



Province of the
EASTERN CAPE
EDUCATION

DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)

HOME SCHOOLING SELF-STUDY WORKSHEET

SUBJECT	ECONOMICS	GRADE	12	DATE	02/07/2020
TOPIC	MICROECONOMICS	TERM 1 REVISION		TERM 2 CONTENT	x
TIME ALLOCATION	30 MINUTES	MARKS: 40			
INSTRUCTIONS	INSTRUCTIONS AND INFORMATION <ol style="list-style-type: none">1. Answer ALL questions in the ANSWER BOOK2. Number the answers correctly according to the numbering system used in this question paper.3. Write the question number above each answer.4. Leave 2–3 lines between subsections of questions5. Write neatly and legibly.		<u>TIPS TO KEEP HEALTHY</u> <ol style="list-style-type: none">1. WASH YOUR HANDS thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%.2. PRACTICE SOCIAL DISTANCING – keep a distance of 1m away from other people.3. PRACTISE GOOD RESPIRATORY HYGIENE: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use.4. TRY NOT TO TOUCH YOUR FACE. The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick.5. STAY AT HOME.		

QUESTION 1

40 MARKS – 30 MINUTES

1.1 Answer the following questions.

1.1.1 Name TWO elements of a hybrid structure of monopolistic competition. **(2)**

1.1.2 Why is the short run economic profit of a monopolistically competitive firm not sustainable in the long run? **(2)**

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

ARCELORMITTAL'S CARTEL BEHAVIOUR STIFLED SA INDUSTRIES

ArcelorMittal has agreed to pay a fine of R1,5 billion to the Competition Commission after admitting to being involved in anticompetitive behaviour through long-steel and scrap-metal cartels. At least five investigative complaints were brought against the steel manufacturer dating back as far as 2003.

ArcelorMittal's abuse of market dominance has had a massive effect on trade exports, the industrial sector and job creation downstream.

[Source: www.702.co.za]

1.2.1 Name the institution in the extract that investigates anticompetitive behaviour in South Africa. **(1)**

1.2.2 Identify ONE aspect that was influenced negatively by ArcelorMittal's anticompetitive behaviour. **(1)**

1.2.3 What is the role of the Competition Tribunal? **(2)**

1.2.4 What is meant by market dominance? **(2)**

1.2.5 How will ArcelorMittal's anticompetitive behaviour affect the industrial sector?

(2 x 2)

(4)

1.3 Study the cartoon below and answer the questions that follow.

ARTIFICIAL VERSUS NATURAL MONOPOLIES

I don't have to worry. I have a **patent**. I will always make an economic profit.



[Adapted from <http://us.wow.com/image>]

1.3.1 Identify the type of monopoly depicted in the cartoon.

(1)

- 1.3.2 How many firms usually dominate this type of market? (1)
- 1.3.3 Describe the nature of the product produced by a monopoly. (2)
- 1.3.4 How are natural monopolies created? (2)
- 1.3.5 Why will this monopolist always make economic profit in the long run? (2 x 2) (4)
- 1.4 Explain the aims of South Africa's antimonopolistic policy. (4 x 2) (8)
- 1.5 How will a monopolistic competitor, like KFC, compete with other fast-food chicken outlets to increase its market share? (8)
- [40]