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**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS P1  
SEPTEMBER 2024**

**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 and start each question on a NEW page.
5. Leave 2 – 3 lines between subsections of questions.
6. 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.
7. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
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****30 MARKS – 20 MINUTES**

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

1.1.1 The GDP at the current year's monetary value is also called ... GDP.

- A nominal
- B expenditure
- C real
- D income

1.1.2 The summary of a group of indicators of the same type into a single value is known as the ... indicator.

- A Lagging
- B leading
- C coincident
- D composite

1.1.3 Parks, beaches and toll gates are examples of... goods.

- A accessible
- B collective
- C community
- D general

1.1.4 An increase in the number of South African tourists visiting a foreign country may lead to a/an ... of the rand.

- A appreciation
- B stability
- C free floating
- D depreciation

1.1.5 The tax calculated as a nominal amount per unit or weight of goods imported is known as... tariff.

- A specific
- B ad valorem
- C special
- D fair

- 1.1.6 The return of land to those who have lost it due to discriminatory laws of the past is known as ...
- A Black economic empowerment.
  - B land redistribution.
  - C land distribution.
  - D land restitution.
- 1.1.7 The World Trade Organisation was formed to promote...
- A tariffs.
  - B trade barriers.
  - C free trade.
  - D dumping.
- 1.1.8 Employment rate is calculated by expressing the number of employed people as a percentage of the ...
- A Economically Active Population.
  - B production.
  - C unemployed people.
  - D population.

- 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	Investment	A	state owned enterprises established with the aim of making profit
1.2.2	Transfer duty	B	measured by real GDP per capita
1.2.3	Downswing	C	international trade policy that may be used to discourage the import of certain goods and services
1.2.4	Parastatals	D	financial capital held by the monetary authorities to finance the trading disequilibrium
1.2.5	Productivity	E	provision of support to poor areas in order to improve them
1.2.6	Protectionism	F	the contraction period of the business cycle
1.2.7	Regional development	G	taxation payable when immovable properties are bought
1.2.8	Reserve assets	H	money spent by firms to buy capital goods
		I	the relationship between the output of economic activities and the input used
			(8 x 1) (8)

1.3 Write the concept described in each of the following statements. Write only the term next to the question number (1.3.1 – 1.3.6) in the ANSWER BOOK. Examples, acronyms, and abbreviations WILL NOT be accepted.

1.3.1 The price that considers taxes and subsidies and is paid by the consumer to obtain a product.

1.3.2 The component of the Balance of Payments that records transactions related to production, income, and expenditure.

1.3.3 The graph that shows the relationship between unemployment and inflation.

1.3.4 The use of various policies to encourage industrial investment and efficiency.

1.3.5 An improvement in the quality of life of the majority of people in a country over a period of time.

1.3.6 The percentage at which the number of people living in a country increases over time.

(6 x 1) (6)  
**TOTAL SECTION A: 30**

**SECTION B**

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

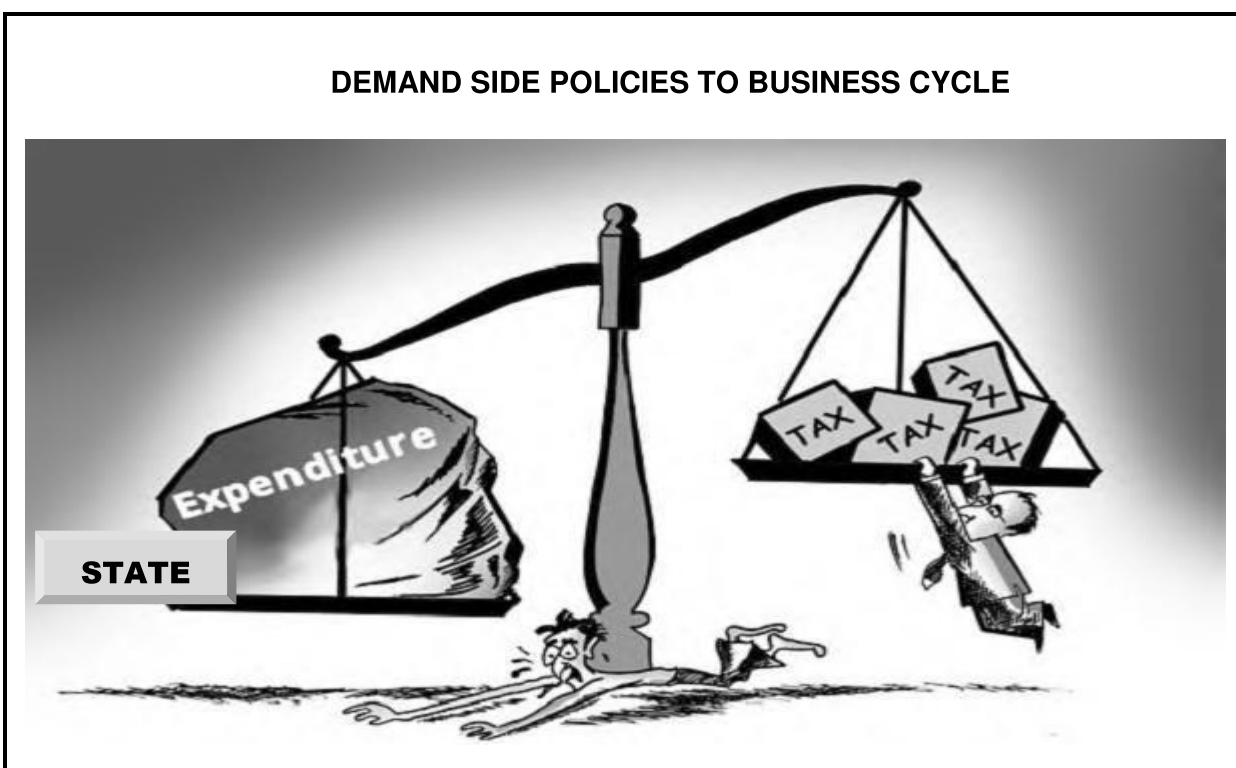
**QUESTION 2: MACROECONOMICS****40 MARKS – 30 MINUTES**

2.1 Answer the following questions:

2.1.1 Name any TWO kinds of business cycles. (2 x 1) (2)

2.1.2 Why are the values of imports deducted when calculating the expenditure on GDP? (1 x 2) (2)

2.2 Read the data item below and answer the questions that follow.



[Source: [google images.com](https://www.google.com)]

2.2.1 Name the demand side policy represented in the above diagram. (1)

2.2.2 Give any ONE example of a direct tax. (1)

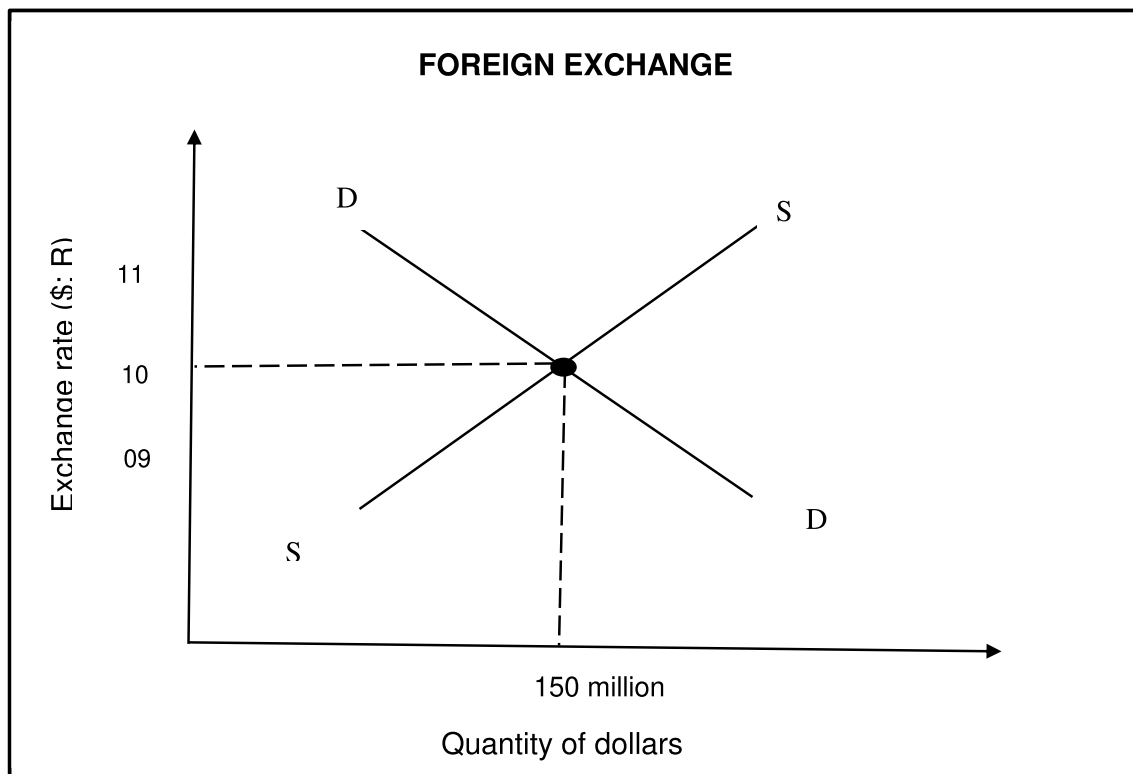
2.2.3 Briefly describe the term *government expenditure*. (2)

2.2.4 What effect can an increased cash reserve requirements have on the level of economic activity. (2)

2.2.5 How can moral suasion be used to influence the level of spending in the economy. (2 x 2) (4)



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



- 2.3.1 Write the equilibrium exchange rate from the information in the graph. (1)
- 2.3.2 List any ONE cause for demand for foreign exchange. (1)
- 2.3.3 Briefly describe the term *exchange rate*. (2)
- 2.3.4 Why is terms of trade important in international trade? (2)
- 2.3.5 Redraw the graph above, and indicate what would happen in the market when the demand for dollars increases. (4)
- 2.4 Discuss the income method of calculating gross domestic product (GDP). (8)
- 2.5 How can the free floating exchange rate system impact on an economy? (8)
- [40]**

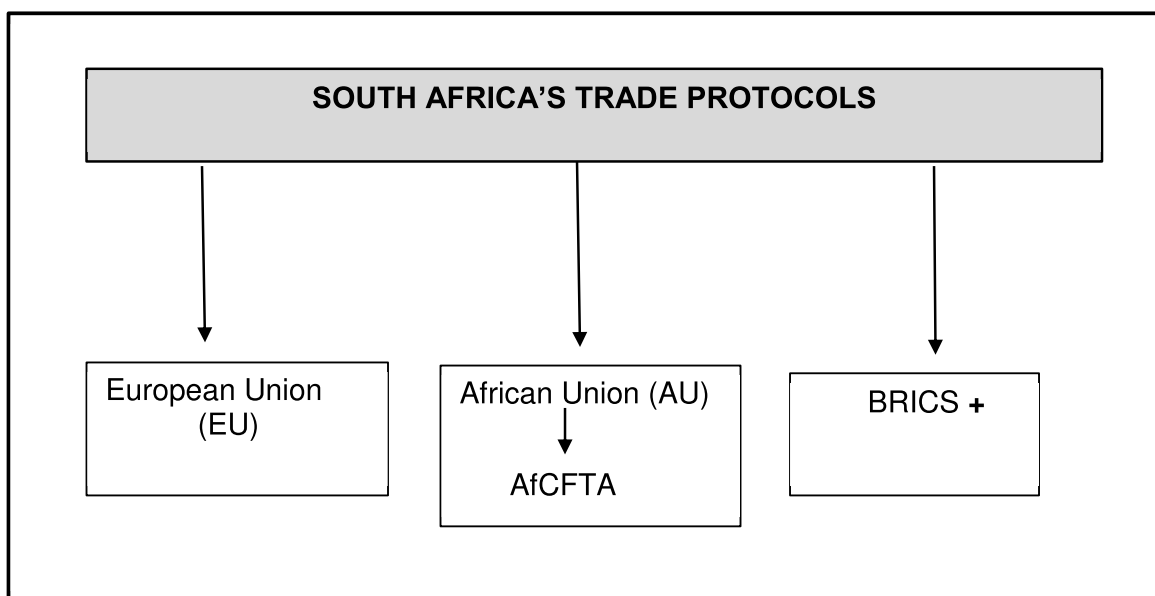
**QUESTION 3: ECONOMIC PURSUITS****40 MARKS – 30 MINUTES**

3.1 Answer the following questions:

3.1.1 List any TWO indicators that measure the standard of living. (2 x 1) (2)

3.1.2 Why do farmers in developing countries struggle to compete in international markets? (1 x 2) (2)

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



3.2.1 Name any ONE country that joined BRICS+ countries in 2024. (1)

3.2.2 Provide the labelling for the acronym AfCFTA. (1)

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

3.2.4 Explain the aim of the EU – SA free trade agreement. (2)

3.2.5 How can the African Continental Free Trade Area (AfCFTA) benefit the economy on the African continent? (2 x 2) (4)

3.3 Read the extract below and answer questions that follow.

### INDUSTRIAL DEVELOPMENT IN SOUTH AFRICA

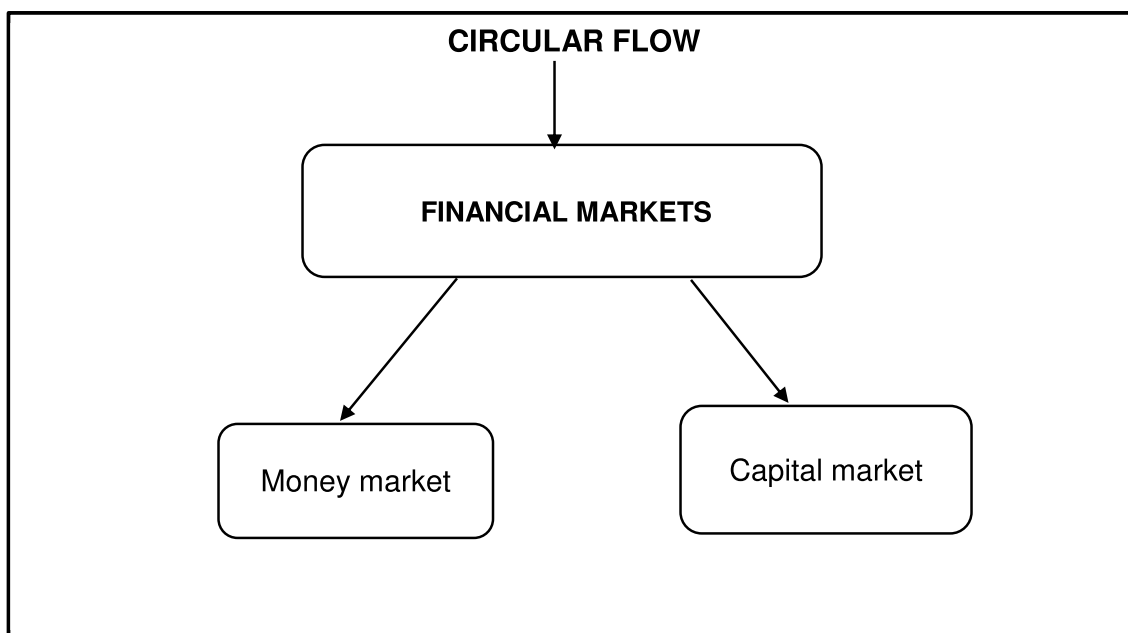
The purpose of the regional development policy in South Africa is to provide an employment safety net for those without access to opportunities designed to lift them out of poverty. The policy recognises that policies to address unemployment and create decent work will take time to reach people living in marginalised areas where few opportunities exist.

( Adapted from [www.google.com](http://www.google.com))

- 3.3.1 Which government department is responsible for industrial development policy in South Africa? (1)
- 3.3.2 Name the regional development strategy aimed at improving areas with high poverty and unemployment. (1)
- 3.3.3 Briefly describe the term *corridor*. (2)
- 3.3.4 Explain the purpose of the Industrial Development Zone (IDZ). (2)
- 3.3.5 What objectives does South Africa want to achieve with the Industrial development policy? (2 x 2) (4)
- 3.4 Briefly explain *competition* and *deregulation* as measures to increase the aggregate supply of goods and services. (2 x 4) (8)
- 3.5 Evaluate the possible impact of import substitution on an economy. (8)
- [40]**

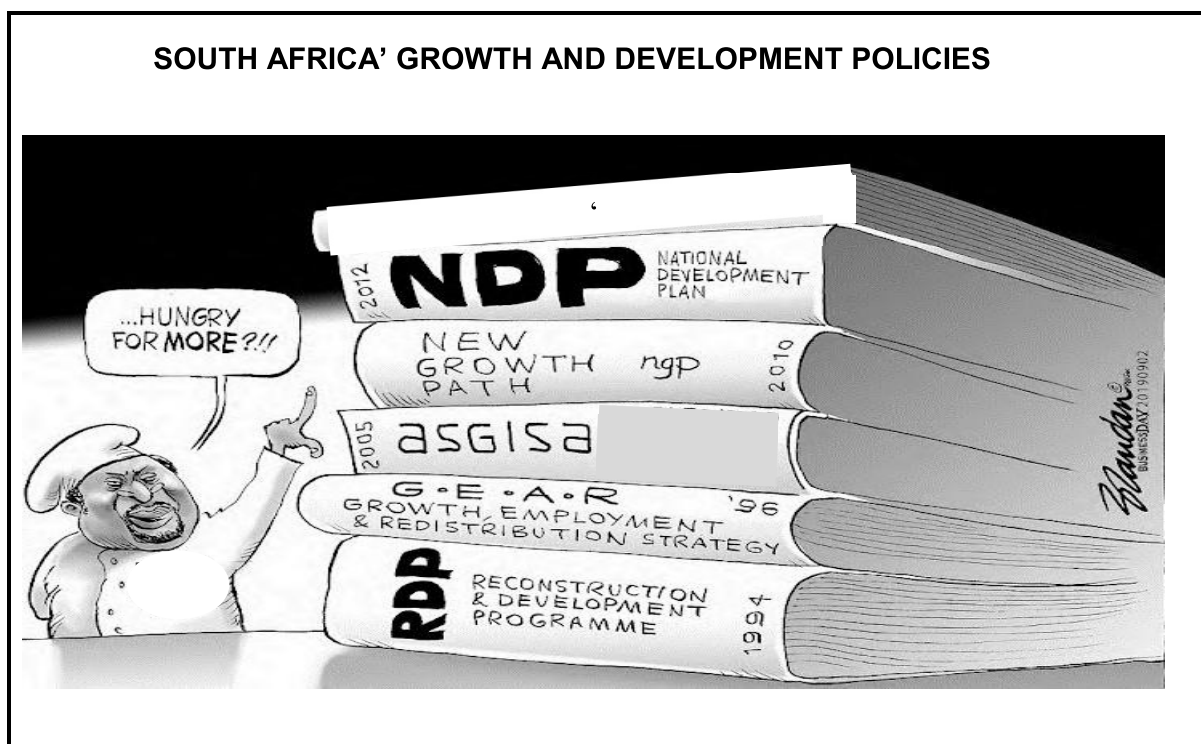
**QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS****40 MARKS – 30 MINUTES**

- 4.1.1 Name any TWO incentives used by the South African government to improve industrial development. (2)  
(1 x 2)
- 4.1.2 How can interest rate be used to correct the deficit on the balance of payment? (2)  
(1 x 2)
- 4.2 Study the information below and answer the questions that follow.



- 4.2.1 Identify the financial market in which long-term funds can be saved. (1)
- 4.2.2 Name the economic participant that collect tax in the circular flow. (1)
- 4.2.3 Briefly describe the term *circular flow*. (2)
- 4.2.4 Explain the general importance of the financial markets in the economy. (2)
- 4.2.5 How can households contribute to the effective functioning of the factor market? (4)  
(2 x 2)

4.3 Study the data item below and answer the questions that follow.



[Source: [www.thebusinessday.co.za](http://www.thebusinessday.co.za)]

- 4.3.1 Identify the policy that aims to eliminate poverty and inequality by 2030. (1)
- 4.3.2 Write the full meaning of the acronym ASGISA. (1)
- 4.3.3 Briefly describe the term *economic growth*. (2)
- 4.3.4 Explain any key element of the GEAR policy. (2)
- 4.3.5 What positive economic achievements are associated with the RDP policy? (2 x 2) (4)
- 4.4 Briefly discuss the prosperity phase of a business cycle. (8)
- 4.5 Evaluate the appropriateness of South Africa's industrial development policies. (8)
- [40]**

**TOTAL SECTION B: 80**

**SECTION C**

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

STRUCTURE OF ESSAY	MARK ALLOCATION
<b>Introduction</b> <ul style="list-style-type: none"> <li>• A good starting point would be to define a concept or keyword that appears in the question.</li> <li>• Include other sentences to support the topic.</li> <li>• Do not include in your introduction any part of the question.</li> <li>• Do not repeat any part of the introduction in the body.</li> <li>• Avoid saying in the introduction what you are going to discuss in the body.</li> </ul>	Max. 2
<b>Body:</b> <b>Main part:</b> Discuss in detail / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Differentiate / Explain / Assess / Debate  <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	Max. 26  Max. 10
<b>Conclusion</b> <ul style="list-style-type: none"> <li>• The conclusion is a wrap-up of the discussion of the topic in the body and should be treated as a higher-order response.</li> <li>• The conclusion can take the form of an own opinion, examples to support your discussion, or contradictory viewpoint from what has been discussed. No aspect from either the introduction or body should be included in the conclusion.</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40</b>

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

- Discuss in detail the reasons for public sector failure. (26 marks)
- How can the South African government positively influence the level of employment? (10 marks)

**[40]****QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 40 MINUTES**

- Discuss the economic indicators in detail. (26 marks)
- Why is it important for a country to measure its economic performance frequently? (10 marks)

**[40]**

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**