



Province of the
EASTERN CAPE
EDUCATION

DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)

HOME SCHOOLING SELF-STUDY WORKSHEET

SUBJECT	ECONOMICS	GRADE	12	DATE	21/08/2020
TOPIC	MICROECONOMICS & CONTEMPORARY ECONOMIC ISSUES	TERM 1 REVISION		TERM 2 & 3 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: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

(EC/SEPTEMBER 2017)

1.1 Answer the following questions.

1.1.1 Name TWO examples of renewable resources. (2 x 1) (2)

1.1.2 What is the purpose of inflation targeting? (1 x 2) (2)

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

WATER CRISIS IN THE EASTERN CAPE

Large parts of the Eastern Cape have been gripped by drought and water shortage so severe that rivers, dams and boreholes are bone-dry.

Farmers are recording millions of rand's in losses due to spoilt crops and unproductive livestock, while others are raking up even more debt just to be able to feed their animals.

The areas that have been hit hard in the province are the Joe Gqabi and the Chris Hani districts, as well as Mhlontlo district.

This has placed food security in the country under threat as many maize and lucerne crops have been destroyed.

[Source: <http://www.heraldive.co.za>]

1.2.1 Which serious problem is currently experienced in the Eastern Cape? (1)

1.2.2 Why is food security threatened in the country? (1)

1.2.3 How can the public sector use education to ensure environmental sustainability? (2 x 2) (4)

1.2.4 What can the government do to solve the water crisis in the country? (2 x 2) (4)

1.3 Study the extract below and answer questions that follow.

MONOPOLISTIC COMPETITION

Monopolistic competition as a market structure was first identified in the 1930s by the economist Edward Chamberlin.

Many small businesses operate under conditions of monopolistic competition, including independently owned and operated high-street stores and restaurants.

In the case of restaurants, each one offers something different and possesses an element of uniqueness, but all are essentially competing for the same customers.

[Adapted from: www.economicsonlinne.co.uk]

- 1.3.1 Who was the first economist to identify monopolistic competition? (1)
- 1.3.2 Give an example of a business operating in a monopolistic market (1)
- 1.3.3 Briefly describe the hybrid structure as a feature of monopolistic competition. (2 × 2) (4)
- 1.3.4** How can restaurants use differentiated strategies to attract more customers? (2 × 2) (4)
- 1.4** Explain externalities as a cause of market failures without a graph. (4 × 2) (8)
- 1.5** How has the implementation of minimum wages benefited workers in South Africa? (8)

[40]