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**LIMPOPO**

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**EDUCATION**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS PAPER 2**

**SEPTEMBER 2024**

**MARKS: 150**

**TIME: 2 HOURS**



EECONP2

This question paper consists of 14 pages



**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 number (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 C.
- 1.1.1 A measure used by government to discourage production and consumption of demerit goods is ...
- A excise duty.
  - B ad valorem tariff.
  - C custom tax.
  - D progressive tax.
- 1.1.2 Brand loyalty takes place in a/an ... market.
- A monopoly
  - B informal
  - C oligopoly
  - D monopolistically competitive
- 1.1.3 The point where the total revenue is equal to the total cost in a perfect market is known as ... point.
- A minimum
  - B break even
  - C maximum
  - D zero
- 1.1.4 Social costs consist of the of private and... costs.
- A internal
  - B public
  - C external
  - D variable
- 1.1.5 Complimenting generation capacity at Eskom with solar power is important for tourism as part of the ... infrastructure.
- A transport
  - B energy
  - C communication
  - D basic services

- 1.1.6 A condition of low growth, high inflation and high unemployment is known as ...
- A deflation.
  - B inflation targeting.
  - C stagflation.
  - D hyperinflation.
- 1.1.7 One of the fiscal measures used to combat inflation is ...
- A taxation.
  - B open market transactions.
  - C interest rates.
  - D moral suasion.
- 1.1.8 Methods that focus on the environmental impact to ensure environmental sustainability are called ... standards.
- A quantity
  - B social impact
  - C quality
  - D personal
- (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 number (1.2.1–1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Long run	A	visiting a country to see sites of archaeological significance
1.2.2	Marginal cost	B	measures the cost of goods and services bought by a typical South African household
1.2.3	Environmental subsidy	C	period during which all factors of production are variable
1.2.4	Minimum prices	D	flow of residual emissions resulting from human activities exceed the natural environment's capacity to absorb them
1.2.5	Paleo tourism	E	additional amount payable when extra unit is produced
1.2.6	Pollution	F	it is given by government for activities that reduce environmental damage
1.2.7	Consumer price index	G	a good is sold at a price higher than the legally imposed price ceiling
1.2.8	Black market	H	production costs decrease as quantity produced increases
		I	it is set to encourage production 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 number (1.3.1–1.3.6) in the ANSWER BOOK. Abbreviations and Acronyms are not accepted.

1.3.1 When the business produces goods at lowest possible cost

1.3.2 The point where marginal cost is equal to the average variable cost

1.3.3 It is payable on output of a good whenever environmental costs are generated

1.3.4 Activities of people travelling outside their usual environment for not more than a year

1.3.5 Permanent destruction of indigenous forests and woodlands

1.3.6 Type of inflation where prices of goods and services are set by government (6 x 1) (6)

**TOTAL SECTION A: [30]**

**SECTION B**

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

**QUESTION 2: MICROECONOMICS**

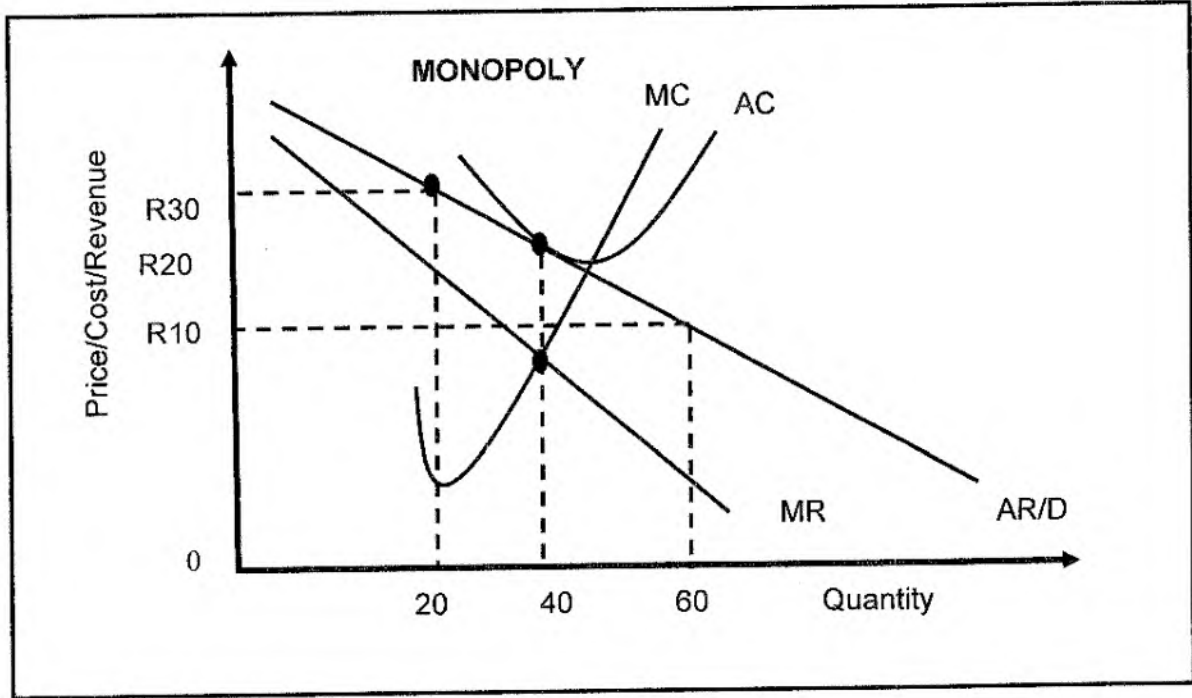
**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Give **TWO** examples of explicit costs. (2 x 1) (2)

2.1.2 Why do oligopolists collude? (2)

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



2.2.1 Identify the quantity where the business will maximise profits. (1)

2.2.2 Which type of profit is made by the monopoly above? (1)

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

2.2.4 Why is the demand curve of a monopoly downward sloping? (2)

2.2.5 Calculate the total revenue that will be made by the business above. Show **ALL** your calculations (4)



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

**MONOPOLISTIC COMPETITION - NON-PRICE COMPETITION**

The image shows several restaurant logos: Captain DoRegos, Casa Bella, Penarotts (with tagline 'Big on Family, Big on Pizza'), GRILLEGO, and STEAK & GRILL (with tagline 'Lamb, Steak and BBQ Dishes'). Two thought bubbles are included: one from Casa Bella stating 'My restaurant is the best in the world. We are open 24/7' and one from Penarotts stating 'My restaurant is the best in the world. We deliver anywhere'.

[Adjusted from google images]

- 2.3.1 Identify the nature of product sold in the market structure above. (1)
- 2.3.2 What type of profit is made by monopolistic competition in the long run? (1)
- 2.3.3 Briefly describe the term *non-price competition*. (2)
- 2.3.4 Why does a monopolistic competitor fail to achieve productive efficiency? (2)
- 2.3.4 How would the exit of firms impact the market in the long run? (4)
- 2.4 Without drawing graphs, compare the demand curve of perfect competitor with that of oligopoly. (2 x 4) (8)
- 2.5 Analyse the challenges that the competition policy in South Africa faces in achieving its goals. (4 x 2) [40]



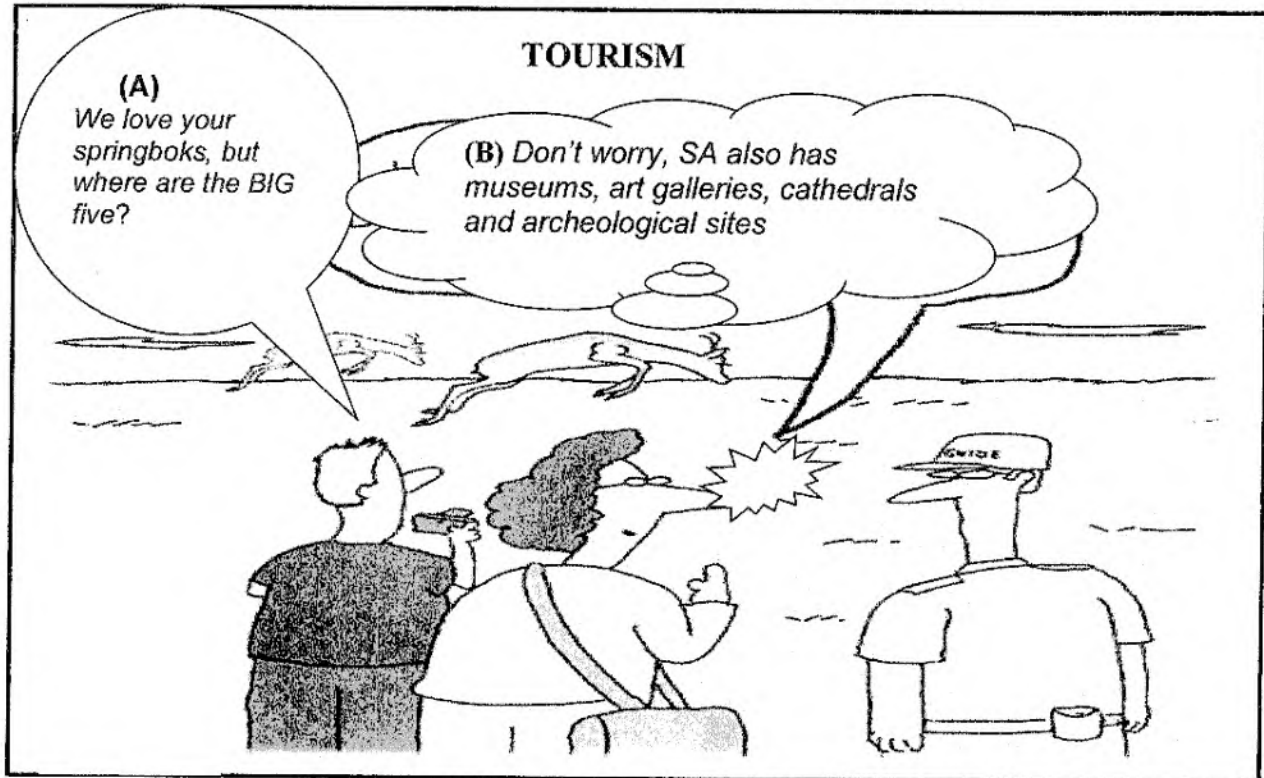
**QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Give TWO international agreements on disposal of chemical waste. (2 x 1) (2)

3.1.2 Why is it important to have price stability in the economy? (2)

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



[Adjusted from google]

3.2.1 Identify the attractions associated with ecotourism from the picture above. (1)

3.2.2 Mention any world environmental heritage site that people can visit in South Africa. (1)

3.2.3 Briefly describe the term *domestic tourism*. (2)

3.2.4 Why is tourism important in the South African economy? (2)

3.2.5 How does tourism impact the environment? (2 x 2) (4)

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

### THE GAS EMISSIONS REPORT

Various gases contribute to South Africa's emissions. These gases include Methane, Carbon dioxide and Nitrous oxide. These gases are also known as greenhouse gases. They contribute 9,7%, 84,5% and 5,8% respectively.

The gases have a negative impact on biodiversity. The energy sector is the greatest contributor to gas emissions in the economy.

*[Adjusted from google]*

- |       |   |         |                    |
|-------|---|---------|--------------------|
| 3.3.1 | Identify the gas that contributes the most to emissions in South Africa from the extract above. |         | (1)                |
| 3.3.2 | Give an example of biodiversity.  |         | (1)                |
| 3.3.3 | Briefly describe the term <i>greenhouse gases</i> .   |         | (2)                |
| 3.3.4 | How can Eskom reduce its greenhouse emissions?  |         | (2)                |
| 3.3.5 | Explain the positive impact of emission tax on the environment.                                 |         | (4)                |
| 3.4   | Discuss the negative effects of soil erosion on the environment.                                | (2 x 4) | (8)                |
| 3.5   | Analyse the marketing strategies used to promote tourism in South Africa.                       | (4 x 2) | (8)<br><b>[40]</b> |

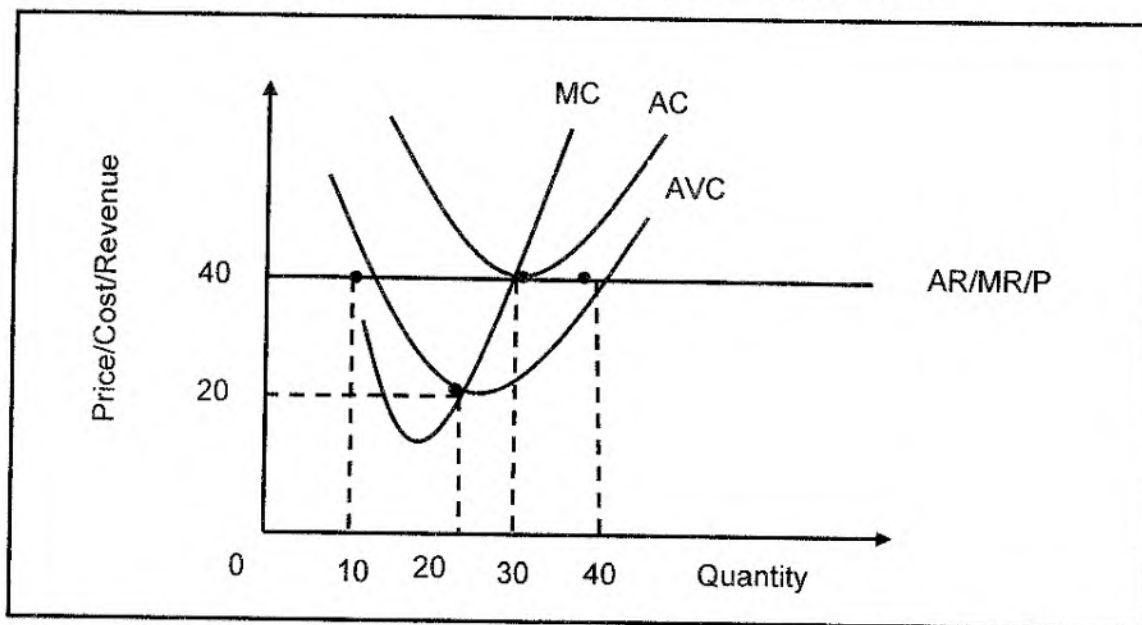
**QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES**  
**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Give TWO examples of negative externalities. (2 x 1) (2)

4.1.2 Why is a cost benefit analysis (CBA) important in the public sector? (2)

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



4.2.1 Which market structure is represented above? (1)

4.2.2 Identify the profit maximising quantity. (1)

4.2.3 Briefly describe the term *average revenue*. (2)

4.2.4 When will a firm in this market shut down its operations? (2)

4.2.5 Use the graph above to determine the type of profit made by this firm. Show **ALL** the calculations. (4)

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

**CONTRIBUTION OF INDIGENOUS KNOWLEDGE SYSTEM (IKS) TO THE ECONOMY**

It is sometimes argued that Indigenous Knowledge System (IKS) cannot produce much macro-economic growth and is relatively static. However, despite the lack of organised incentives, particularly concerning traditional medicine and traditional agriculture, which represent significant economic activity in South Africa, IKS still plays an important role in sustainable development to a significant proportion of South Africa's population.

[Adopted from google]

- |                         |   |                     |
|-------------------------|---|---------------------|
| 4.3.1                   | Identify the sector in which indigenous knowledge is mostly used.                     | (1)                 |
| 4.3.2                   | Name ONE element/facet of the Indigenous Knowledge Systems (IKS).                     | (1)                 |
| 4.3.3                   | Briefly describe the term <i>sustainable development</i> .                            | (2)                 |
| 4.3.4                   | Why is Indigenous Knowledge Systems (IKS) relatively static generation to generation? | (2)                 |
| 4.3.5                   | How can Indigenous knowledge contribute to sustainable development?                   | (2 x 2) (4)         |
| 4.4                     | Briefly explain the differences between <i>conservation</i> and <i>preservation</i> . | (8)                 |
| 4.5                     | Discuss the failures of international measures in reducing effects of climate change. | (8)<br>(4 x 2) [40] |
| <b>TOTAL SECTION B:</b> |   | <b>[80]</b>         |



**SECTION C**

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

Your answer will be assessed as follows:

STRUCTURE OF THE ESSAY	MARK ALLOCATION
<b>Introduction</b> The introduction is a lower order response <ul style="list-style-type: none"><li>• A good starting point would be to define the main concept related to the question</li><li>• Do NOT include any part of the question in the introduction</li><li>• Do NOT repeat any part of the introduction in the body</li><li>• Avoid mentioning in the introduction what you are going to discuss in the body</li></ul>	Max. 2
<b>Body:</b> <b>Main part:</b> <ul style="list-style-type: none"><li>• Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Draw a graph and explain/Use the given graph and explain/Differentiate/ Explain/Assess/Debate</li><li>• <b>A maximum of 8 marks is allocated for headings</b></li></ul> <b>Additional part:</b> <ul style="list-style-type: none"><li>• Give own opinion/Critically discuss/Evaluate/ Critically evaluate/ Calculate/Deduce/ Compare /Explain /Distinguish /Interpret / Briefly debate</li></ul> <b>A maximum of 2 marks will be allocated for mere listing of facts</b>	Max. 26
<b>Additional part:</b> <ul style="list-style-type: none"><li>• 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</li></ul> <b>A maximum of 2 marks will be allocated for mere listing of facts</b>	Max. 10
<b>Conclusion</b> <ul style="list-style-type: none"><li>• A brief summary of what has been discussed without repeating facts already mentioned</li><li>• An opinion or value judgement on the facts discussed</li><li>• Additional support information to strengthen the discussion</li><li>• A contradictory viewpoint with motivation</li><li>• Recommendations</li></ul>	Max. 2
<b>TOTAL</b>	<b>40</b>



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

- Discuss in detail, without drawing graphs, state intervention as a consequence of market failures. (26)
- How effective has government spending been in addressing market failure? (10) **[40]**

**QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES**

- Discuss in detail the consequences of inflation. (26)
- How can foreign direct investment influence inflation in the economy? (10) **[40]**

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