



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2013

ECONOMICS P2

MARKS: 150

TIME: 1½ hours

This question paper consists of 9 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows:
SECTION A: COMPULSORY.
SECTION B: Answer any TWO questions in the ANSWER BOOK.
SECTION C: Answer any ONE question in the ANSWER BOOK.
2. Write the question number above each question.
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 and content 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.

SECTION A (Compulsory)**QUESTION 1**

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

1.1.1 The satisfaction that we get from the consumption of a good or service is known as ...

- A scarcity.
- B utility.
- C utils.

(2)

1.1.2 An increase in the price of one product leads to an increase in the demand for another product, means that these two are ... goods.

- A complementary
- B essential
- C substitute

(2)

1.1.3 A market situation dominated by a few large businesses is known as ...

- A a monopolistic competition.
- B monopoly.
- C an oligopoly.

(2)

1.1.4 When prices are expressed in comparison to other goods, it is known as ... prices.

- A relative
- B nominal
- C absolute

(2)

1.1.5 The law of diminishing ... states that as more and more variable input is added to a fixed input, returns from the variable input will decrease.

- A utility
- B returns
- C productivity

(2)

1.1.6 The process of interaction among the countries of the world to bring their economies closer together is called ...

- A globalisation.
- B industrialisation.
- C containerisation.

(2)

1.1.7 These are companies that produce or distribute goods and service in more than one country usually throughout the world:

- A Domestic companies
- B Multinational companies
- C National companies

(2)

1.1.8 The establishment of the ... Scorpions by the government allows for the prosecution of any organisation that breaks the environmental laws of South Africa.

- A Yellow
- B Red
- C Green

(2)

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches a concept in COLUMN A. Only write the correct letter (A–H) next to the corresponding question number (1.2.1–1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Price elasticity of supply	A	TFC + TVC
1.2.2	Market	B	When cost per unit decreases and quantity increases
1.2.3	Monopoly market	C	Reflect on basic service delivery
1.2.4	Total Cost	D	Only one supplier of a unique product
1.2.5	Trade liberalisation	E	Measures sensitivity of supply to changes in price
1.2.6	Perfectly inelastic supply	F	Free movement of goods and services between countries
1.2.7	Economies of scale	G	Communication between buyers and sellers of goods and services
1.2.8	RDP	H	Change in price has no effect on supply

(8 x 1) (8)

1.3 State whether the following statements are TRUE or FALSE. Only write TRUE or FALSE next to the corresponding question number (1.3.1–1.3.3) in the ANSWER BOOK.

- 1.3.1 Cross elasticity of demand measures the responsiveness of the quantity demanded of a particular good against the price of a related good.
- 1.3.2 Factor market is a market for buying and selling goods and services.
- 1.3.3 Multinational companies may drive local companies out of business because of their massive economies of scale.

Fill in the missing word/s in the following sentences. Only write the word/s next to the corresponding question number (1.3.4–1.3.6) in the ANSWER BOOK.

- 1.3.4 The gradual increase in the overall temperature of the earth's surface due to greenhouse effect is known as ...
- 1.3.5 The change in total revenue when an additional unit of a product is sold is called ...
- 1.3.6 The cost of factors of production and other inputs used in the production process is known as ... (6 x 1) (6)

TOTAL SECTION A: 30

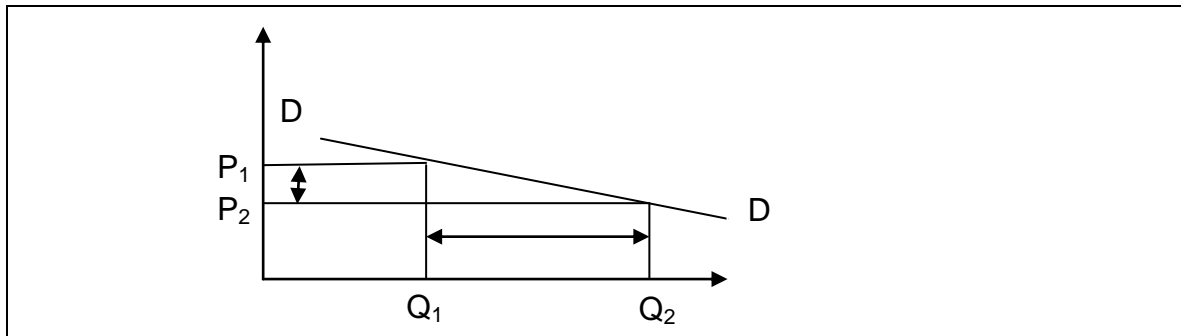
SECTION B (ANSWER ANY TWO QUESTIONS FROM THIS SECTION.)**QUESTION 2****[40 marks]**

Answer the following questions appropriately:

2.1 Name any TWO examples of 'complementary goods'. (2 x 2) (4)

2.2 DATA RESPONSE

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



2.2.1 According to the graph above, what kind of an elasticity of demand is represented in the graph? (2)

2.2.2 Briefly explain the kind of elasticity of demand represented in the above graph. (6)

2.2.3 Give an example of a product with the same kind of elasticity of demand represented in the above graph. (2)

2.3 DATA RESPONSE

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

Number of apples	Total utility	Marginal utility
1	10	10
2	A	8
3	23	5
4	25	2
5	26	1
6	24	B

2.3.1 Calculate **A** and **B** in the above table. (4)

2.3.2 Define the term '*marginal utility*'. (2)

2.3.3 Draw a marginal utility curve using the above table. (4)

2.4 Briefly explain the concept 'cross elasticity of demand'. (8)

2.5 Briefly explain the concept 'environmental deterioration'/degeneration. (8)

[40]

QUESTION 3**[40 marks]**

Answer the following questions appropriately.

3.1 Name any TWO types of imperfect markets. (2 x 2) (4)

3.2 **DATA RESPONSE**

Study the statement given below and answer the questions that follow.

The imperfect market is characterised by a lack of competition and excessive market power.

3.2.1 Give an example of a business enterprise under 'monopoly market' in South Africa. (2)

3.2.2 Briefly explain how prices are determined under conditions of an imperfect market. (2)

3.2.3 Give THREE characteristics of imperfect markets. (6)

3.3 **DATA RESPONSE**

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

GREEN ENERGY

The Gauteng Department of Infrastructure Development has shown an interest in pursuing sustainable alternatives for energy generation and infrastructure, particularly in public buildings such as schools and hospitals.

Among the department's flagship green projects is a scheme to gradually replace coal and diesel powered hospital boilers with natural gas powered boilers, in order to reduce emissions.

[Adapted from: *Mail&Guardian*, 12 February 2013]

3.3.1 According to the extract, what are the TWO sources of energy used in public hospitals? (4)

3.3.2 What is the advantage of using natural gas? (2)

3.3.3 Mention TWO methods that could be used to protect the environment. (4)

3.4 Briefly explain 'price determination' in perfect markets. (8)

3.5 Discuss any TWO characteristics of a perfect market. (8)

[40]

QUESTION 4**[40 marks]**

Answer the following questions appropriately.

4.1 List any TWO causes of globalisation. (2 x 2) (4)

4.2 **DATA RESPONSE**

Study the table given below and answer the following questions.

Quantity	Fixed Costs (R)	Variable Costs (R)	Total Costs (R)	Average Total Cost (R)
1	10	4	14	14
2	10	6	16	8
3	10	10	A	
4	10	16	26	B

4.2.1 Calculate **A** and **B** in the above table. (4)

4.2.2 Differentiate between 'Fixed Cost' and 'Variable Cost'. (4)

4.2.3 Define the term '*Marginal Cost*'. (2)

4.3 **DATA RESPONSE**

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

SHORT-RUN AND LONG-RUN	
<p>The short-run or the long-run is not a definite period of time. It can be different for different businesses. It just means a period of time that can be of any length.</p> <p style="text-align: right;">[Adapted from: <i>Focus</i>]</p>	

4.3.1 Differentiate between 'short-run' and 'long-run'. (6)

4.3.2 Define the term '*average revenue*'. (2)

4.3.3 Give the formula to calculate 'total revenue' (TR). (2)

4.4 Distinguish between any TWO types of profit. (8)

4.5 Differentiate between the concepts 'absolute advantage' and 'comparative advantage'. (8)

[40]**TOTAL SECTION B: 80**

SECTION C (ANSWER ANY ONE QUESTION FROM THIS SECTION.)**MARK ALLOCATION FOR ESSAY RESPONSES**

STRUCTURE OF THE ESSAY	Mark allocation
Introduction	Max 3
Body	
<ul style="list-style-type: none"> • Main part: For example discuss/explain/detailed essay/analyse/evaluate 	Max 20
<ul style="list-style-type: none"> • Additional part: For example draw a graph or diagram/refer/indicate 	Max 10
Conclusion	Max 2
Interpretation	Max 5
TOTAL	40

QUESTION 5**ESSAY RESPONSE**

Fully explain the factors affecting price elasticity of demand.
In addition, mention the different types of price elasticity of demand.

[40]**QUESTION 6****ESSAY RESPONSE**

Fully explain the effects/consequences of globalisation.
In addition briefly explain the 'north-south divide'.

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150