



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 11

ECONOMICS P2
JUNE 2024

MARKS: 150

TIME: 2 hours



Testpapers.co.za

INSTRUCTIONS AND INFORMATION

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

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. Answer in excess of the required number will NOT be marked.
3. Number the questions correctly according to the numbering system used in the question paper.
4. Write the question number above each answer.
5. Read the questions carefully.
6. Start EACH question on a NEW page.
7. Leave 2–3 lines between subsections of questions.
8. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the 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 answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.8) in the ANSWER BOOK, e.g. 1.1.9 D.

1.1.1 When firms are able to determine their own prices, they are known as ...

- A price makers.
- B perfect markets.
- C price takers.
- D non-price competitors.

1.1.2 When consumers see the ... of a product, they know exactly how much they will pay.

- A barcode
- B relative price
- C value
- D absolute price

1.1.3 Capital are sold in the ... market.

- A product
- B foreign
- C factor
- D retail

1.1.4 ... is the difference between total revenue from sales and explicit costs.

- A Normal profit
- B Economic profit
- C Natural profit
- D Economic loss

1.1.5 Profit will be maximised when TR lies above ...

- A AR.
- B TC.
- C MR.
- D MC.

1.1.6 When ... announce an increase in their prices, other smaller companies will follow.

- A regulators
- B capitalists
- C loss leaders
- D price leaders

1.1.7 All consumers have a ... of resources.

- A scarcity
- B abundance
- C unlimited supply
- D profitable amount

1.1.8 A negative income elasticity coefficient tells us that the product is a/an ... good.

- A limited
- B unlimited
- C inferior
- D normal

(8 x 2) (16)

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

COLUMN A	COLUMN B
1.2.1 Homogenous	A payments of money made for the factors of production and other inputs that are used in the production process
1.2.2 Negotiate	
1.2.3 Average cost	B a market structure with a large single seller and many buyers
1.2.4 Total utility	C when income rises, larger quantities are demanded
1.2.5 Explicit costs	D the value is more than one, but less than infinity
1.2.6 Relatively elastic	E products are standardised
1.2.7 Normal good	F total satisfaction gained by adding up all the utils
1.2.8 Substitutes	G buyers and sellers discuss prices
	H total cost divided the by total number of units produced
	I positive cross elasticity of demand

(8 x 1) (8)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 The production of one good leads to the production of other goods in the same process

1.3.2 Production processes focussed on manual production by people

1.3.3 The income earned by a business from the sale of goods and services

1.3.4 The cost of producing one more unit of a product

1.3.5 Price decrease in one product leads to an increased demand for another product

1.3.6 The impact of changes in prices on the demand for goods (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MICROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO examples of complimentary products. (2 x 1) (2)

2.1.2 Explain the relationship between the product and the factor markets. (1 x 2) (2)

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



[Source: <https://www.dailymaverick.co.za>]

2.2.1 Identify the market structure in the cartoon above. (1)

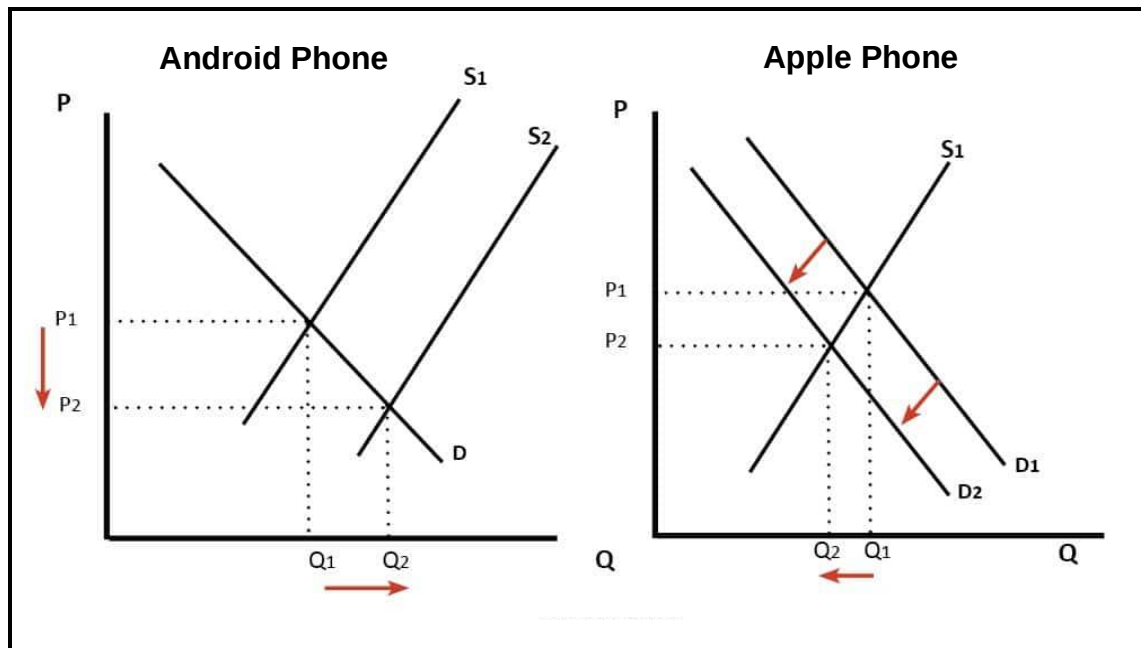
2.2.2 Name the service provided by the state owned enterprise in the cartoon above. (1)

2.2.3 Briefly describe the term *market structure*. (2)

2.2.4 Explain how price is determined in perfect competition. (2)

2.2.5 How can competition be used to increase the standard of living? (2 x 2) (4)

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



[Source: <https://www.economicshelp.org>]

- 2.3.1 Name the TWO products that are compared in the graph above. (1)
- 2.3.2 Identify the type of relationship between the products in the graph above. (1)
- 2.3.3 Briefly describe the term *relative prices*. (2)
- 2.3.4 Why would the price of products increase if the price of fuel increases? (2)
- 2.3.5 Explain what happens to the demand for Apple phones when there is a decrease in the price of Android phones? (2 x 2) (4)
- 2.4 With the aid of a graph discuss how oligopolies set prices in the market. (2 x 4) (8)
- 2.5 Assess the importance of the availability of information as a characteristic of markets. (4 x 2) (8)
- [40]**

QUESTION 3: MICROECONOMICS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name the TWO contributors to total cost. (2 x 1) (2)

3.1.2 How do businesses benefit from changes in the long run? (1 x 2) (2)

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

[Adapted from: <https://za.pinterest.com>]

3.2.1 What are indicated by the notes on the mirror in the cartoon above? (1)

3.2.2 What is the main objective of any private business? (1)

3.2.3 Briefly describe the term *sales maximising*. (2)

3.2.4 What is the biggest determinant of a business's goals or objectives? (2)

3.2.5 How will big business implement any TWO SMART objectives. (2 x 2) (4)

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

TOTAL REVENUE SCHEDULE				
Quantity	Price	Total Revenue	Average Revenue	Marginal Revenue
0	R0	R0	R0	R0
10	R290	R2 900	R290	R290
30	R240	R7 200	R240	R215
70	R200	R14 000	R200	R170
90	R180	R16 200	R180	A
110	R130	R14 300	R130	-R95
120	R110	R13 200	R110	-R110

3.3.1 What is depicted in the table above? (1)

3.3.2 How many units produces the largest total revenue in the table above? (1)

3.3.3 Briefly describe the term *normal profit*. (2)

3.3.4 What is the main determinants of changes in revenue? (2)

3.3.5 Calculate **A**, show ALL calculations. (2 x 2) (4)

3.4 Distinguish between *economies of scale* and *diseconomies of scale*. (2 x 4) (8)

3.5 How does the current South African economic landscape impact on the cost of production? (4 x 2) (8)

[40]

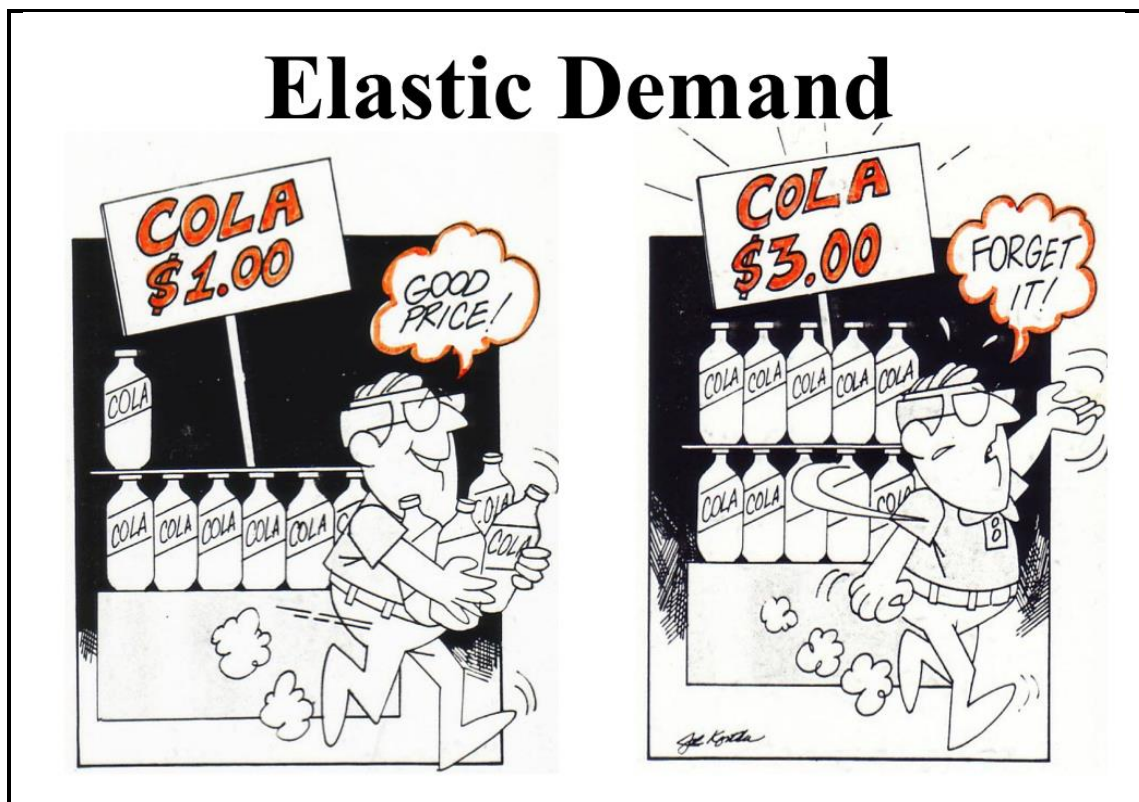
QUESTION 4: MICROECONOMICS**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name any TWO products where demand will not change when prices decrease. (2 x 1) (2)

4.1.2 What influences the price of fuel in South Africa? (1 x 2) (2)

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

[Source: <https://oppysportsblog.wordpress.com>]

4.2.1 What makes the consumer decide NOT to buy the product advertised in the cartoon above? (1)

4.2.2 Name the tax that can increase the price of cold drinks. (1)

4.2.3 Briefly describe the term *price elasticity of supply*. (2)

4.2.4 What will happen when the supply of a product is inelastic to changes in prices? (2)

4.2.5 How can changes in income affect the elasticity of demand? (2 x 2) (4)

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

JOHN BATES CLARK, MARGINAL UTILITY

Give to a man one unit of the article **A**, and then another and another, till he has ten of them. While each of the articles in the series may do him some good, the amount of the benefit will steadily diminish, as the number of the articles grows larger, and the tenth one will benefit him least of all.

In order to add to his stock of **A**, the man will never sacrifice more than what is, in his view, a fair offset for the benefit that he will get from the tenth and last unit of it.

In order that an article may be wealth at all, each unit of the supply of it must, as we have seen, be of some importance to its owner. The law that we have just cited marks the last unit of the supply as the least important unit.

[Source: <https://www.econlib.org>]

- 4.3.1 Name the economic concept explained in the extract above. (1)
- 4.3.2 What is seen as the least important unit supplied in the extract above? (1)
- 4.3.3 Briefly describe the term *consumer equilibrium*. (2)
- 4.3.4 What is the relationship between *scarcity* and *utility*? (2)
- 4.3.5 Explain the law of *diminishing marginal utility*. (2 x 2) (4)
- 4.4 Discuss the factors influencing the price elasticity of supply. (4 x 2) (8)
- 4.5 Examine factors that can influence monopolies when setting prices. (4 x 2) (8)
- [40]**

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF THE ESSAY	MARK ALLOCATION
Introduction The introduction is the lower-order response. • A good starting point would be to define the main concept related to the question topic. • Do NOT include any part of the question in the introduction. • Do NOT repeat any part of the introduction in the body. • Avoid mentioning 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/Compare/Distinguish/Differentiate/Explain/Draw a graph and explain/Complete the given graph/Assess/Debate. A maximum of 8 marks may be allocated for headings/examples.	Max. 26
Additional Part: Critically discuss/Evaluate/Critically evaluate/Debate/Deduce/Compare/Interpret/How/Suggest/Analyse A maximum of 2 marks may be allocated for mere listing of facts.	Max. 10
Conclusion Any higher-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory view point with motivation • Recommendations	Max.: 2
TOTAL:	40

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

- Discuss in detail the demand and supply relationship of compliments with the aid of graphs. (26 marks)
- How can the private supply of electricity assist in relieving the impact of load shedding? (10 marks) **[40]**

QUESTION 6: MICROECONOMICS**40 MARKS – 40 MINUTES**

- Discuss in detail the FIVE types of price elasticity of demand (PED). (26 marks)
- Analyse the impact of the price of electricity on the demand for goods and services. (10 marks) **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150