



**GAUTENG PROVINCE**  
EDUCATION  
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION  
PROVINCIAL EXAMINATION  
JUNE 2016  
GRADE 11**

**ECONOMICS  
(PAPER 1)**

**NAME OF LEARNER:** \_\_\_\_\_

**GRADE:** \_\_\_\_\_

**TIME: 2 hours**

**MARKS: 150**

**13 pages**

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**INSTRUCTIONS AND INFORMATION**

1. Answer FOUR questions as follows in the ANSWER BOOK:  
  
SECTION A: COMPULSORY.  
SECTION B: Answer any TWO of the THREE questions.  
SECTION C: Answer any ONE of the two questions.
2. Answer only the required number of questions. Additional answers will NOT be marked. In SECTION B only the first TWO questions will be marked and in SECTION C only the first ONE.
3. Number the answers according to the numbering system used in this question paper.
4. Write the question number above each answer.
5. Read ALL the questions carefully.
6. Start the answer to each question on a NEW page.
7. Leave 2 – 3 lines open between sub-sections of questions.
8. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the requirements of the questions.
9. Use only black or blue ink.
10. Non-programmable calculators may be used.
11. Write neatly and legibly.

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

- 1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – C) next to the question number (1.1.1 – 1.1.8) in the ANSWER BOOK, for example 1.1.9 B.
- 1.1.1 For any production to take place ... are/is needed.
- A. final goods and services
  - B. infrastructure
  - C. factors of production
- 1.1.2 The difference between the original price and the current value of machines will depend on how much it has worn out. This is known as ...
- A. market price.
  - B. depreciation.
  - C. basic price
- 1.1.3 A net operating surplus is paid to a/an ...
- A. household.
  - B. business.
  - C. entrepreneur.
- 1.1.4 Private, non-profit seeking organisations, such as churches, are part of ...
- A. business.
  - B. households.
  - C. government.
- 1.1.5 Wages and salaries earned by permanent residents outside South Africa must be ... the GDP to obtain the GNI.
- A. added to
  - B. subtracted from
  - C. multiplied by
- 1.1.6 This policy emphasises the move away from government control of the economy, because it states that the best way to promote growth is to create an environment in which businesses can be successful and more profitable.
- A. Growth, Employment and Redistributions
  - B. Reconstruction and Development Plan
  - C. Employment Equity Act

1.1.7 The British economist ... is said to be the Father of Capitalism. He explains how capitalism should work in his book called *The Wealth of Nations*.

- A. J M Keynes
- B. K Marx
- C. A Smith

1.1.8 The tertiary sector plays a dominant role in all ... economies.

- A. developed
- B. developing
- C. mixed

(8x2) [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 number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Human capital	A	The primary sector
1.2.2	Wages	B	Aim to stimulate economic growth and development
1.2.3	Intangible	C	Items not wanted for themselves, but for what they can help to manufacture
1.2.4	Capital goods and services	D	Total value of spending inside the borders of a country
1.2.5	Market price	E	The skill, knowledge and health conditions of workers
1.2.6	GDE	F	Received at the end of each day or week
1.2.7	Social services	G	Total value of all final goods and services produced within the boundaries of a country
1.2.8	Quarries	H	Services such as legal, medical and financial services
		I	The current price at which an item or service may be bought or sold

(8x1) [8]

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

1.3.1 Price or reward paid for the use of the factors of production

1.3.2 Investing in both fixed assets in the form of machinery and current assets such as inventories

1.3.3 Prices and quantities are determined by the market forces of demand and supply

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

1.3.5 Incomes given by the state to individuals or businesses for a specific purpose

1.3.6 Economic activities concerned with processing raw materials and manufacturing goods in a particular branch of economic or commercial activity

(6x1) **[6]**

**TOTAL SECTION A : 30**

**SECTION B**

Answer 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 TWO factors that will influence the remuneration for natural resources. (2x1) (2)

2.1.2 What factor determines how much households can spend on final goods and services? (1x2) (2)

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



[<http://todayinsocialsciences.blogspot.co.za/2010/11/socialism-and-centrally-planned-economy.html>]

2.2.1 Which economic system is illustrated in the cartoon above? (1)

2.2.2 Who was Karl Marx? (1)

2.2.3 Why does the cartoon say "... and then there were three!"? (2x2) (4)

2.2.4 Explain the role of the three men standing in this economic system. (2x2) (4)

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

**Ebrahim Patel: Invest in infrastructure to grow SA**

May 05 2015 16:21

**Matthew le Cordeur**

Sandton – “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 on Tuesday.

“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 since the 1960s,” 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.

[<http://www.fin24.com/economy/ebrahim-patel-invest-in-infrastructure-to-grow-sa-20150505>]

- 2.3.1 Define the term *infrastructure*. (2)
- 2.3.2 Mention TWO infrastructure services that are mentioned in the article above. (2x1) (2)
- 2.3.3 How will large infrastructure programmes benefit the South African economy? (2x1) (2)
- 2.3.4 From the extract, it is evident that the government supports this plan. Will this project benefit the South African government? Explain your answer. (4)
- 2.4 Identify and discuss factors that impact on the quantity and quality of labour. (2x4) (8)
- 2.5 In which way do consumers spend their income in the national economy? (2x4) (8)
- [40]**

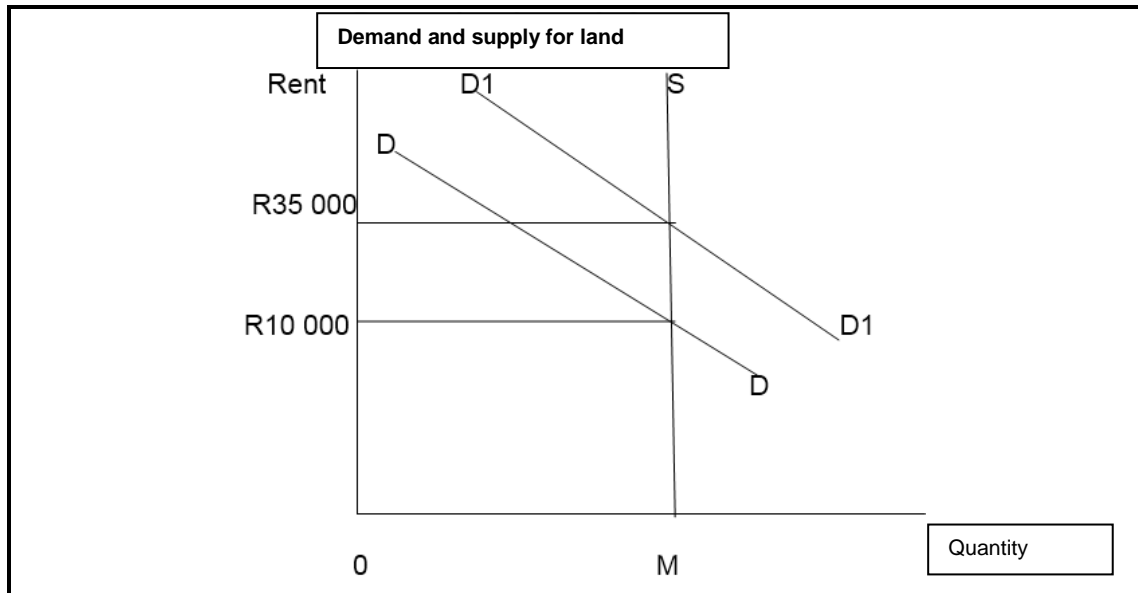
**QUESTION 3****40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Give TWO reasons why the SA government will intervene in the economy. (2x1) (2)

3.1.2 What do you think *Affirmative Action* means? (1x2) (2)

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



3.2.1 Define the term *economic rent*. (2)

3.2.2 List TWO market forces that can influence the level of rent. (2x1) (2)

3.2.3 Explain why the supply of land is fixed. (2)

3.2.4 Calculate the economic rent according to the graph. Show all calculations. (4)



3.3 Study the information in the table below and answer the questions that follow:

	R MILLIONS (2014)
COMPENSATION OF EMPLOYEES	1 732 809
OTHER TAX ON PRODUCTION	71 649
SUBSIDIES ON PRODUCT	12 972
FACTOR PRIMARY INCOME FROM THE REST OF THE WORLD	82 235
FACTOR PRIMARY INCOME TO THE REST OF THE WORLD	183 779
CONSUMPTION OF FIXED CAPITAL	522 116
TAX ON PRODUCTS	404 939
OTHER SUBSIDIES ON PRODUCTION	8 021
NET OPERATING SURPLUS	1 086 547

[Source: Quarterly Bulletin SARB December 2015]

- 3.3.1 Identify the method that was used in the above table to calculate the GDP. (1)
- 3.3.2 Name any **other** method that can be used to calculate the GDP. (1)
- 3.3.3 Calculate the GDP at market price. (Calculations must be listed in table form.) (4)
- 3.3.4 Calculate the GNI. (Calculations must be listed in table form.) (4)
- 3.4 Discuss reasons for the unequal distribution of income. (4x2) (8)
- 3.5 Tabulate the advantages of a market economy and a centrally planned economy. (2x4) (8)

**[40]**

**QUESTION 4****40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name TWO types of assets that make up gross fixed capital investment. (2x1) (2)

4.1.2 Why is the line of perfect equality a 45° line? (1x2) (2)

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

**RAMAPHOSA ENCOURAGES ENTREPRENEURSHIP AMONG YOUNG SOUTH AFRICANS**

*Dineo Bendile*

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

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

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

Ramaphosa's spokesperson Tyrone Seale says, "As we create these opportunities, we are doing so holistically. We're looking at them as total citizens and total social beings ..."

[Edited by Tamsin Wort – News 24]

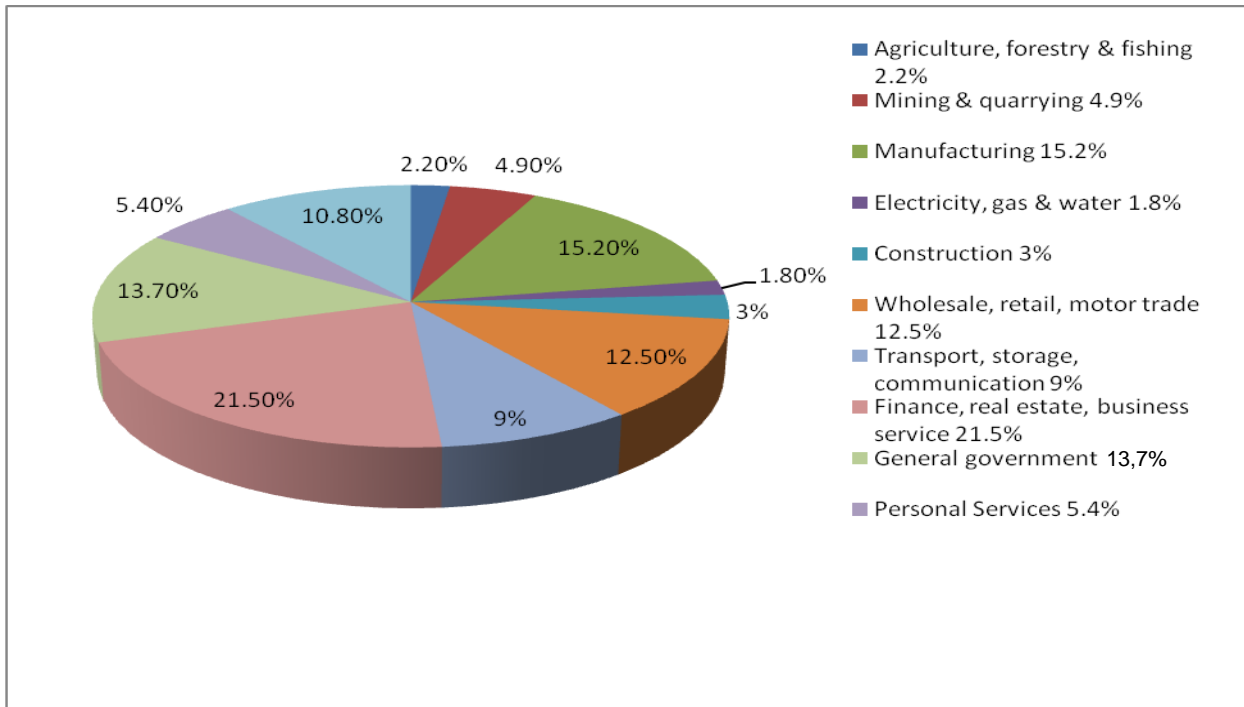
4.2.1 Define the term *entrepreneur*. (2)

4.2.2 Why do you think the Deputy President said "young people have a large role to play in the growth of South Africa's Economy"? (1x2) (2)

4.2.3 Why are *educational opportunities* important for entrepreneurship? (1x2) (2)

4.2.4 What is the difference between a successful entrepreneur and an unsuccessful entrepreneur? (2x2) (4)

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



4.3.1 Define the term *tertiary sector*. (2)

4.3.2 Give TWO examples of personal services mentioned in the pie chart above. (2x1) (2)

4.3.3 Why has economic growth been driven mainly by the tertiary sector since the early 1990s? (2x2) (4)

4.3.4 Calculate the total contribution of the tertiary sector to the GDP in 2013. (Calculations must be listed in table form.) (2)

4.4 Explain the difference between final goods and intermediate goods in detail. (2x4) (8)

4.5 Compare the Growth, Employment and Reconstruction (GEAR) policy with the Expanded Public Works Programme. (2x4) (8)  
[40]

**TOTAL SECTION B: 80**

**SECTION C**

Answer any ONE of the two questions in this section in the ANSWER BOOK.

Your answer will be assessed as follows:

STRUCTURE OF THE ESSAY	MARK ALLOCATION
<b>Introduction</b>	Max. 2
<b>Body:</b> <b>Main part:</b> Discuss in detail / in-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Explain / Assess / Debate	Max. 26
<b>Additional part:</b> Give own opinion / Critically discuss / Evaluate / Critically evaluate / Draw a graph and explain / Use the graph given and explain / Complete the given graph / Calculate / Deduce / Compare / Explain / Distinguish / Interpret / Briefly debate / How / Suggest / Use the information and argue, debate, evaluate	Max. 10
<b>Conclusion:</b> <ul style="list-style-type: none"> <li>➤ Any relevant higher order conclusion that should include:</li> <li>➤ A brief summary of what has been discussed / analysed without repeating facts already mentioned in the body</li> <li>➤ An opinion or valued judgement 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****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 typical social economic issues in your area and how these issues are addressed by a mixed economy. (10 marks) **[40]**

**TOTAL SECTION C: 40****TOTAL: 150****END**