 Province of the

EASTERN CAPE

EDUCATION

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

**HOME SCHOOLING SELF- STUDY ANSWER SHEET**

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| **SUBJECT** | **ECONOMICS** | **GRADE** | 11 | **DATE** | 22/04/2020 |
| **TOPIC** | **MACROECONOMICS MARKS: 30** | **TERM 1**  **REVISION** |  | **TERM 2 CONTENT** | X |

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| --- | --- | --- | --- | --- |
| QUESTION 1 | | | | |
|  | | |  |  |
| 1.1 | Answer the following questions | | |  |
|  | 1.1.1. | **List any TWO examples of complementary goods**   * Car and petrol🗸 * Tea and sugar🗸   (accept any other relevant correct answer) (2x1) | | (2) |
|  | 1.1.2 | **What would encourage a producer to continue increasing its production?**   * Business will want to produce where additional income received from a unit is equal to the additional cost of producing the unit / where it is maximising its profits**.** 🗸🗸 | | (2) |
|  |  |  | |  |
| 1.2 | Study the graph below and answer the questions that follow: | | |  |
|  |  | | |  |
|  | 1.2.1 | **What does the shift from S to S1 show?**   * An increase in supply🗸 | | (1) |
|  |  |  | |  |
|  | 1.2.2 | **What is the impact on price of the shift in supply from S to S1?**   * Increase in price of petrol🗸 | | (1) |
|  |  |  | |  |
|  | 1.2.3 | **Briefly describe the term *quantity supplied***   * Quantity supplied is the quantity that sellers are willing and able to offer for sale at a given price over a specific period of time. 🗸🗸 | | (2) |
|  |  |  | |  |
|  | 1.2.4 | **Explain the cause of a shift in supply from SS to S1S1**   * Global Recession 🗸🗸 * Increase in the price of coal 🗸🗸 * Depreciation of the currency🗸🗸 * Accept any correct relevant response) (any 1x2) | | (2) |
|  |  |  | |  |
|  | 1.2.5 | **Draw the graph of the complement product of petrol and indicate what the reaction would be.** | | (4) |
|  |  |  | |  |
| 1.3 | **Differentiate between product and factor markets.**   * Factor market is a market where factors of production can be bought and sold🗸🗸. * The factor market is divided into the following: * Capital market – for long term savings and borrowing * Labour market * Natural resource market * Each factor of production receives a different income or remuneration🗸🗸, as follows: * Capital – interest🗸 * Labour – wages and salaries🗸 * Natural resources/ land – rent🗸 * Entrepreneurship - profit🗸 (Max 4)   **PRODUCT MARKETS**   * Product markets are markets where goods and services can be bought. 🗸🗸 * The product market is subdivided into the following: * Capital goods markets🗸 * Consumer goods market for durable, semi – durable and non – durable goods🗸 * Services market🗸 (Max 4) | | | (8) |
|  |  |  | |  |
| 1.4 | **With the aid of graphs, explain how an increase in demand of a product affects the factor market.**     * When the demand for a certain product in the product market increases, this affects the demand for a natural resource producing the product. 🗸🗸 * The demand for the product increases from DD to D1 D1. This will lead to an increase in demand in the factor market from DD to D1 D1. 🗸🗸 * This results in the increase in price. 🗸🗸 * For example, the increase in demand for clothing🗸 will result in an increase in demand for either cotton or silk, which are natural resources 🗸for the production of clothing. (Accept any relevant correct interpretation) Max. 4 | | | (8) |
| **TOTAL** | | | | **[30]** |