



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2020

**ECONOMICS P2
(EXEMPLAR)**

MARKS: 150

TIME: 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. Number the answers correctly according to the numbering system used in this question paper.
3. Write the number of the question above each answer.
4. Read the questions carefully.
5. Start EACH question on a NEW page.
6. Leave 2–3 lines between subsections of questions.
7. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.
8. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
9. Use only black or blue ink.
10. You may use a non-programmable pocket calculator.
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–D) next to the question numbers (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 D.

1.1.1 There is a/an ... relationship between the price of good A and quantity demanded of a complement good B.

- A negative
- B positive
- C zero
- D normal

1.1.2 A/An ... is a hybrid market structure.

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

1.1.3 Total costs equal fixed costs plus ... costs.

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

1.1.4 A negative income elasticity coefficient shows that the product is a/an ... good.

- A inferior
- B normal
- C luxury
- D basic

1.1.5 A system which is used to process waste into useful products is called ...

- A production.
- B redistribution.
- C recycling.
- D dumping.

1.1.6 An economic system that is a contributor to the North-South divide is ...

- A socialism.
- B capitalism.
- C mixed economic system.
- D communal system.

1.1.7 Resources that may become exhausted if they are not managed in a sustainable manner are known as ... resources.

- A natural
- B man-made
- C finite
- D renewable

1.1.8 In South Africa, household waste is the responsibility of the ...

- A central government.
- B provincial government.
- C households.
- D local government.

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

COLUMN A		COLUMN B	
1.2.1	Market equilibrium	A	extension of economic activities across national borders
1.2.2	Accounting profits	B	transfer payments to the needy
1.2.3	Cross elasticity of demand	C	aggregate demand is equal to aggregate supply
1.2.4	Unrelated goods	D	a community of organisms together with their environment
1.2.5	Social grants	E	difference between total income from the sale of goods and explicit costs
1.2.6	Trade barriers	F	change in the price of one good has no effect on the quantity demanded of another good
1.2.7	Internationalisation	G	sensitivity of demand of one good to a change on the price of another good
1.2.8	Ecosystem	H	restrictions put on international trade
		I	responsiveness of the quantity supplied to a change in price of a good

(8 x 1) (8)

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

1.3.1 Enterprises producing the same kind of goods

1.3.2 The value of inputs owned by the entrepreneur and used in the production process

1.3.3 The actual price of an individual item at a certain time

1.3.4 A cost or benefit of a good or service that is ignored in the price charged to a third party

1.3.5 Knowledge that has practical application for the daily survival of local communities

1.3.6 Variety of plant and animal species in a specific area

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

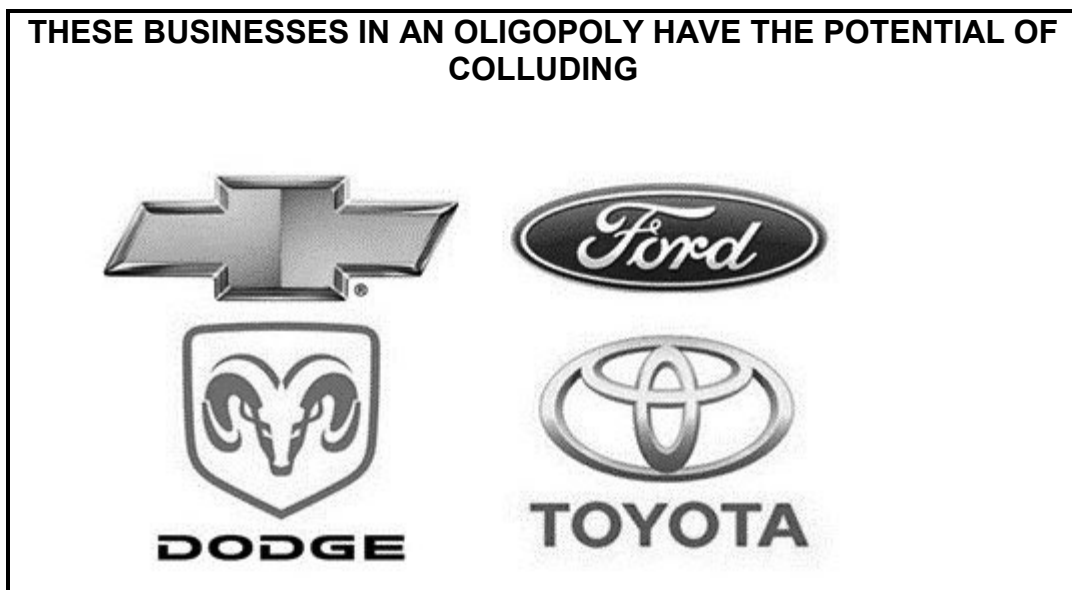
QUESTION 2: MICROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO examples of substitute goods. (2)

2.1.2 How are the factor and product markets related to one another? (2)

2.2 Read the following information and answer the following questions.



2.2.1 In which industry are the above businesses? (1)

2.2.2 Name the market structure with only two producers. (1)

2.2.3 Briefly describe the term *cartel*. (2)

2.2.4 Briefly explain *non-price competition* as a feature of an oligopoly. (2)

2.2.5 Why do businesses often collude, though it is illegal in South Africa? (4)

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

TOTAL UTILITY AND MARGINAL UTILITY SCHEDULE		
UNITS CONSUMED	TOTAL UTILITY	MARGINAL UTILITY
0	0	-
1	10	10
2	16	6
3	A	5
4	23	2
5	24	1
6	24	0
7	20	-4
8	14	-6

- 2.3.1 What is used to measure utility? (1)
- 2.3.2 What is the value of **A**? (1)
- 2.3.3 Briefly describe the term *marginal utility*. (2)
- 2.3.4 Explain the phrase *utility is subjective*, as a characteristic of utility. (2)
- 2.3.5 Use the information provided in the table above to draw fully labelled total and marginal utility curves. (4)
- 2.4 Briefly explain *relatively inelastic supply* and *unitary elastic supply* as a degree of price elasticity of supply, without the use of diagrams. (8)
- 2.5 Examine the importance of relative prices in the economy. (8)
- [40]**

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO examples of non-renewable resources. (2)

3.1.2 How have global markets benefitted from improved competition? (2)

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

INTERNATIONAL TRADE AND GLOBALISATION

At the Bretton Woods conference, politicians agreed to lay down rules for international trade and finance and for the funding of international institutions to oversee the process of globalisation. These institutions include the World Bank, International Monetary Fund and the WTO. The global expansion of corporations in the United States and Europe and other developments in science and technology drives globalisation.

[Adapted from *Clever Economics*, p83]

3.2.1 What is the currency of the United States? (1)

3.2.2 What does the abbreviation WTO stand for? (1)

3.2.3 Briefly describe the term *international trade*. (2)

3.2.4 Briefly explain the role of the International Monetary Fund (IMF). (2)

3.2.5 How would developed countries benefit from trading with African countries? (4)

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



[Adapted from <https://wilbrink.co.za/inspection-authority/regulations>]

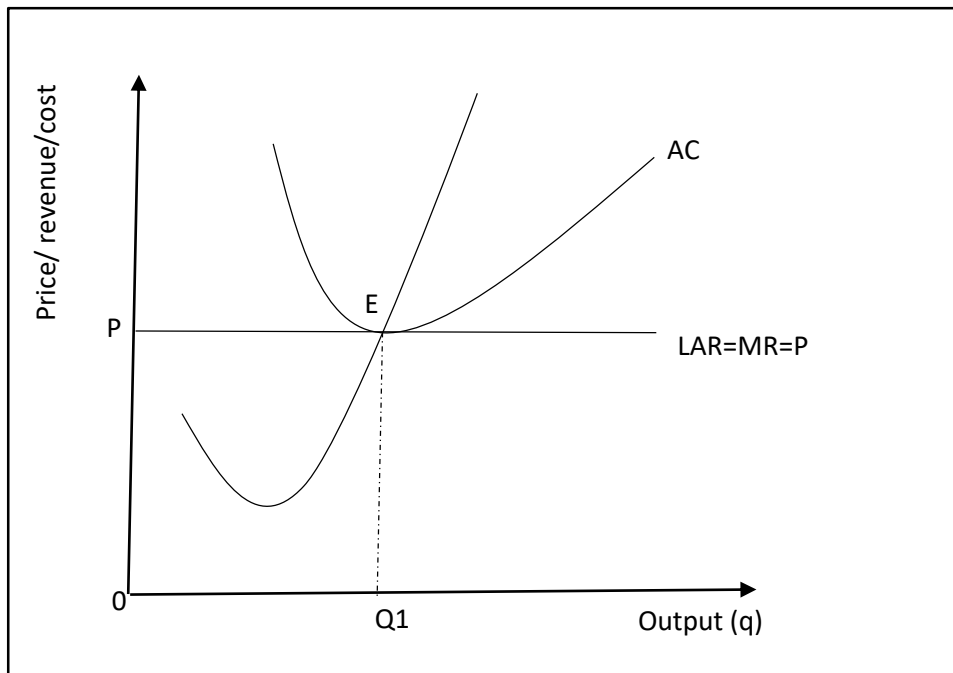
- 3.3.1 Name the type of pollution which could be caused by dumping waste in the environment. (1)
- 3.3.2 Name the type of waste depicted in the picture above. (1)
- 3.3.3 Briefly describe the term *environment*. (2)
- 3.3.4 Explain the Kyoto Protocol as an international agreement to reduce climate change. (2)
- 3.3.5 Examine the impact of plastic pollution on the environment. (4)
- 3.4 Explain increased *foreign trade* and *cultural changes* as consequences of globalisation. (8)
- 3.5 How can non-renewable resources be protected from depletion? (8)
- [40]**

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 4.1.1 Name any TWO examples of fixed costs. (2)

4.1.2 How can taxes be used to ensure environmental sustainability? (2)

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



4.2.1 What is point **E** called? (1)

4.2.2 How does the demand curve of the business look like in a perfect market? (1)

4.2.3 Briefly describe the term *market*. (2)

4.2.4 Briefly explain the *nature of products* as a feature of a perfect market. (2)

4.2.5 Why does a perfect competitor make normal profits only in the long run? (4)

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

NORTH-SOUTH DIVIDE

North-South divide describes socio-economic and political categorisation of countries.

The North of the divide is comprised of countries which have developed economies and are regarded as wealthy countries. All the members of the G8 come from the North divide. Countries in the North and South divide have different levels of economic growth.

The North-South divide is criticised for being a way of segregating people along economic lines and is seen as a factor of the widening gap between developed and developing economies. The UN has been at the forefront of diminishing the North-South divide through policies highlighted in its Millennium Development Goals.

[Source: www.worldatlas.com]

- 4.3.1 Name ONE country that belongs to the G8. (1)
- 4.3.2 In which side of the Divide are people expected to live longer? (1)
- 4.3.3 Briefly describe the term *economic growth*. (2)
- 4.3.4 Explain the objective of the Millennium Development Goals. (2)
- 4.3.5 Why is it difficult for the countries in the South divide to compete with those in the North divide? (4)
- 4.4 Distinguish between the *short run* and *long run*. (8)
- 4.5 Examine the role played by humans in damaging the ecosystem. (8)

[40]

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. <ul style="list-style-type: none"> • A good starting point would be to define the main concept related to the question topic. • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body. • Avoid saying in the introduction what you are going to discuss in the body. 	Max. 2
Body Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain Additional part: 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/Distinguish/Interpret/Briefly debate/How/Suggest	Max. 26 Max. 10
Conclusion Any higher-order conclusion should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40

QUESTION 5: MICROECONOMICS**40 MARKS – 40 MINUTES**

- Discuss in detail the following factors determining the elasticity of demand.
 - Nature of the product (10)
 - Durability of the product (8)
 - Time period (8) (26)
 - Examine the effect of price inelasticity of demand on revenue. (10)
- [40]**

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES

- Discuss the causes of globalisation by focussing on the following:
 - Trade liberalisation (10)
 - Multinational enterprises (10)
 - Standardisation (6) (26)
 - Evaluate the negative impact of globalisation on the environment. (10)
- [40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150