



**GAUTENG PROVINCE**  
EDUCATION  
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION  
PROVINCIAL EXAMINATION  
2015  
GRADE 11**

**ECONOMICS  
PAPER 2**

**MARKS: 150  
TIME: 2 hours**

**12 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 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 correctly according to the numbering system used in this question paper.
- 4 Write the question number above each answer.
- 5 Read ALL the questions carefully and start each question on a NEW page.
- 6 Leave 2 – 3 lines between sub-sections of questions.
- 7 Answer the questions in full sentences
- 8 Use only black or blue ink.
- 9 Non-programmable pocket calculators may be used.
- 10 Write neatly and legibly.

**SECTION A (COMPULSORY)**  
**QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

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

1.1.1 The dynamics of economies starts with ...

- A production.
- B prices.
- C markets.

1.1.2 The Oligopolist is a ...

- A price – searcher.
- B price – taker.
- C price – leader.

1.1.3 Monopolies produce goods that are ... in nature.

- A homogenous
- B differentiated
- C unique

1.1.4 As a rule, the firm should shut down when ...

- A  $MR = AVC$ .
- B  $MR = ATC$ .
- C  $MR = MC$ .

1.1.5 A way of ensuring the sustainability of the environment is ...

- A conservation.
- B preservation.
- C globalisation.

1.1.6 The type of gas that can be transformed into harmless material in the long term is known as ...

- A  $CO_2$ .
- B CFC.
- C  $O_2$ .

1.1.7 ... trading is now possible, due to globalisation.

- A Formal
- B Digital
- C Legal

1.1.8 This institution is responsible for assisting countries with balance of payment deficits.

- A ILO
- B World Bank
- C IMF

(8 x 2) **(16)**

## 1.2 **MATCHING ITEMS**

Choose a description from column B that matches the concept in Column A.  
Write only the letter (A–J) next to the question number (1.2.1–1.2.8) in the ANSWER BOOK.

<b>COLUMN A</b>	<b>COLUMN B</b>
1.2.1 Duopoly	A A variety of living organisms
1.2.2 Patents	B When equilibrium is reached in the long-term
1.2.3 Economies of Scale	C Market structure dominated by two firms
1.2.4 Deadweight loss	D Production costs decrease as outputs increase
1.2.5 Biodiversity	E The least developed countries are not benefitting from globalisation
1.2.6 Global warming	F Most harmful to human health
1.2.7 Pollution	G Quantity produced is below socially efficient level
1.2.8 Marginalisation	H Legal rights which protect the inventor from competition
	I Gas emissions and climate change
	J Extremely important for developing countries

(8 x 1) **(8)**

### 1.3 CONCEPTS

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 The relationship between changes in the price of one good and the resulting changes in the quantity demanded of another good
- 1.3.2 It states the inverse relationship between quantity demanded and prices
- 1.3.3 The satisfaction gained from the consumption of a given quantity of economic goods
- 1.3.4 International businesses that produce goods and services in several countries
- 1.3.5 The developed countries agreed to provide financial assistance to developing countries because they cause less pollution
- 1.3.6 The ability of the environment to survive its use for economic activities

(6 x 1) **(6)**

**TOTAL SECTION A: 30**

**SECTION B**

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

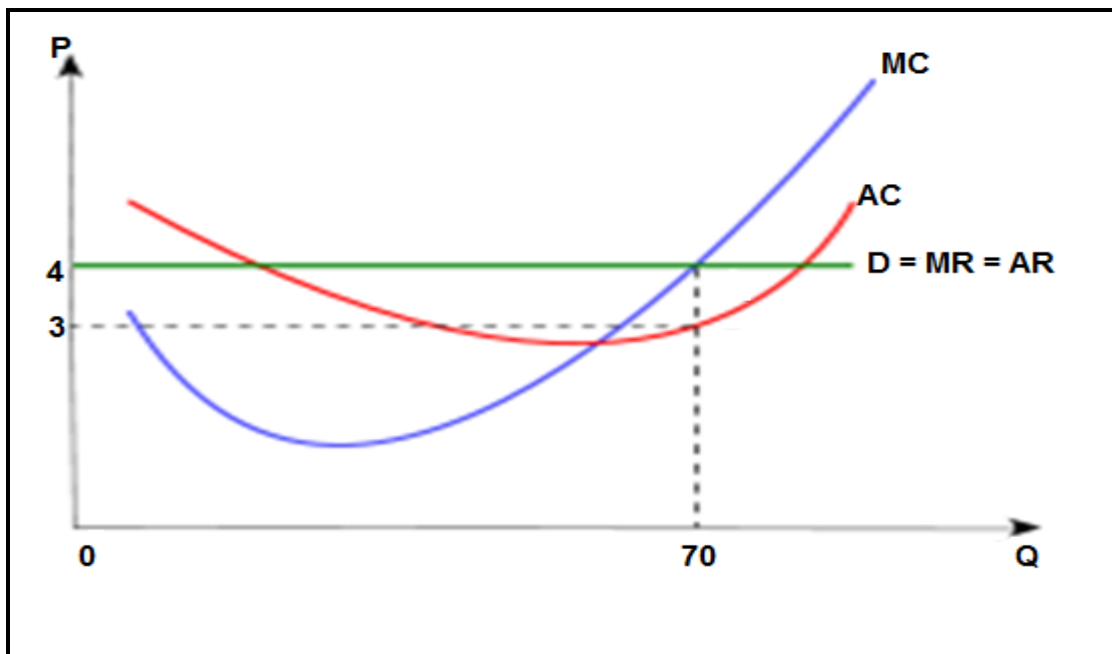
**QUESTION 2 (MICROECONOMICS)**

2.1 Answer the following questions.

2.1.1 Name any TWO monopoly industries in South Africa. (2x1) (2)

2.1.2 What happens to the quantity demanded if the income elasticity of demand is 2 and income increases by 7%? (1x2) (2)

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



2.2.1 Identify the market structure above. (2)

2.2.2 What is the market price? (2)

2.2.3 In your opinion, what type of profit will the above-mentioned market structure make in the long term? (2)

2.2.4 Determine whether this business makes a normal/ economic profit or a loss. Show ALL calculations. (4)

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

OUTPUT	PRICE	AR	MR	TR	AC	MC	TC
1	21	21	21	21	24	24	24
2	18	18	15	36	<b>A</b>	14	38
3	15	15	9	<b>B</b>	15	7	45
4	12	<b>C</b>	3	48	14	11	56
5	9	9	<b>D</b>	45	15	19	75

[Cost and Revenue for a monopolistic, competitive firm]

- 2.3.1 Complete the table by filling in the missing values marked **A–D**. (4 x 1) (4)
- 2.3.2 Identify the profit-maximising level. (2)
- 2.3.3 In your opinion, explain why monopolistic, competitive firms use advertising. (4)
- 2.4 Explain how legal barriers prevent new businesses from entering a specific type of market. (4 x 2) (8)
- 2.5 With the aid of a correctly labelled graph, explain the profit situation of the monopolist. (2 x 4) (8)

**[40]**

**QUESTION 3 (CONTEMPORARY ECONOMIC ISSUES)**

3.1 Answer the following questions.

3.1.1 Name any TWO advantages of globalisation. (2 x 1) (2)

3.1.2 How is Nepad linked to Africa? (1 x 2) (2)

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



[Source: Internet Globalisation, 21 October 2014]

3.2.1 Explain the acronym *NAFTA*. (2)

3.2.2 What is the message of this cartoon? (2)

3.2.3 In your opinion, why do US workers not benefit from free trade? (2)

3.2.4 Explain the role of the WTO in terms of globalisation. (4)



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

Global climate change has already had observable effects on the environment. Glaciers have shrunk, ice on rivers and lakes is breaking up earlier. Plant and animal ranges have shifted and trees are flowering sooner. Effects that scientists had predicted in the past would result from global climate change are now occurring: loss of sea ice; accelerated sea level rise; and longer more intense heat waves. Scientists have high confidence that global temperatures will continue to rise for decades to come, largely due to greenhouse gases produced by human activities.

[Source: The 11<sup>th</sup> Hour DVD]

- 3.3.1 What is the ultimate cause of global climate change? (2)
- 3.3.2 What is a possible consequence of glaciers that shrink? (2)
- 3.3.3 Apart from humans and their businesses, who else should be accused of failing the environment? (2)
- 3.3.4 In your opinion, which industry in South Africa will be most affected by unstable weather conditions? Substantiate your answer. (4)
- 3.4 How does globalisation contribute to developing countries' financial instability? (4 x 2) (8)
- 3.5 Tabulate TWO differences to illustrate the North-South divide. (2 x 4) (8)
- [40]**

**QUESTION 4 (MICROECONOMICS & CONTEMPORARY ECONOMIC ISSUES)**

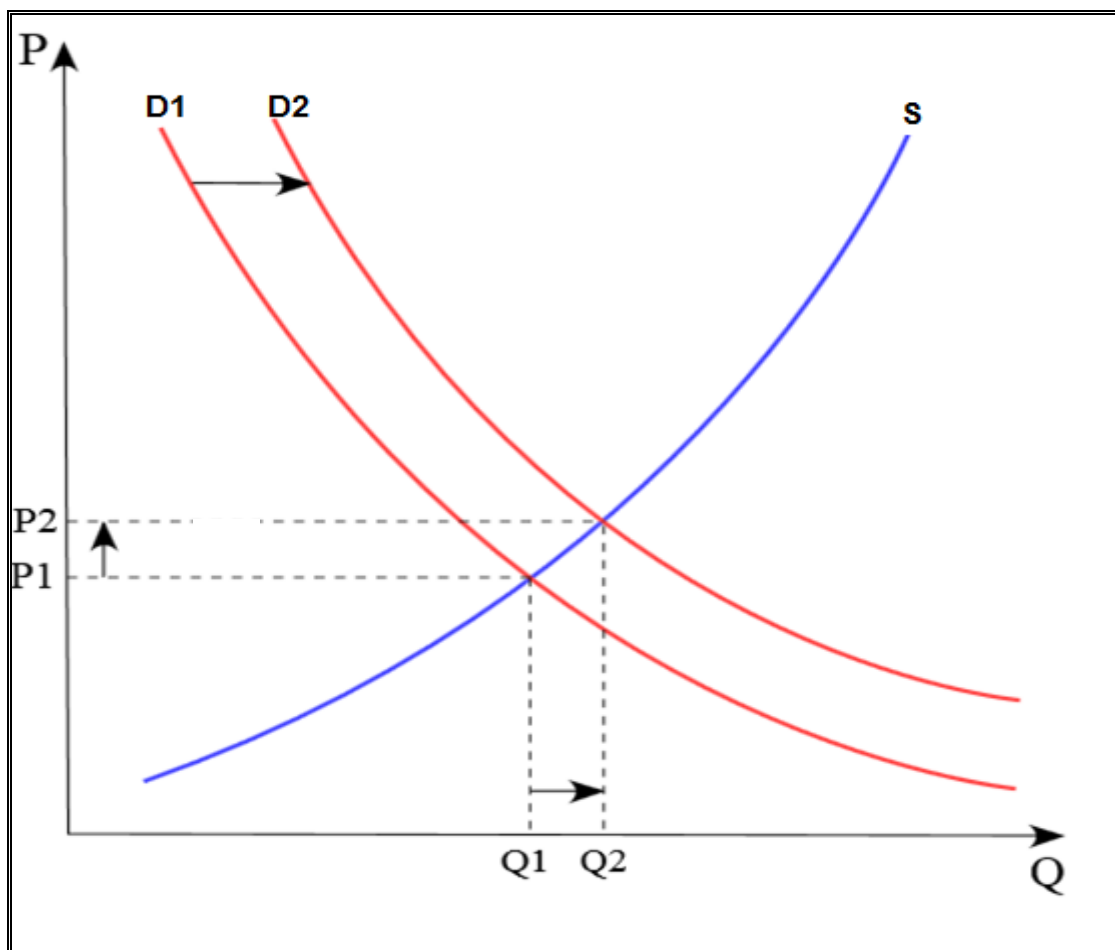
4.1 Answer the following questions.

4.1.1 Name TWO characteristics of perfect markets. (2 x 1) (2)

4.1.2 How will you know that prices in South Africa are stable? (1 x 2) (2)

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

**The demand for fresh milk**



4.2.1 Give an example of a substitute for fresh milk? (2)

4.2.2 In your opinion, why did the demand for fresh milk shift from D1 to D2? (2)

4.2.3 According to the graph determine the law of supply. (2)

4.2.4 Draw a well-labelled graph to illustrate Giffen goods. (4)

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

The latest rhino poaching figures from South Africa show that 868 rhinos have been illegally killed so far this year, with a total of 259 related arrests made (as of 14 October 2014).

The current rate of rhino poaching means that in 2014, rhino poaching deaths are likely to surpass last year's loss of 1,004 rhinos. According to [Stop Rhino Poaching / SAN Parks](#), it is projected that 1,108 rhinos will be lost by the end of the year. This is the year when South Africa's rhino populations are sadly predicted to go into decline.

Last week we launched our '[Help a Ranger, Save a Rhino](#)' appeal which is raising much needed funds for ranger equipment in Hluhluwe-iMfolozi Park.

Set in the historical hills of Zululand, in-between villages of bee-hive huts and verdant forests, Hluhluwe iMfolozi Park is a renowned game park and conservancy – famous for its role in rhino conservation, particularly its involvement with the famous Operation Rhino project.

[Source: [www.savetherhino.org](http://www.savetherhino.org), 21 October 2014]

- 4.3.1 Provide a suitable heading for the article. (2)
- 4.3.2 What is significant about Hluhluwe iMfolozi Park? (2)
- 4.3.3 Which international organisation bans the trade in endangered species? (2)
- 4.3.4 What possible solutions can you suggest to SAN Parks to save the rhinos? (4)
- 4.4 Compare Perfect Competition and the Monopoly in terms of *entry to the market* and *price control*. (2 x 4) (8)
- 4.5 Describe how there can be conflict in the human uses of the environment. (4 x 2) (8)
- [40]**

**TOTAL SECTION B: 80**

**SECTION C**

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

<b>STRUCTURE OF ESSAY</b>	<b>MARK ALLOCATION</b>
<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 your 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	Max. 10
<b>Conclusion</b>	Max. 2
<b>TOTAL</b>	<b>40</b>

**QUESTION 5 (MICROECONOMICS)**

*“Several models have been developed to explain prices and quantities in oligopoly markets.”*

- Discuss the Oligopoly as an imperfect market structure and pay specific attention to its characteristics and general behavior (26)
  - Why in your opinion is collusion among Oligopolists illegal? (10)
- [40]**

**QUESTION 6 (CONTEMPORARY ECONOMIC ISSUES)**

“The environment is under pressure because human claims on the environment are greater than what nature can provide for on a long-term basis.”

- Analyse the state of the environment, highlighting the policy measures by government to ensure sustainability. (26)
  - Advise how you would use technology to protect the environment. (10)
- (40)**

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