



Education and Sport Development

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NORTH WEST PROVINCE

PROVINCIAL ASSESSMENT

GRADE 11

ECONOMICS P1

JUNE EXAMINATION 2018

MARKS: 150

TIME: 2 hours.

This question paper consists of 12 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. Answer only the required number of questions. Answers in excess of the required number will not be marked.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Write the question number above the answer.
5. Read the questions carefully.
6. Start EACH question on a NEW page.
7. Leave 2-3 lines between subsections of questions.
8. Answer the questions in full sentences and ensure that the format, content and context of your response comply with the cognitive requirements of the question.
9. Use only black or blue ink.
10. You may use a non-programmable pocket calculator.
11. Write neatly and legibly.



QUESTION 1

30 MARKS - 30 MINUTES

1.1 Various options are provided as possible answers to the following questions.

Choose the most correct answer and write only (A, B, C or D) next to the corresponding question number (1.1.1 -1.1.8) in the answer book, for example

1.1.5 D

1.1.1 Coal in the ground may best be classified as ...

- A. Capital
- B. Natural resource
- C. Entrepreneur
- D. Labour

1.1.2 Which is the correct match of an economic resource and payment for that resource?

- A. Land and wages
- B. Capital and rental income
- C. Entrepreneurial ability and profit
- D. Labour and interest

1.1.3 In the circular flow diagram the...

- A. Firms are sellers in the resource market
- B. Households are sellers in the product market
- C. Firms are buyers in the product market
- D. Households are sellers in the resource market

1.1.4 Which one is the largest component of expenditure approach to GDP?

- A. Government purchases
- B. Gross private domestic investment
- C. Personal consumption expenditure
- D. Gross fixed capital formation

1.1.5 In a market economy, the most significant force in the distribution of goods and services is ...

- A. The price system
- B. Government
- C. Individuals
- D. Individuals and firms



1.1.6 By whom are the economic decisions taken in a planned economy?

- A. Voters
- B. Firms
- C. Consumers
- D. Government

1.1.7 The Tertiary stage of the production process:

- A. Is carried out in factories
- B. Consists only of agriculture, fishing and quarrying
- C. Consists of provisioning of services
- D. Involves transforming raw materials

1.1.8 Eskom generates electricity in South Africa by mainly using...

- A. Water
- B. Coal
- C. Wind
- D. Sun

(8x2) (16)



1.2 Choose a description from COLUMN B that matches the item in COLUMN A.

Write only the letter (A –F) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

| COLUMN A | COLUMN B |
|-----------------------------------|---|
| 1.2.1 Depreciation | A. Goods and services that households and business sector and government sector are prepared to pay a price for |
| 1.2.2 Procurement | B. The methods used by countries to allocate their resources |
| 1.2.3 Gross capital formation | C. Extraction of raw materials |
| 1.2.4 Economic goods and services | D. The internet is an important source of information |
| 1.2.5 Economic systems | E. The decrease in the monetary value of assets over time |
| 1.2.6 Poverty line | F. Crop production |
| 1.2.7 Primary sector | G. Represents spending on capital stock |
| 1.2.8 Communication | H. It is crucial to the functioning of modern society |
| | I. The minimum amount of money needed to pay for basic needs |
| | J. Purchasing of goods and services |

(1x8) (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 The amount of goods and services that a person can buy with the nominal wage.

1.3.2 The remuneration that the entrepreneur receives for taking the risk to run a business.

1.3.3 The sum of all the components.

1.3.4 Combining the advantages of both economic systems in one.

1.3.5 Decisions the government makes on tax levels and government spending.

1.3.6 Provides food and minerals

(1x6) (6)

TOTAL SECTION A: 30



Answer any 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 any TWO functions of capital. (2x1) (2)

2.1.2 Why do economists focus on economic goods? (1x2) (2)

2.2 Study the table below and answer questions that follow.

| Jake's business relating to his Gross and Net profit | |
|--|------------|
| TRANSACTIONS | TOTALS (R) |
| Sales for the month | 13 500 |
| Raw materials | 4 500 |
| Telephone | 550 |
| Water and electricity | 880 |
| Other income | 1 200 |
| Stationery | 450 |

Source: *Focus Economics*, Grade 11

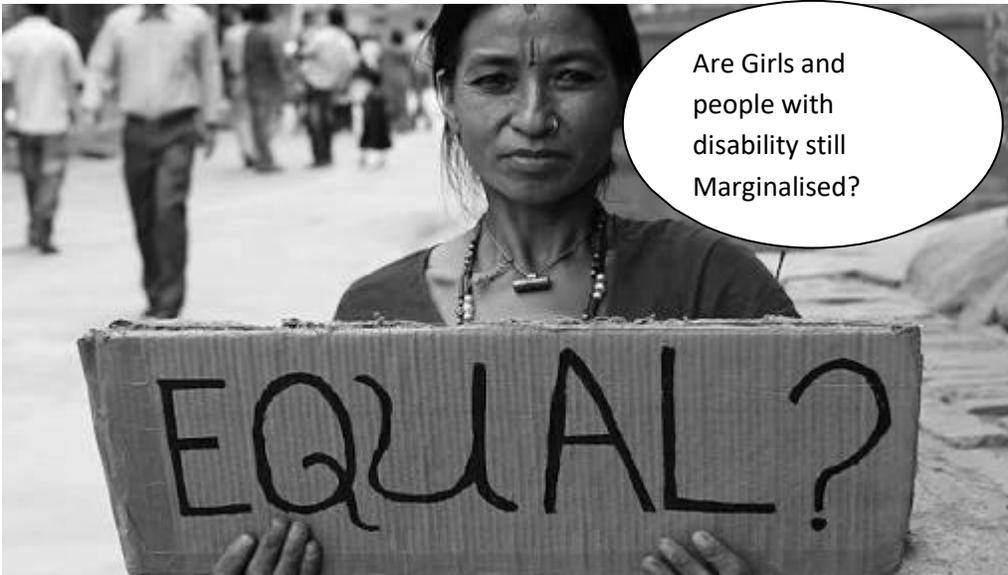
2.2.1 Identify TWO profits mentioned in the table above. (2x1) (2)

2.2.2 Calculate the gross profit using the figures given. Show ALL calculations. (4)

2.2.3 In your opinion, can Jake be happy with his net profit?
Provide TWO reasons. (2x2) (4)

2.3 Study the picture below and answer the questions that follow





Source: <https://goo.gl/image/pgToAp>

- 2.3.1 Mention the TWO groups of people marginalized in the picture above. (2)
- 2.3.2. Explain the concept *marginalized* groups. (4)
- 2.3.3 How can the marginalized groups be empowered? (4)
- 2.4 Distinguish between *non-renewable* and *renewable* resources. (8)
- 2.5 Discuss any TWO characteristics of labour. (2 x 4) (8)

[40]

QUESTION 3**40 MARKS- 30 MINUTES****3.1 Answer the following questions**

3.1.1 List the TWO flows in the circular flow. (2x1) (2)

3.1.2 What happens when GDE is greater than GDP? (1x2) (2)

3.2 Study the extract below and answer the questions that follow:**National accounts – main GDP aggregates and related indicators**

National accounts are a powerful source of information for studying many aspects of the economy. The main aggregates, covering the annual and quarterly gross domestic product (GDP) and its components, are among the most significant indicators of the state of any economy. Data on production, expenditure and income are of key interest to users.

Adapted from: Google, Main tables and Database

3.2.1 Identify any TWO methods to calculate GDP. (2)

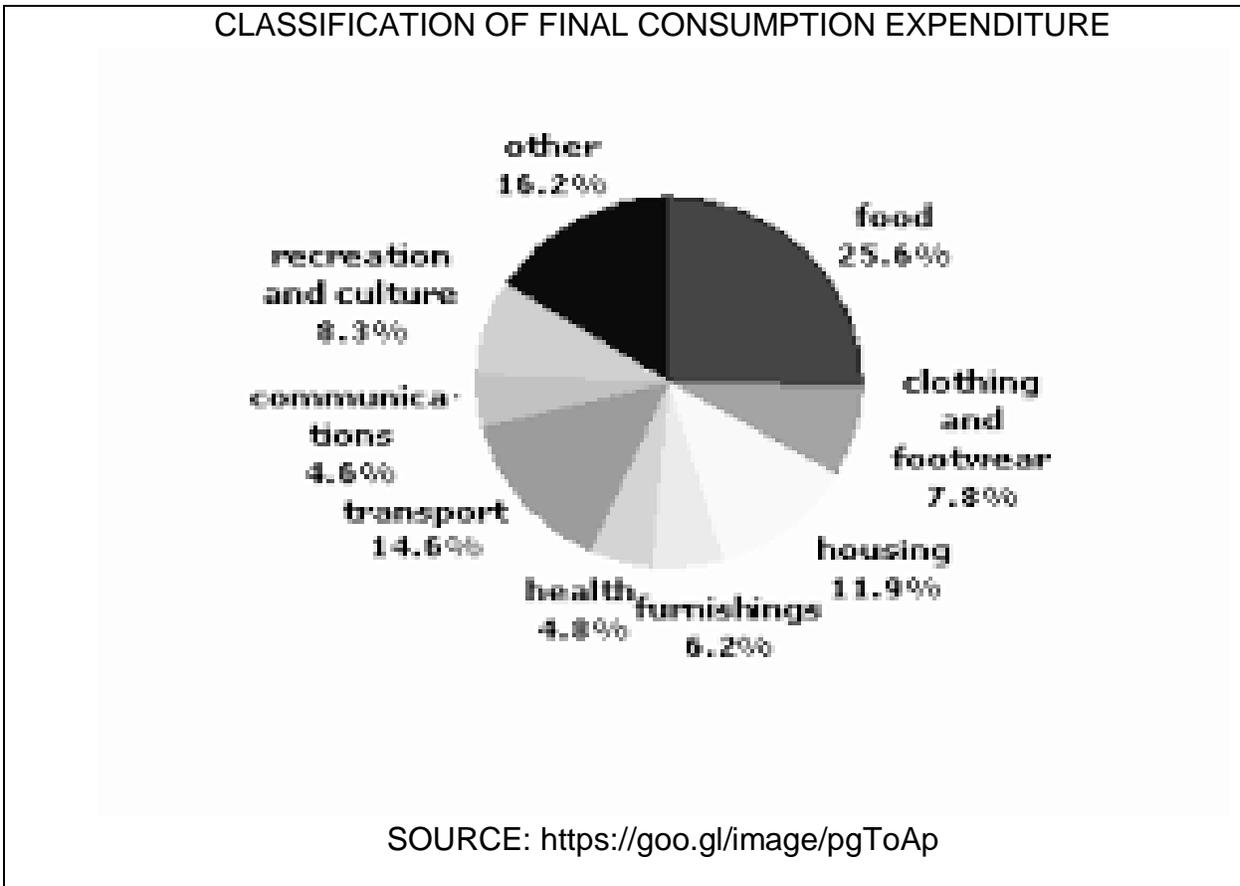
3.2.2 According to the extract, why are national accounts important? (2)

3.2.3 Briefly describe the aggregate *Gross National Income (GNI)*. (2)

3.2.4 How is double counting avoided in calculating GDP? (4)



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



3.3.1 Identify the item on which consumers spent the largest portion of their income. (1)

3.3.2 Mention any ONE service consumers spent their income. (1)

3.3.3 Explain Administrative division as final consumption expenditure by government.

(4)

3.3.4 How can gross fixed capital formation increase?

(4)

3.4 Differentiate between *Gross National Product* and *Gross Domestic Product*. (8)

3.5 Discuss the classification of consumer goods. (8)

[40]

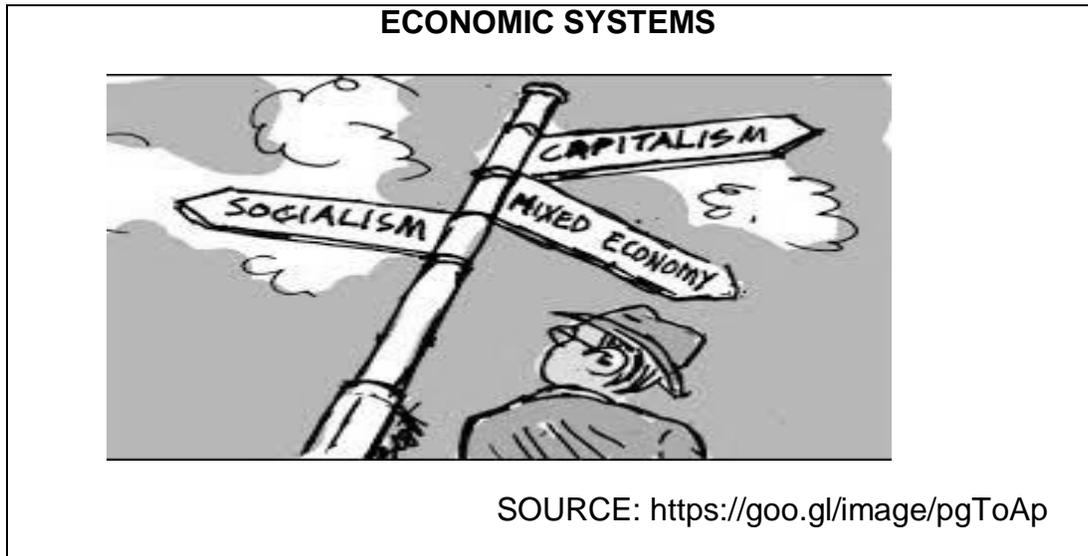


4.1 Answer the following questions

4.1.1 Mention any TWO important questions for making economic decisions. (2x1) (2)

4.1.2 How are sectors interdependent? (1x2) (2)

4.2 Study the picture below and answer the questions that follow:



4.2.1 Identify any TWO systems from the picture above. (2x1) (2)

4.2.3 Briefly explain any TWO characteristics of a centrally planned economic system. (4)

4.2.2 In your opinion, what will be the advantages of working in a free-market economy? (2x2) (4)

4.3 Study the graph below and answer the question that follows:





- 4.3.1 Identify any TWO sectors in the graph above. (2x1) (2)
- 4.3.2 Explain reasons for the growth of the secondary sector. (2x2) (4)
- 4.3.3 In your opinion, why does the tertiary sector play a large role in modern developed economies? (2x2) (4)
- 4.4 Discuss the importance of communication in a modern economy. (4x2) (8)
- 4.5 What has caused the ongoing energy crisis in South Africa? (4x2) (8)

TOTAL: 40



SECTION C

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

Your answer will be assessed as follows:

| STRUCTURE OF ESSAY: | MARK ALLOCATION: |
|--|-------------------------|
| Introduction | Max. 2 |
| Body: <ul style="list-style-type: none"> • Main part: Discuss/Distinguish/Differentiate/Explain/Analyze /Evaluate/Assess • Additional part: Use / Draw / Sketch a graph / diagram ... / Deduce ... / Outline / Briefly explain / Expand on ... / Your own opinion | Max. 26 Max. 10 |
| Conclusion Any relevant higher order conclusion that should include: <ul style="list-style-type: none"> • A brief summary of what has been discussed / analyzed without repeating facts already mentioned in the body • An opinion or valued judgment on the facts discussed • Additional support information to strengthen the discussion / analysis • A contradictory viewpoint with motivation, if so required • Recommendations | Max. 2 |
| TOTAL | 40 |

QUESTION 5

- Discuss South Africa's mixed economic system in terms:
 - Characteristics (10)
 - Advantages (8)
 - Disadvantages. (8) (26)
 - Evaluate the government's efficiency in delivery social services to local communities. (10)
- [40]**

QUESTION 6

- Analyse the economic importance of the primary sector. (26)
- Briefly explain genetic operations of the primary sector. (10)

[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150

