 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY ANSWER SHEET**

**MARKING GUIDELINES**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | ECONOMICS | **GRADE** | 11 | **DATE** | 24/04/2020 |
| **TOPIC** | MACROECONOMICS | **TERM 1**  **REVISION** | **x** | **TERM 2 CONTENT** |  |

**SECTION A**

**QUESTION 1**

* + 1. D (entrepreneur)√√
    2. A (market economy) √√
    3. B (capital)√√
    4. C (primary sector) √√
    5. B (GNI)√√

(5x2) (10)

* + 1. E√
    2. F√
    3. A√
    4. G√
    5. B√
    6. D√ (6x1) (6)
    7. Communication√
    8. Economic system√
    9. Intermediate goods/input√
    10. Rent √ (4x1) 4

**TOTAL SECTION A: [20]**

**SECTION B:**  Answer ONE of the TWO questions from this section in the ANSWER BOOK

**QUESTION 2**

2.1.

2.1.1.

* Production method GDP (P) √
* Income method GDP (I) √
* Expenditure method GDP (E) √

**Any (2x1)**

2.1.2. Capital formation increase GDP it increases the number of goods and services produced. √√ (1x2) = (2)

2.2. **DATA RESPONSE**

2.2.1. 2011/2012√ (1)

2.2.2. Education√ (1)

2.2.3 Final consumption expenditure by government refers to governments to provide goods and services, such as water, electricity, education and health care, to citizens of a country. √√

(2)

2.2.4

* The government is responsible for important injections into the circular flow√√
* For reducing poverty and redistributing wealth√√ e.g. in form of welfare grants. √
* Spending on merit goods like education and healthcare√√

(*Accept any other correct relevant response*) any (1x2) = (2)

2.2.5. 14.9**√**/67.6√ x100

=**22.04**√√**%** or **22%** (4)

2.3. **DATA RESPONSE**

2.3.1.

* Food processing factory√
* Organic farm √ (2x1)

2.3.2. The process of producing√√ or buying capital goods such as machines√√

The growth of the total capital stock (capital accumulation) Any (1x2) =(2)

2.3.3. Capital formation. √√

2.3.4. They will benefit an access to clean water√√ and job opportunities. √√(2x2) = (4)

2.4.

Economic goods

* Those are the goods that are scarce. √√
* They have utility. √√
* They have exchange value. √√

Free goods

* Those are the goods that are plentifully. √√
* They have utility. √√
* They have exchange value√√ Any (2x4) = (8)

2.5.

* Issuing of social grants closes the gap between the rich and the poor. √√
* Construction of infrastructure leads to employment opportunities√√
* Provision of free education improves literacy and numeracy rate√√
* Provision of quality health services√√

Any other relevant (4x2)(8)

**[40]**

**QUESTION 3**

3.1.

3.1.1.

* Transport, storage and communication. √
* Wholesale and retail trade, catering√
* Financial intermediation, insurance√ (2x1)

3.1.2. It is because South Africa has the most developed telecommunications network in Africa. √√ (2)

3.2. **DATA RESPONSE**

3.2.1. Tertiary sector√ (1)

3.2.2. Primary sector√ (1)

3.2.3. Primary sector is the sector that is involved in the extraction of raw materials from natural resources. √√ (2)

3.2.4. There has been a decrease in the contribution of both the primary and secondary sectors to the GDP√√Yet there is an increase in the contribution of tertiary sector. √√ Any(1x2) =(2)

3.2.5.

* It is important because it is the main supplier of food and other raw materials. √√
* Primary sector it has got contribution to economic activities job creation, exports and reducing poverty. √√ (2x2) = (4)

3.3. **CARTOON**

3.3.1. Railway√ (1)

3.3.2. Mr Thabo Mvuyelwa Mbeki√(1)

3.3.3.

* Social infrastructure is a subset of the infrastructure sector and typically includes assets that accommodate social services√√ e.g Housing√
* Economic infrastructure promotes economic activity such as√√ sanitation √

*(Accept any correct/relevant response)* max (4)

3.3.4. It will increase productivity of businesses. √√

It will attract more investors which will result to increase in employment. √√ (4)

3.4.

* There is a greater stability√√, economic growth and employment with government intervention. √√
* Private ownership, the profit motive, self-interest and competition quality individual consumption√√, such as road, dams, protection. √
* It is easier to make capital foreign in countries with mixed economies. √√
* The government can start job creation projects√√ through its public works. √√ **Max (8)**

3.5.

* Primary sector is involved in the production, extraction or harvesting of product and raw material√√, we consider these activities to be the first step in the production process after which they are transported by the tertiary sector. √√
* Tertiary sector consists of industries which provide services for the primary sector. √√
* Tertiary sector helps selling and marketing goods√√ which have been produced under the primary sector and secondary. √√
* These goods and services must be made to be available to consumers through tertiary sector√√ that is involved in facilitating the flow of goods and services from producers in the primary sector to Consumers. √√ **Max (8)**

**TOTAL SECTION: B [40]**

**QUESTION 4**

**Discuss the importance of a secondary sector in an economy.**

**Introduction**

* The secondary sector is concerned with the final stages in production of goods. It is also known as the processing sector. √√
* Secondary sector in RSA consist of industries in manufacturing, construction and electricity, gas, and water. √√

**(Any relevant introduction) (max 2)**

**Body**

**Main Part**

**Contribution to GDP√**

* In terms of gross value added, this sector contributes a major share to GDP√√

**Creation of markets employment √**

* It creates job opportunities for many workers√√
* Employ skilled, semi-skilled and un-skilled workers. √√

**Creation of markets for primary products√**

* All the raw materials needed by secondary industries are supplied by the primary sector. √√
* e.g. food products, textile, sea, and forestry products, etc. √√
* South Africa has large deposits of industrial minerals√√

**Provision of capital√**

* Most of the capital goods required by primary sector are produced by SA’s secondary industries. √√
* Promotes the development of primary sector. √√
* Saves large amounts of foreign exchange. √√

**Creation of a diversified economy√**

* Secondary sector ensures economic development and independence. √√
* Because it produces a wide range of goods, we do not have to import all the goods. √√
* This makes SA less dependent on foreign countries. √√

**Earns foreign exchange √**

* More and more SA goods are sold in foreign countries. √√
* Foreign exchange earnings are used for essential imports. √√

**Improved standard of living √**

* Industrial development leads to the creation of jobs and increased income level. √√
* Increased income levels to
* Improve standard of living. √√

**Important field of investment√**

* Many large companies sell their shares on the stock market. √√
* Buying shares of these companies gives the opportunity of investment. √√

**Source of government revenue√**

* The state earn revenue through the collection of taxes from companies. √√
* Buying shares of these companies gives the opportunity of investment. √√

**Contribution to the leadership in Africa√**

* SA is the leading industrialized country in Africa. √√
* SA industries can take the leadership role in the development of Africa. √√ **Max 26**

**ADDITIONAL PART**

**Why capital is important?**

* **Provide tools to add from utility:** **√**

The use of capital goods transforms the natural resources into goods√√ and services that satisfy the needs and wants of the consumer. √√

* **Make mass production possible√**

Machinery is able to produce a large scale of products quicker than people speeding up the production process.

This can increase standard of living as more goods and services will be available and affordable.

* **Improves the quality of products:** **√**

Machines are likely to make mistakes people do in the manufacturing process. √√

Therefore, capital goods improve the quality of products, removing unnecessary errors. √√

* **Make standardized possible:** **√**

Machines can produce products that meet the same standard of quality. √√ When goods have the same standard of quality, it allows the customer to know the required standard of the product they purchase. √√

* **Market selling on credit possible:** **√**

Money capital allows retailers and wholesalers to sell on credit. √√

Only with enough money capital can enterprises be able to sell on credit without running into cash flow problems. √√ **(max 10)**

**Conclusion**

Secondary sector has a very important role in the development of the country and the continent. √√ **(2)**

**(Accept any relevant conclusion)**

**QUESTION 5**

**INTRODUCTION**

* A market economic system solves the economic problems of ‘what, how, for whom’ and how many to produce through the free market mechanism. √√ (2)

(**Any relevant introduction)**

**BODY**

**Main Part**

|  |  |
| --- | --- |
| **FREE MARKET ECONOMY** | **CENTRALLY PLANNED ECONOMY** |
| The market economy is self –regulating and self-adjusting because the price mechanism in a free market co-ordinates economic activities. √√ | The government owns and controls the factors of production. √√ |
| Private property rights form the basis of market economy. √√ | The system aim to achieve the collective economic goal of the entire nation rather than individual objective. √√ |
| Freedom of enterprise means that business enterprises can use their own initiatives to obtain and use resources to decide which and how many products and services to produce to decide what to pay the employees and to sell these products in the market they prefer. √√ | The government fixes prices and takes all the profit. √√ |
| Freedom of choice means that the owners of property and resources can use resources as they choose. √√ | The government plans and control economic growth. √√ |
| Self-interest and profit motive are two driving forces in a market economy. √√ | The participants are all assumed to be unselfish and their motive is to cooperate for the common good of the community. √√ |
| Competition acts as the controlling mechanism in a market economy. √√ | A planning process is used to allocate resources. √√ |
| In a market economy information about prices and market conditions is freely available to producers and consumers. √√ | The information in the economy is communicated through government’s departments . √√ |

**Max 26**

**ADDITIONAL PART**

**What are the advantages of mixed economy**

* There is a greater stability, economic growth and employment with government intervention. √√
* Private ownership, the profit motive, self-interest and competition in private sector nsures the availability of wide variety of good quality individual consumption goods and services. √√
* The government provides for collective consumption such as roads, bridge, dams, hospital, education, welfare services and social services. √√
* The co-operation between the private and public sector ensures the maximum utilizaion of resources as well as satisfaction of all individual and collective needs. √√
* It is easier to make foreign capital investment in countries with the mixed economies. √√
* The government of a country with a mixed economy can introduce corrective measures to ensure more equitable distribution of wealth. √√
* The government can start job creation project through its public works. This would not be the case in a market economy. √√ **Max (10)**

**Conclusion**

* + Choosing the best economic system could help in better and fair allocation of resources in a country. √√ Any relevant **(2)**

**/40/**

**TOTAL SECTION C: [40]**

**TOTAL :100**