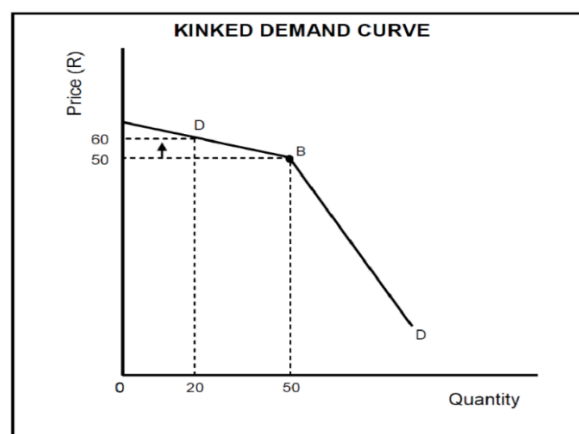
HOW SOUTH AFRICA'S BUSINESSES KEEP THE COUNTRY POOR

South Africa has far too many monopolies. Eskom, which is regarded as a natural monopoly, is one example. Some prices in South Africa are therefore much higher than what they should be. The quality of products and services are lower, and some companies are less innovative and efficient than businesses in more competitive markets. South Africa's Competition Commission has had to investigate several industries for anti-competitive behaviour in recent years.

[Adapted from www.moneyweb.co.za]

- 3.2.1 Identify ONE main problem that South Africa experiences with monopolies in the extract above. (1)
- 3.2.2. Name ONE example of the artificial monopoly in South Africa. (1)
- 3.2.3. Briefly describe the term *monopoly*. (2)
- 3.2.4 Why are monopolies prevented from charging excessively high prices? (2)
- 3.2.5 How has the implementation of an anti-monopolistic policy benefitted South Africa? (2 x 2) (4)

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



- 3.3.1 Identify the equilibrium price in the graph above (1)
- 3.3.2 Name the long-run equilibrium position of the monopolistic competitor. (1)
- 3.3.3. Briefly describe the term *cartel*. (2)
- 3.3.4 Explain the effect on total revenue if the oligopolist increased his price from R50 to R60. Show ALL calculations. (2)

3.3.5 Advise the oligopolist on how to increase his market share in this industry. (2 x 2) (4)

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

AN OLIGOPOLISTIC RETAIL INDUSTRY

The South African retail industry is the largest in the sub-Saharan region and is positioned as the 20th largest retail market in the world. It is an oligopolistic market with five South African companies, namely Shoprite, Pick n Pay, Spar, Massmart, and Metcash, constituting 80% of the retail sales. Informal retail forms the other 20%.

Informal retail concepts vary from taverns to tuck shops (small food-selling retailers). Spazas or small retail stores most often run from home are making inroads in the local retail arena, offering both food and non-food products. Hawkers, street stalls, fast foods, kiosks and take-away food are amongst the informal market retailers.

[Adapted from www.thomaswhite.com]

3.4.1 Give ONE example of informal retailers in South Africa in the extract above. (1)

3.4.2 Name ONE type of collusion. (1)

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

3.4.4 How can Shoprite influence the price of their goods without forming a cartel? (2)

3.4.5 How do the five biggest South African companies increase their market shares in the economy? (2 x 2) (4)

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

MONOPOLISTIC COMPETITION IN SOUTH AFRICA

The South African fast-food and retail sector illustrates brands such as McDonald's, KFC, Chicken Licken, Steers and Debonairs Pizza compete vigorously for consumers. While some firms, like Vodacom, MTN Group, and Telkom SA, form part of a different market structure. Each uses heavy branding, loyalty programmes, and product innovation to differentiate their offerings. Although products are similar, they are not identical. In the long run, the ease of entry and exit means that businesses in this sector tend to earn only normal profits.

[Adapted from businesstech.co.za, 2024]

3.5.1 Identify ONE example of a monopolistic competitor in the information above. (1)

3.5.2 Name ONE form of collusion in South Africa. (1)

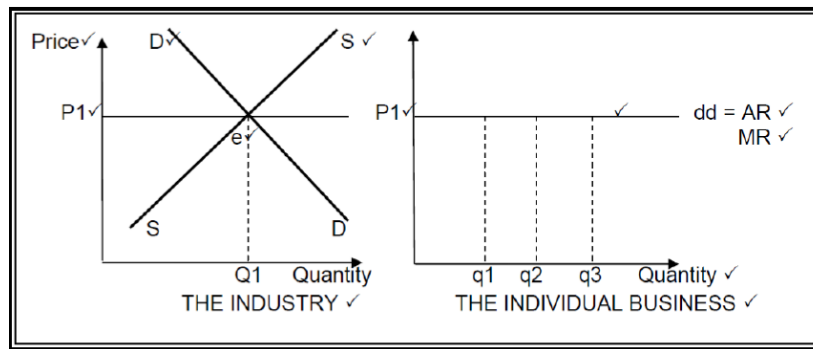
3.5.3 Briefly describe the term *normal profit*. (2)

3.5.4 Why is the demand curve of a monopolistic competitor more elastic than that of a monopoly? (2)

3.5.5 How does branding play a key role in a monopolistically competitive market structure? (2 x 2) (4)

8-mark questions

- 4.1. With the aid of graphs, briefly explain how price is determined for an individual producer in a perfect market. (8)



- 4.2. Briefly discuss *artificial and natural monopolies*. (2 x 4) (8)
- 4.3. Briefly discuss *price leadership* and *cartels* as forms of collusion. (2 x 4) (8)
- 4.4. Briefly explain non-price competition strategies used by monopolistic competitors to ensure success in the market. (4 x 2) (8)
- 4.5. Explain with the aid of a graph, how monopolistic competition makes a profit in the long run. (4 x 2) (8)

Market Failures

- 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 Externalities are not reflected in market prices; as a result, they ...

- A cause of inefficiencies.
- B has no effect.
- C overproduction.
- D self-correct.

- 1.1.2 A minimum wage policy induces an ...

- A. excess demand for labour.
- B. excess supply of labour.
- C. efficient market outcome.
- D. elastic supply response.

- 1.1.3 When a business does not produce at the lowest possible cost, it relates to ... inefficiency.

- A. allocative
- B. consumer
- C. goods
- D. productive

1.1.4 The use of a cost-benefit analysis allows ... decision-making.

- A. subjective
- B. complex
- C. biased
- D. objective

1.1.5 Government intervention in the market ensures sufficient staple food for the poor by setting ... prices.

- A. market
- B. maximum
- C. minimum
- D. limited

1.1.6 A market that has major government influence and control can be described as being ...

- A. unregulated.
- B. deregulated.
- C. regulated.
- D. unchanged.

(6 x 2) (12)

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 – 1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

Column A	ANSW	Column B
1.2.1. Imperfect competition		A aircraft noise affecting residents near an airport
1.2.2. Private costs		B a positive spillover benefit to a third party not included in the market price
1.2.3. Cost-benefit analysis		C government intervention to redistribute income more equally
1.2.4. External benefits		D incomplete because they cannot meet the demand for certain goods
1.2.5. Merit goods		E a method that quantifies the social costs and the social benefits of related projects
1.2.6. Negative externality		F a type of market structure where individual firms have some control over the price of their products
1.2.7 Missing markets		G the costs incurred directly by the individual firm
		H is often under-produced by the market, e.g., education and healthcare

(7 x 1) (7)

1.3. Give ONE term for each of the following descriptions. Write only the term next to the question number. ABBREVIATIONS, ACRONYMS AND EXAMPLES WILL NOT BE ACCEPTED.

1.3.1.	An illegal market in which illegal goods are bought and sold or illegal prices are charged	
1.3.2.	Market failure occurs when the resources of the community are allocated inefficiently	
1.3.3.	Goods that society feels should be consumed because they increase the welfare of individuals and society	
1.3.4.	Users who do not pay to use goods cannot be excluded from using them	
1.3.5.	Occurs when resources cannot be reallocated to make one party better off without making another worse off	
1.3.6.	Goods that the free market does not provide because they have non-rivalry and non-excludability characteristics	

(6 x 1) (6)

Section B

Question 2 - Answer the following questions.

- 2.1.1 List any TWO examples of community goods. (2 x 1) (2)
- 2.1.2 Name any TWO characteristics of public goods. (2 x 1) (2)
- 2.1.3 Name TWO instruments of imperfect markets (government intervention). (2 x 1) (2)
- 2.1.4 List TWO examples of minimum wage. (2 x 1) (2)

Higher-order questions

- 2.2.1 Why is it important for the state to administer prices of certain goods? (1 x 2) (2)
- 2.2.2 How do externalities affect equilibrium and create market failure? (1 x 2) (2)
- 2.2.4 Why does the market normally undersupply merit goods? (1 x 2) (2)

Question 3 - Data response

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

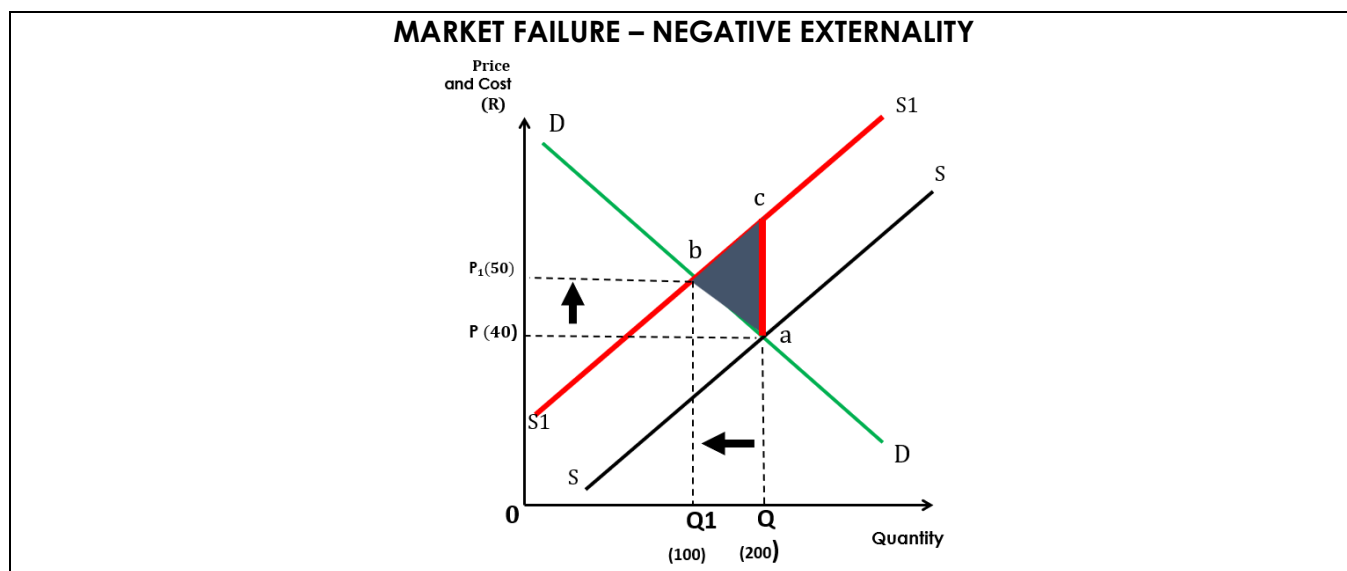
LIMITING THE IMPACT OF A DEMERIT GOOD – SUGAR TAX IN SOUTH AFRICA

South Africa introduced the Health Promotion Levy (sugar tax) in April 2018. The levy targets beverages with added sugar, charging R0.021 per gram of sugar content above 4g per 100ml. By 2024, evidence shows that consumption of sugary drinks has declined. South Africa has been praised by the World Health Organisation for tackling diabetes and obesity through fiscal measures. Sugar intake increases energy levels in consumers. Unhealthy weight gain, tooth decay, and diabetes remain major public health concerns linked to excessive sugar intake.

[Adapted from www.sars.gov.za and www.nicd.ac.za, 2024]

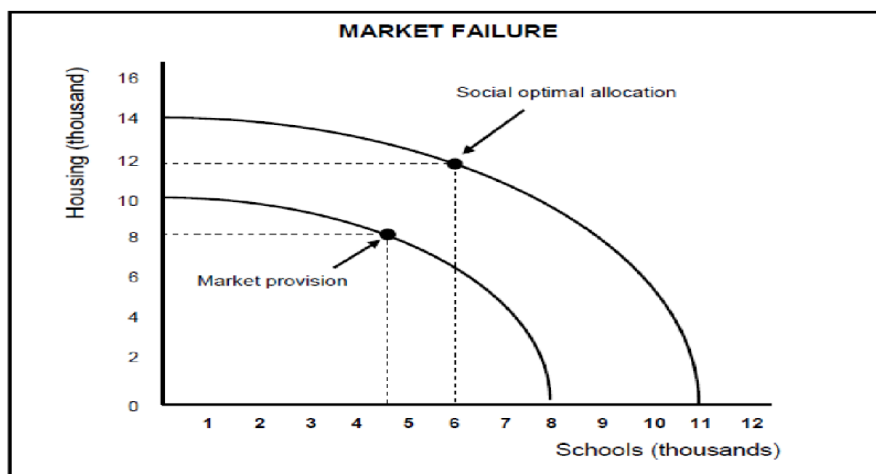
- 3.1.1 Identify a negative effect of excessive sugar intake, as stated in the extract above. (1)
- 3.1.2 Name any ONE example of indirect tax. (1)
- 3.1.3 Briefly describe the term *demerit goods*. (2)
- 3.1.4 Why does a negative externality result in the overproduction of goods and services? (2)
- 3.1.5 How will an increase in sugar tax affect the economy? (2 x 2) (4)

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



- 3.2.1 Identify the curve that represents the marginal social benefit. (1)
- 3.2.2 Give ONE example of negative externalities. (1)
- 3.3.3 Briefly describe the term *social cost*. (2)
- 3.2.4 Explain a lack of information to entrepreneurs as a cause of market failure. (2)
- 3.2.5 Why is the socially optimal output more beneficial to society? (2 x 2) (4)

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

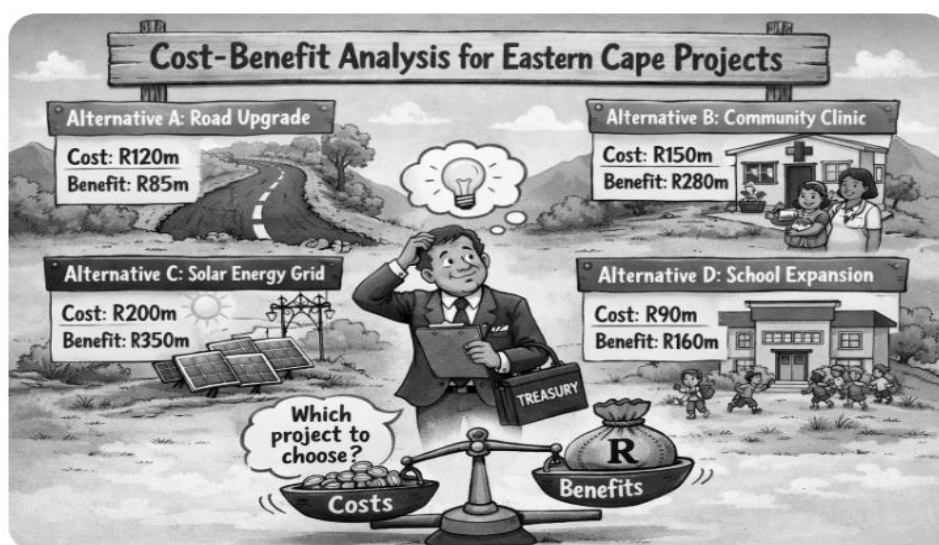


- 3.3.1 Identify the number of houses the market will provide if all resources are spent on houses. (1)
- 3.3.2 Name ONE example of a collective good. (1)
- 3.3.3 Briefly describe the term *market failure*. (2)
- 3.3.4 Why are markets reluctant to produce public goods such as roads? (2)

3.3.5 How can the government ensure macroeconomic stability through its involvement in production?

(2 x 2) (4)

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



[Adapted from National Treasury infrastructure planning data, 2024]

3.4.1 Identify the project that will benefit the community the most in the cartoon above. (1)

3.4.2 Name ONE example of a positive externality. (1)

3.4.3 Briefly describe the term *externality*. (2)

3.4.4 Explain the purpose of the cost-benefit analysis. (2)

3.4.5 Why do you think it is important to do a CBA when deciding about large projects? (2 x 2) (4)

8-MARK QUESTIONS

4.1. Explain the reasons why cost-benefit analysis is used in practice. (4 x 2) (8)

4.2. Explain inefficiency in the economy as a consequence of market failure. (4 x 2) (8)

4.3. Explain the effects of implementing a minimum wage in South Africa. (4 x 2) (8)

TOPIC 8: PROTECTIONISM AND FREE TRADE

QUESTION 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 (1.1.1–1.1.8), the ANSWER BOOK, e.g. 1.1.9 D.

- 1.1.1 Selling goods in a foreign country at lower prices than in the country of origin is known as ...
- A exports.
 - B dumping.
 - C imports.
 - D import substitution.
- 1.1.2 A form of economic integration that removes all tariffs between member countries is called a ...
- A free-trade area.
 - B customs union.
 - C common market.
 - D monetary union.
- 1.1.3 Economic integration where member countries agree on a common economic policy is called a ...
- A free-trade area.
 - B custom union.
 - C economic union.
 - D common market.
- 1.1.4 When the state uses tariffs to discourage imports it is called ...
- A export promotion.
 - B protectionism.
 - C monetary policy.
 - D free trade.
- 1.1.5 The removal or reduction of restrictions on the free exchange of goods between nations is known as ...
- A trade protocol.
 - B globalisation.
 - C trade liberalisation.
 - D economic integration.

(5 x 2) (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 (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.**

COLUMN A		ANSW	COLUMN B
1.2.1	Dumping		A trade policy that promotes the manufacturing of local products for foreign markets
1.2.2	Export promotion		B trade policy whereby the country encourages the local production of goods rather than importing the goods
1.2.3	Free trade		C when a product is sold on a foreign market at a price that is lower than the cost of production in the country of origin
1.2.4	Import substitution		D the movement of imports and exports between countries without any restrictions

(4 x 1) (4)

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

- 1.3.1 A trade policy which discourages imports to protect domestic industries against harmful foreign competition
- 1.3.2 The reduction or removal of tariffs which hamper the free flow of goods and services between countries
- 1.3.3 The removal of unnecessary regulations which inhibit the free functioning of markets
- 1.3.4 Financial incentives to support the production of export goods

(4 x 1) (4)

SECTION B

NAME/GIVE/STATE/LIST ANY TWO: (2-MARK QUESTIONS)

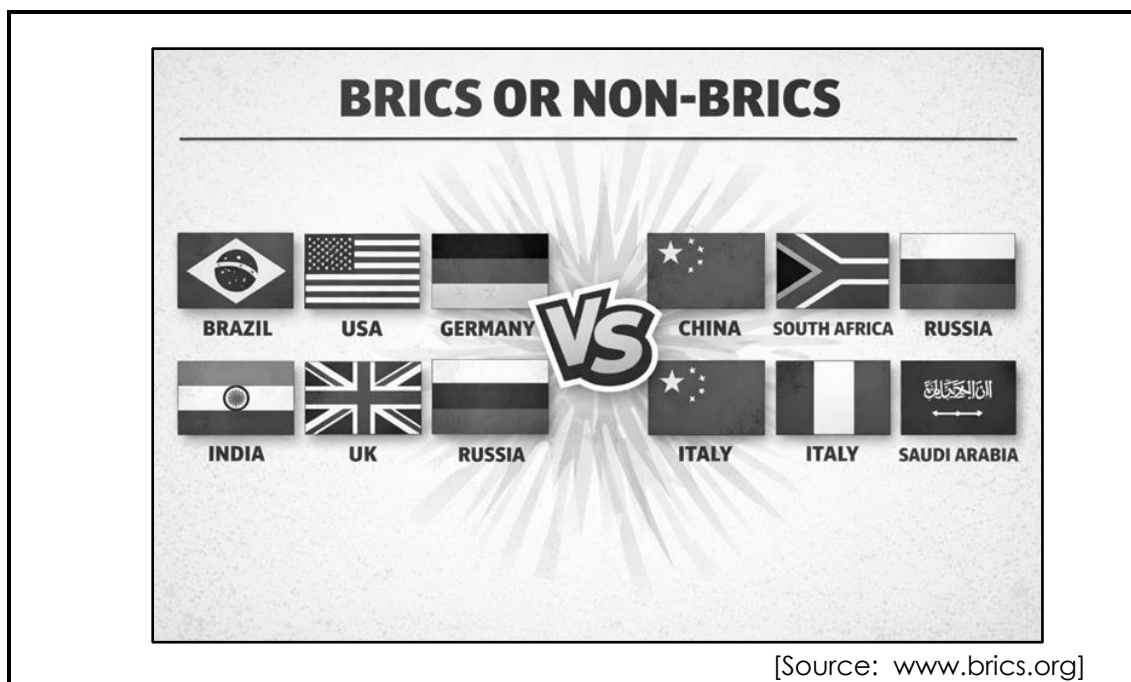
- Name any TWO member countries of the BRICS trade protocol. (2 x 1) (2)
- Name any TWO import substitution methods. (2 x 1) (2)
- Name any TWO arguments in favour of free trade. (2 x 1) (2)

2-MARK QUESTIONS (MIDDLE-HIGHER ORDER)

1. How will quotas impact imports? (1 x 2) (2)
2. How can indirect subsidies benefit the export producer? (1 x 2) (2)
3. Why do developed countries favour the idea of free trade? (1 x 2) (2)

DATA RESPONSE

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



- 1.1 Identify ONE country that is a member of BRICS in the picture above. (1)
- 1.2 Give the purpose of BRICS. (1)
- 1.3 Briefly describe the term *protectionism*. (2)
- 1.4 Explain why a recession would affect emerging market economies more than developed economies. (2)
- 1.5 How can South Africa benefit from its membership in the expanded BRICS bloc? (2 x 2) (4)

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

SOUTH AFRICA INTRODUCES ANTI-DUMPING DUTIES ON CHINESE STEEL – 2023

The International Trade Administration Commission of South Africa (ITAC) confirmed anti-dumping duties on certain steel products imported from China in 2023. Local steel producers argued that Chinese exporters were selling hot-rolled coil and other flat steel products at prices well below their cost of production, making it impossible for South African mills to compete. ArcelorMittal South Africa welcomed the ruling, stating that fair pricing would safeguard thousands of jobs.

[Adapted from Business Day & ITAC, 2023]

- | | | |
|-----|--|-----|
| 2.1 | Identify the country from which the steel products were imported in the extract above. | (1) |
| 2.2 | Name ONE method of import substitution. | (1) |
| 2.3 | Briefly describe the term <i>dumping</i> . | (2) |
| 2.4 | Explain the effect of higher steel prices on construction. | (2) |
| 2.5 | How could export promotion impact on employment in South Africa? | (4) |
| | (2 x 2) | |

8-MARK QUESTIONS: CONTENT-BASED / MIDDLE-ORDER

- | | | | |
|----|---|---------|-----|
| 1. | Discuss the benefits of import substitution for developing countries. | (4 x 2) | (8) |
| 2. | Explain the methods to promote exports. | (4 x 2) | (8) |

8-MARK QUESTIONS: HIGHER-ORDER / APPLICATION

- | | | | |
|----|--|---------|-----|
| 1. | Why should South Africa follow a policy of free trade? | (4 x 2) | (8) |
| 2. | Why would an increase in import tariffs benefit the South African economy? | (4 x 2) | (8) |
| 3. | How will subsidies influence export-orientated businesses negatively? | (4 x 2) | (8) |

TOPIC 9: ECONOMIC GROWTH AND DEVELOPMENT

QUESTION 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 (1.1.1–1.1.8), the ANSWER BOOK, e.g. 1.1.9 D.

- 1.1.1 Economic growth is measured in terms of ...
- A real GDP.
 - B real GDP per capita.
 - C nominal GDP.
 - D real GNP.
- 1.1.2 The nationwide government intervention plan to create employment for the poor and vulnerable is called the ...
- A Expanded Public Works Programme.
 - B Industrial Policy Action Plan.
 - C Strategic Investment Programme.
 - D JIPSA.
- 1.1.3 An increase in the real value of production in a country is known as economic ...
- A development.
 - B growth.
 - C integration.
 - D prosperity.
- 1.1.4 The strategy that failed in its objective to halve poverty and unemployment by 2014, is known as ...
- 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 Cash grants paid out to the poor form part of the ... policy.
- A monetary
 - B growth
 - C fiscal
 - D economic

(5 x 2) (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 (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.**

COLUMN A		ANSW	COLUMN B	
1.2.1	North-South divide		A	a definite course of action which is adopted by a group or organisation in an effort to promote best practice
1.2.2	National Development Plan		B	referred to as the development gap
1.2.3	Protocol		C	expressed by the real GDP per capita, life expectancy and level of literacy
1.2.4	Standard of living		D	government policy seeks to eliminate poverty and reduce inequality by 2030

(4 x 1) (4)

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

- 1.3.1 World-wide interfacing with trade as the major element
- 1.3.2 Return of land to their original owners after confiscation by the government
- 1.3.3 The policy implemented in 1994 in South Africa to redress inequalities of the past
- 1.3.4 The process whereby the standard of living of people in a country improves

(4 x 1) (4)

SECTION B

NAME/GIVE/STATE/LIST ANY TWO: (2-MARK QUESTIONS)

- Name any TWO monetary policy instruments used by the Reserve Bank. (2 x 1) (2)
- Name any TWO redress measures currently used in South Africa. (2 x 1) (2)
- Give any TWO strategies used by the South African government in the past to improve economic growth in South Africa. (2 x 1) (2)

2-MARK QUESTIONS (MIDDLE-HIGHER ORDER)

1. Why does the Monetary Policy Committee of the South African Reserve Bank meet every two months? (1 x 2) (2)
2. How would a low economic growth rate impact on poverty levels? (1 x 2) (2)
3. Why do countries need economic growth to achieve economic development? (1 x 2) (2)

DATA RESPONSE

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

NATIONAL DEVELOPMENT PLAN – VISION 2030, OUR FUTURE – MAKE IT WORK

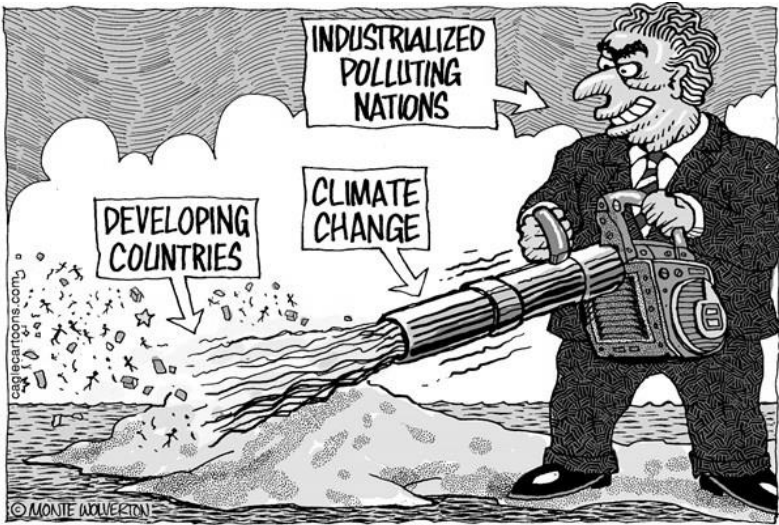
South Africa's principal challenge is to roll back poverty and inequality. Raising living standards to the minimum level proposed in the plan will involve improved education. The NDP focuses on the critical capabilities needed to transform the economy and society through increased economic growth.

[Adapted from NDP]

- 1.1 Identify ONE reason given in the extract for South Africa's slow economic growth. (1)
- 1.2 Name ONE example of an infrastructure project pursued by the government. (1)
- 1.3 Briefly describe the term *economic growth*. (2)
- 1.4 Explain the economic benefit the implementation of the National Development Plan will have on the economy of South Africa. (2)
- 1.5 How can poverty and inequality be addressed in South Africa? (2 x 2) (4)

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

NORTH-SOUTH DIVIDE



Industrialisation has brought decades of wealth that citizens of rich countries benefit from. As poor countries try to improve, their development efforts are constantly set back by hurricanes, droughts, floods and climate disasters. Climate change hits poorer communities and countries hardest.

[Adapted from <https://www.climatechangenews.com/> 5 April 2023]

- 2.1 Identify an environmental issue affecting poor countries in the extract above. (1)
- 2.2 Name the part of the North-South divide that represents wealthier countries. (1)
- 2.3 Briefly describe the term *North-South divide*. (2)
- 2.4 Explain the negative impact of mass production by developed countries on the environment. (2)
- 2.5 How can unequal standards of living related to the North-South divide be addressed? (2 x 2) (4)

8-MARK QUESTIONS: (CONTENT-BASED / MIDDLE-ORDER)

1. Briefly discuss *growth* and *trade* as globalisation challenges that face developing countries. (2 x 4) (8)
2. Distinguish between *economic growth* and *economic development*. (2 x 4) (8)

8-MARK QUESTIONS: HIGHER-ORDER / APPLICATION

1. How would the success of the NDP benefit the South African economy? (4 x 2) (8)

2. Evaluate the impact of the National Skills Development Strategy (NSDS) on economic development since 1994. (4 x 2) (8)

TOPIC 10: REGIONAL DEVELOPMENT

QUESTION 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 (1.1.1–1.1.8), the ANSWER BOOK, e.g. 1.1.9 D.

1.1.1 Geographical areas that have a wider industrial development objective and which can be located anywhere to promote cluster development are called ...

- A corridors.
- B Special Economic Zones (SEZs).
- C manufacturing zones.
- D Spatial Development Initiatives (SDIs).

1.1.2 The institution that monitors empowerment and transformation through a code of good practice is known as the ...

- A South African Reserve Bank.
- B Industrial Development Corporation.
- C Department of Trade, Industry and Competition.
- D Department of Transformation.

1.1.3 Labour as a factor of production is referred to as ...

- A human development.
- B human rights.
- C human capital.
- D human growth

1.1.4 An important aim of industrial development is to promote ...

- A imports.
- B economic growth.
- C foreign aid.
- D leakages

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 ...

- A corridor.
- B Special Economic Zone (SEZ).
- C Industrial Development Zone (IDZ).
- D Integrated Development Plan (IDP).

(5 x 2) (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 (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.**

COLUMN A		ANSW	COLUMN B	
1.2.1	Regional development		A	laws and regulation to enhance manufacturing operations
1.2.2	Integrated manufacturing strategy		B	policies aimed at increasing the economic livelihood of a specific area
1.2.3	Industrial policy		C	coordinates trade and promotes locally manufactured products worldwide
1.2.4	Department of Trade, Industry and Competition		D	it strengthens institutional capacity and facilitate development

(4 x 1) (4)

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

- 1.3.1 Efforts by governments to move manufacturing and other businesses from metropolitan areas to rural areas
- 1.3.2 Industrial estates that are physically enclosed and adjacent to a harbour or airport
- 1.3.3 A spatial area for regional development that forms a passage
- 1.3.4 Supplies financial development assistance mostly to developing countries

(4 x 1) (4)

SECTION B

NAME/GIVE/STATE/LIST ANY TWO: (2-MARK QUESTIONS)

- Name any TWO incentives used by the South African government to improve industrial development. (2 x 1) (2)
- Give any TWO reasons for regional development. (2 x 1) (2)
- List any TWO initiatives in regional development. (2 x 1) (2)

2-MARK QUESTIONS (MIDDLE-HIGHER-ORDER)

1. How will the introduction of a green economy the industrial development plan of South Africa? (1 x 2) (2)
2. How can deregulation benefit the business sector of South Africa? (1 x 2) (2)
3. Why does the South African government focus on small businesses to promote economic growth? (1 x 2) (2)

DATA RESPONSE

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

SOUTH AFRICA'S SPECIAL ECONOMIC ZONES AND INDUSTRIAL POLICY – 2024

South Africa currently has five gazetted Special Economic Zones (SEZs), including Coega IDZ, East London IDZ, Dube TradePort and Richards Bay IDZ. In 2024, the Department of Trade, Industry and Competition (DTIC) approved an expanded SEZ incentive package to attract foreign direct investment, create jobs and build local supplier networks.

[Adapted from DTIC Annual Report 2023/24 and BusinessTech, 2024]

- 1.1 Identify ONE Special Economic Zone, mentioned in the extract, located in the Eastern Cape. (1)
- 1.2 Name the corridor that connects South Africa with Mozambique. (1)
- 1.3 Briefly describe the term *industrial development*. (2)
- 1.4 Explain the effect of increased investment spending on the economy. (2)
- 1.5 How can government incentives encourage businesses to invest in Special Economic Zones? (2 x 2) (4)

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

SMALL BUSINESS DEVELOPMENT IN SOUTH AFRICA

Small, medium and microenterprises are the engines of growth in South Africa and contribute between 52% and 57% of the GDP. It provides 64% of all jobs, compared to the corporate and public sectors combined. The government provides training, employment subsidies and financing to SMMEs.

[Adapted from Stats SA Quarterly Labour Force Survey, 2022]

- | | | |
|-----|---|-------------|
| 2.1 | Identify the share of employment contributed by SMMEs to the South African economy. | (1) |
| 2.2 | Name ONE institution that provides support to SMME's in South Africa. | (1) |
| 2.3 | Briefly describe the term <i>Broad-based Black Economic Empowerment</i> . | (2) |
| 2.4 | Explain the impact of loadshedding on small businesses. | (2) |
| 2.5 | How can the establishment of more SMMEs be promoted in South Africa? | (2 x 2) (4) |

8-MARK QUESTIONS: CONTENT-BASED / MIDDLE-ORDER

- | | | |
|----|---|-------------|
| 1. | Discuss the purpose of special economic zones as part of the industrial development plan of South Africa. | (4 x 2) (8) |
| 2. | Discuss the reasons for industrial development. | (4 x 2) (8) |
| 3. | Explain the role of the government in promoting the entry of Black entrepreneurs into businesses. | (4 x 2) (8) |

8-MARK QUESTIONS: HIGHER-ORDER / APPLICATION

- | | | |
|----|---|-------------|
| 1. | How can the government and private sector collaborate to create sufficient job opportunities? | (4 x 2) (8) |
| 2. | How can the establishment of more labour-intensive industries benefit South Africa? | (4 x 2) (8) |
| 3. | How can the development of small businesses benefit the South African economy? | (4 x 2) (8) |

TOPIC 11: ECONOMIC AND SOCIAL INDICATORS

QUESTION 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 (1.1.1–1.1.8), the ANSWER BOOK, e.g. 1.1.9 D.

- 1.1.1 Monetary policy focus on ... and total money supply.
- A income
 - B interest rate
 - C tax
 - D government spending
- 1.1.2 An indicator generally used to measure the cost of production is known as the index.
- A consumer price
 - B producer price
 - C head count
 - D price
- 1.1.3 The number of employed persons as a percentage of the economically active population (EAP) is called the ...
- A employment rate
 - B economic growth rate
 - C productivity rate
 - D labour productivity rate
- 1.1.4 An example of an economic indicator is ...
- A sanitation.
 - B population growth.
 - C life expectancy.
 - D production price index.
- 1.1.5 Production, as an economic indicator, relates to ...
- A foreign trade.
 - B inflation.
 - C money supply.
 - D real GDP.

(5 x 2) (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 (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.**

COLUMN A		ANS	COLUMN B	
1.2.1	Child mortality		A	the interest rate which banks charge on loans to preferential clients
1.2.2	Prime rate		B	the movement of people from rural areas to cities and towns
1.2.3	Life expectancy		C	a measure that assesses the number of babies who die before the age of one year
1.2.4	Urbanisation		D	the possible number of years a person lives after birth

(4 x 1) (4)

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

- 1.3.1 Indicator used to measure the change in prices of goods produced locally when they leave the factory floor.
- 1.3.2 The ratio between output produced in the economy and the input
- 1.3.3 People within the economically active population who are willing and able to work but cannot find a job.
- 1.3.4 Measures changes in prices of an average market basket of goods and services purchased by a consumer

(4 x 1) (4)

SECTION B

NAME/GIVE/STATE/LIST ANY TWO: (2-MARK QUESTIONS)

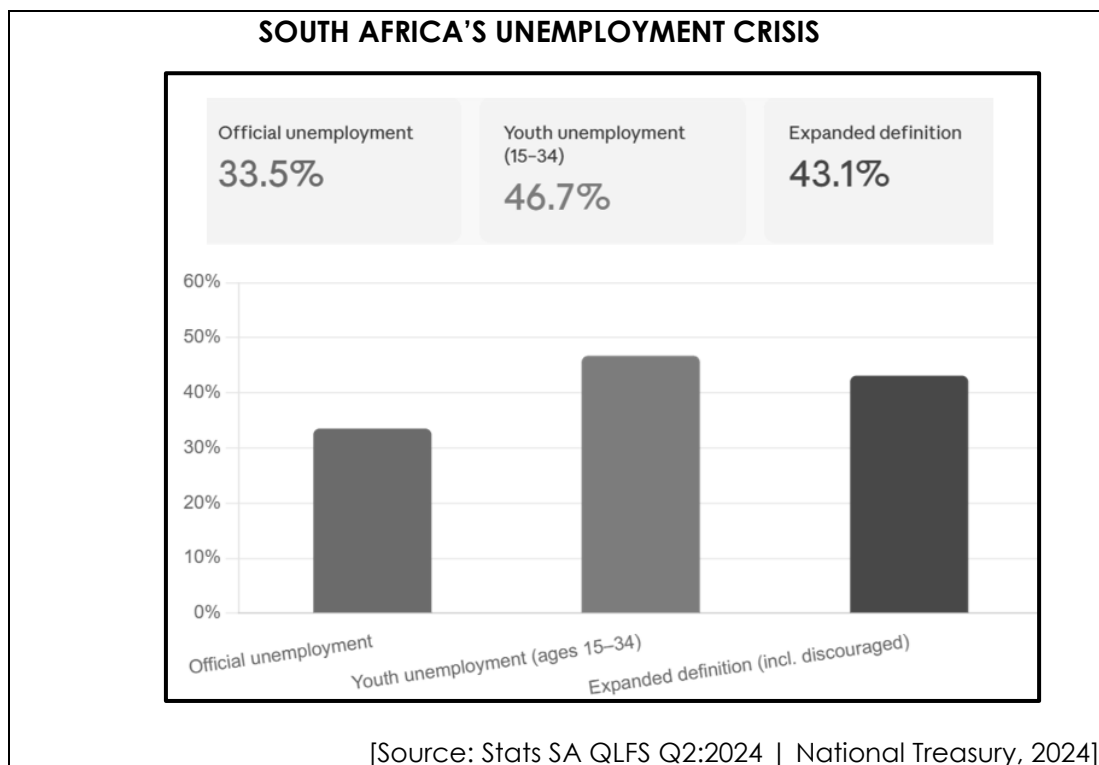
1. Name TWO indicators related to foreign trade. (2 x 1) (2)
2. Name any TWO types of economic indicators related to employment. (2 x 1) (2)

2-MARK QUESTIONS (MIDDLE-HIGHER ORDER)

1. Why are only real GDP figures used to compare economic production that occurred in different years? (1 x 2) (2)

DATA RESPONSE

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



- 1.1 Identify the unemployment rate that includes people who gave up looking for jobs in the graph above. (1)
- 1.2 Name the institution that compiled the unemployment figures above. (1)
- 1.3 Briefly describe the term *unemployment*. (2)
- 1.4 Explain the negative impact of high unemployment on the youth. (2)
- 1.5 How can the government reduce unemployment in the economy? (2 x 2) (4)

8-MARK QUESTIONS: (CONTENT-BASED / MIDDLE-ORDER)

1. Briefly discuss the *repo rate* and *money supply* as economic indicators. (2 x 4) (8)
2. Explain the impact of high population growth on economic growth. (2 x 4) (8)
3. Discuss *labour productivity* and *remuneration per worker* as economic indicators. (2 x 4) (8)

8-MARK QUESTIONS: HIGHER-ORDER / APPLICATION

1. How effective is productivity as an economic indicator? (4 x 2) (8)