Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isebe leMfundo
Provinsie van die Oos Kaap: Department van Onderwys
Porafensie Ya Kapa Botjahabela: Lefapha la Thuto

NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2025

ECONOMICS P1

MARKS: **150**

TIME: **2 hours**

This question paper consists of 14 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK:

   SECTION A: COMPULSORY
   SECTION B: Answer TWO of the three questions.
   SECTION C: Answer ONE of the two questions.

2. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.

3. Answer the questions in full sentences. The format, content and the context of your responses must comply with the cognitive requirements of the questions.

4. Number the answers correctly according to the numbering system used in this question paper.

5. Write the question number above each answer.

6. Read ALL the questions carefully.

7. Start EACH question on a NEW page.

8. Leave 2–3 lines between subsections of questions.

9. Use only black or blue ink.

10. You may use a non-programmable pocket calculator.

11. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1 **30 MARKS – 20 MINUTES**

1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A–D) next to the question numbers (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 B.

1.1.1 The resources/goods that are scarce and people are willing to pay for are known as …

A free goods.
B non-renewable goods.
C renewable resources.
D economic goods.

1.1.2 The value of the final output produced by the citizens of a country irrespective of where they are located over a given period of time.

A Gross national product
B Gross domestic product
C Gross domestic expenditure
D Gross capital formation

1.1.3 In a market economy, the most significant force in the distribution of goods and services is known as …

A competition.
B price system.
C government.
D public sector.

1.1.4 A group of companies or organisations that produce similar goods or services are known as …

A economic structures.
B primary sectors.
C industries.
D secondary sectors.

1.1.5 Economic growth is measured and expressed in terms of real …

A gross national product.
B gross value added.
C gross domestic product.
D gross national income.

1.1.6 The minimum level of income needed to meet basic needs and avoid poverty.

A Poverty
B Poverty gap
C Absolute poverty
D Poverty line

1.1.7 The relationship between the amount of inputs used and the amount of goods and services produced.

A Production
B Productivity
C Labour productivity
D Optimal mix

1.1.8 A card used to withdraw funds electronically from a cardholder's account or to pay for goods at businesses is a … card.

A debit
B credit
C bank
D gift

(8 x 2) (16)

1.2 Choose a description in COLUMN B that matches an item in COLUMN A. Write only the letter (A–I) next to the question numbers (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A		COLUMN B	
1.2.1	Procurement	A	programs and activities designed to improve the well-being and quality of life of individuals
1.2.2	Injections	B	accumulated assets for the creation of income
1.2.3	Social services	C	the acquisition or purchase of goods and services
1.2.4	Foreign exchange	D	exists when the country can produce enough food to feed all of its population
1.2.5	Wealth	E	introduction of money into the circular flow
1.2.6	Life expectancy	F	money approved by law that must be accepted as payment
1.2.7	Food security	G	money that is used to make payments between countries
1.2.8	Legal tender	H	the number of years that people are expected to live
		I	activities that contribute to the production, distribution and exchange of goods and services

(8 x 1) (8)

1.3 Give ONE term/word for each of the following descriptions. Write only the term/word next to the question numbers (1.3.1–1.3.6) in the ANSWER BOOK.

1.3.1 The price paid to the owners of natural resources

1.3.2 The goods and services that are used as inputs for producing other goods and services

1.3.3 Occurs when the free market fails to allocate resources efficiently

1.3.4 A statistic that measures income and wealth inequality among households in a country

1.3.5 A practice and tradition that is unique to a certain culture or society

1.3.6 The inability of a bank to meet its obligations to its depositors and other creditors

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MACROECONOMICS 40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name any TWO methods used to calculate the Gross Domestic Product. (2)

2.1.2 Why is self-interest regarded as a disadvantage in a market economy? (2)

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

EXTRACT FROM THE NATIONAL ACCOUNTS OF SOUTH AFRICA AT CURRENT PRICES	
	R MILLIONS
Consumption of fixed capital	553 222
Gross value added at factor cost	**3 488 407**
Other taxes on production	81 531
Other subsidies on production	9 380
Gross value added at basic prices	**(B)**

South African household consumption expenditure has decreased by 7,2% over the past eight years. Collectively, households spent an estimated 3-trillion rand between November 2022 and November 2023. White households continue to lead in income and spending levels. Stats SA say the latest data highlights the continuing inequalities across race and gender in South Africa.

[Adapted from SARB bulletin & Enca.com; 30 January 2025]

2.2.1 Identify the organization that publishes national accounts data from the text above. (1)

2.2.2 Name the method used to calculate the GDP from the table above. (1)

2.2.3 Briefly describe the term *current prices.* (2)

2.2.4 Explain the impact of income on consumer spending. (2)

2.2.5 Calculate the gross value added at basic prices (**B**).
Show ALL calculations. (4)

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

SOUTH AFRICA'S INFRASTRUCTURE

IMAGE 1 **IMAGE 2**

The government will spend more than R940 billion on infrastructure over the next three years. This funding will revitalise roads and bridges, build dams and waterways, modernise ports and airports.
The primary objective is to empower Eskom, Transnet and other essential state-owned enterprises to operate at their best.

[Source: 2025 SONA and Google images]

2.3.1 Identify an image that is related to Transnet from the above images. (1)

2.3.2 Name the State-owned enterprise responsible for maintaining and upgrading national road networks. (1)

2.3.3 Briefly explain the term *infrastructure.* (2)

2.3.4 Explain the benefits of investing more money in public transport. (2)

2.3.5 Examine the significance of a reliable energy supply for the South African economy. (2 x 2) (4)

2.4 Discuss the classification of gross fixed capital formation. (4 x 2) (8)

2.5 Analyse South Africa's current position in social service delivery. (4 x 2) (8)
[40]

QUESTION 3: ECONOMIC PURSUITS 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO sources of wealth. (2)

3.1.2 Why do developing countries often struggle to achieve significant economic growth? (2)

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

SOUTH AFRICAN GOVERNMENT'S EFFORTS TO REDRESS ECONOMIC INEQUALITY

South Africa's government has implemented various measures to address economic inequality, including social grants, a progressive tax system and affirmative action, but its effectiveness remains a subject of debate. While fiscal policy has reduced poverty and inequality, the disparities remain substantial, with high unemployment and a persistent income gap. Broad-Based Black Economic Empowerment is the policy of the South African government which aims to facilitate broader participation in the economy by black people.

[http://en.m.wikipedia.org/wiki/Black_Economic_Empowerment]

3.2.1 Identify any ONE redress method used to redistribute wealth from the extract above. (1)

3.2.2 Name ONE example of benefits in kind. (1)

3.2.3 Briefly describe the term *economic inequality.* (2)

3.2.4 Differentiate between *land redistribution* and *land restitution* (2)

3.2.5 Examine the challenges associated with implementing Broad-Based Black Economic Empowerment (BBBEE). (2 x 2) (4)

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

FIVE COUNTRIES WITH THE HIGHEST HUMAN DEVELOPMENT INDEX (2025)

COUNTRIES	HDI rank
Switzerland	0.967
Norway	0.966
Iceland	0.959
Hong Kong	0.956
Sweden	0.952

Economic development is assessed using methods established by three organizations namely; the World Bank, the International Monetary Fund (IMF) and the United Nations.

Citizens of countries with a very high level of development enjoy a high standard of living and substantial material wealth. In contrast, citizens of countries with a low level of development face a low standard of living, high poverty rates, and unsafe environments.

3.3.1 Identify an economic challenge of developing nations from the information above. (1)

3.3.2 Name the international organisation that uses the HDI to measure economic development. (1)

3.3.3 Briefly describe the term *economic development.* (2)

3.3.4 What does the Human Development Index score close to one indicate? (2)

3.3.5 Why do developed countries have a high supply of skilled workers? (2 x 2) (4)

3.4 Briefly explain high levels of unemployment and deficient infrastructure as characteristics of developing countries. (2 x 4) (8)

3.5 With the aid of a well labelled Lorenz curve, explain the income distribution in a country with high levels of income inequality. (8)

[40]

QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS

40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO forms of transport infrastructure. (2)

4.1.2 How is income per capita used to measure economic development? (2)

4.2 **DATA RESPONSE**

Study the information below and answer the questions that follow.

ECONOMIC SYSTEM

Individuals or companies with a firm grip on the market may have the potential to influence prices, supply and demand in meaningful ways. This influence can lead to opportunities for innovation and economic growth. However, it's essential to ensure that this power is balanced to promote fairness and equity, helping to reduce income inequality.

[Source: Google images & Meta AI]

4.2.1 Identify the name linked to a centrally planned economy from the cartoon provided above. (1)

4.2.2 Name ONE government responsibility in a mixed economy, as mentioned in the extract above. (1)

4.2.3 Briefly describe the term *economic system.* (2)

4.2.4 Explain competition as one of the advantages of a market economy. (2)

4.2.5 How can service delivery be improved in South Africa? (2 x 2) (4)

4.3 **DATA RESPONSE**

Study the article below and answer the questions that follow.

SOUTH AFRICA'S RECENT GROWTH EXPERIENCE

South Africa's economy grew slowly in four years, with GDP expanding by just 0,6% in 2024, down from 0,7% in 2023. The main factors behind this slow growth include logistical challenges, weak consumer spending, severe drought and declining fixed investment. The official unemployment in South Africa 32,9%, which is a significant burden on the economy and society.

[Adapted from News Central TV: Business Edge – March,2025]

4.3.1 Give any ONE main factor for slow growth from the extract above. (1)

4.3.2 Name the most important indicator used to measure economic growth of a country. (1)

4.3.3 Briefly describe the term *economic growth.* (2)

4.3.4 How can wealth be generated through savings? (2)

4.3.5 Why is economic growth essential (important) for reducing poverty? (2 x 2) (4)

4.4 Briefly explain the economic importance of the tertiary sector. (4 x 2) (8)

4.5 Analyse RDP and JIPSA as South Africa's endeavours (development strategies) to improve economic development. (2 x 4) (8)

[40]

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF THE ESSAY	MARK ALLOCATION
Introduction • A good starting point would be to define a concept or key word that appears in the question. • Include other sentences to support the topic. • Do not include in your introduction any part of the question. • Do not repeat any part of the introduction in the body. • Avoid saying in the introduction what you are going to discuss in the body.	Max. 2
Body **Main part:** Discuss in detail/In-depth discussion/Examine/Critically discuss/ Analyse/Compare/Evaluate/Distinguish/Explain/Assess/Debate.	Max. 26
Additional part: 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.	Max. 10
Conclusion Any relevant higher order conclusion that should include: • A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body • An opinion or valued judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if so required • Recommendations	Max. 2
TOTAL	**40**

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

- Discuss in detail entrepreneurial skills as a factor of production. (26 marks)
- Examine the positive effects of capital deepening (10 marks)

QUESTION 6: ECONOMIC PURSUITS **40 MARKS – 40 MINUTES**

- Discuss in detail the functions of the South Africa's Reserve Bank as a central bank. (26 marks)
- How will the governor of the Reserve Bank use monetary policy to influence the quantity of money of the country? (10 marks)

TOTAL SECTION C: 40
GRAND TOTAL: 150