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 P2

MARKS: **150**

TIME: **2 hours**

This question paper consists of 12 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. Number the answers correctly according to the numbering system used in this question paper.

3. Write the number of the question above each answer.

4. Read the questions carefully and start EACH question on a NEW page.

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

6. 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.

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

8. Use only black or blue ink.

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

10. Write neatly and legibly.

SECTION A: (COMPULSORY) 30 MARKS – 20 MINUTES

QUESTION 1

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, for example 1.1.9 D.

1.1.1 The top segment of an oligopolist demand curve is …

A relatively elastic.
B relatively inelastic.
C unitary elastic.
D perfectly elastic.

1.1.2 Total revenue is maximised at the point where …

A marginal revenue = 0.
B total revenue = 100.
C marginal costs = 100.
D total costs = 0.

1.1.3 The price of a product compared to another product:

A Equilibrium price
B Market price
C Relative price
D Absolute price

1.1.4 Costs that remain unchanged as output varies:

A Fixed costs
B Total fixed costs
C Marginal costs
D Variable costs

1.1.5 Global warming is the result of the emission of … gases into the atmosphere.

A brown
B greenhouse
C natural
D hydrogen

1.1.6 An economic system that is a contributor to the North-South divide is known as …

A mixed economy.
B socialism.
C federal system.
D capitalism.

1.1.7 The process by which the top layer of soil is worn away and transported from one place to another.

A Pollution
B Deforestation
C Soil erosion
D Decomposition

1.1.8 Investment in the form of buildings, machines and equipment in a foreign country is known as ...

A portfolio investment.
B foreign direct investment.
C offshore investment.
D forex investment. (8 x 2) (16)

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

COLUMN A	COLUMN B
1.2.1 Homogeneous	A disputes over international trade agreements
1.2.2 Marginal revenue	B products sold in a perfect market and pure oligopoly
1.2.3 Derived demand	C knowledge that has practical application for the daily survival of local communities
1.2.4 Recycling	D grouping together of countries to get more control over the global economy
1.2.5 Short run	E additional receipts earned for every additional unit sold
1.2.6 United Nations	F the collection and often reprocessing of discarded materials for re-use
1.2.7 Indigenous knowledge	G only needed for what it can produce
1.2.8 Trade blocks	H incurred by consumers when they buy goods
	I the period of time where at least one input factor is fixed

(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 A situation where the monopolistic competitor's total costs are equal to total revenue

1.3.2 The price quoted for a product and a signal to buyers of what they are expected to pay

1.3.3 The total satisfaction gained from consuming a product

1.3.4 The variety of plant and animal life in a specific area

1.3.5 Resources that may become exhausted if they are not managed sustainably

1.3.6 An international agreement that manages nuclear waste (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

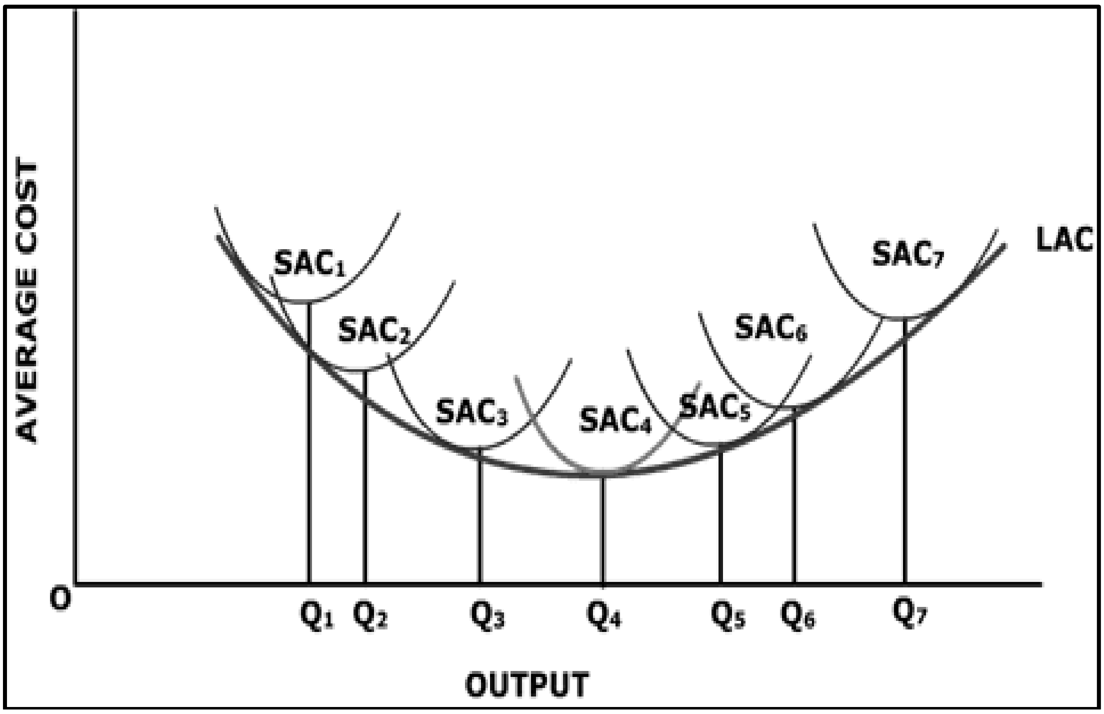
QUESTION 2: MICROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO revenue curves in the long run. (2 x 1) (2)

2.1.2 Why is the demand for habit-forming goods price inelastic? (1 x 2) (2)

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



2.2.1 Identify the curve that represents long run average costs in the diagram above. (1)

2.2.2 Name any ONE component of total costs. (1)

2.2.3 Briefly describe the term *diseconomies of scale*. (2)

2.2.4 What do economies of scale imply? (2)

2.2.5 How do firms benefit from economies of scale? (2 x 2) (4)

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

A local bakery, "The Bread Basket," decided to change the prices of two of their most popular products, a luxurious cherry loaf and a basic white bread, to observe the impact on sales. The following data was collected over one month.

Product	Original Price (per unit)	Original Quantity Sold (units per month)	New Price (per unit)	New Quantity Sold (units per month)
Luxurious Cherry Loaf	R30	500	R35	350
Basic White Bread	R15	1 200	R17	1 150

2.3.1 Identify the price of the luxurious cherry loaf before the increase. (1)

2.3.2 Identify an inferior product in the table above. (1)

2.3.3 Briefly describe the term *price elasticity of demand.* (2)

2.3.4 Why is the price elasticity of demand for luxurious cherry loaf different to the price elasticity of basic white bread? (2)

2.3.5 Calculate the price elasticity of demand (PED) for the basic white bread. Show ALL calculations. (2 x 2) (4)

2.4 With the aid of a graph, explain how a firm can determine its profit maximisation level with the use of the TR-TC approach. (4 x 2) (8)

2.5 How is the knowledge of price elasticity of demand beneficial to producers? (4 x 2) (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO brown environmental issues. (2 x 1) (2)

3.1.2 How are developing countries negatively affected by globalisation? (2)

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

FISHING QUOTAS "DESIGNED TO SQUEEZE OUT THE POOR"

The quota system implemented by the government appears to be designed to keep small fishing companies and poor fishermen out, says an action group.

Hlanganani Fishing Business Forum chairperson said, "Firstly, you have the bona-fide fishermen who failed to get quotas and are now sitting without an income. Then you have the small guys who were given quotas, but the costs of using those quotas are so high, they cannot make a living out of it. Some allocations are just too small for people to really make a living from and many bona-fide fishermen sit on the beach, while people who have never been fishermen go out and catch."

But Marine and Coastal Management spokesperson said, "The hard reality is that our marine resources are dwindling and it is impossible to allocate rights to all. We are investigating various possible alternative job opportunities for these communities. We are planning the development of harbours and we are looking at the possibilities of ecotourism."

[Adapted from www.iol.co.za]

3.2.1 Identify the need for government to impose fishing quotas, according to the article above. (1)

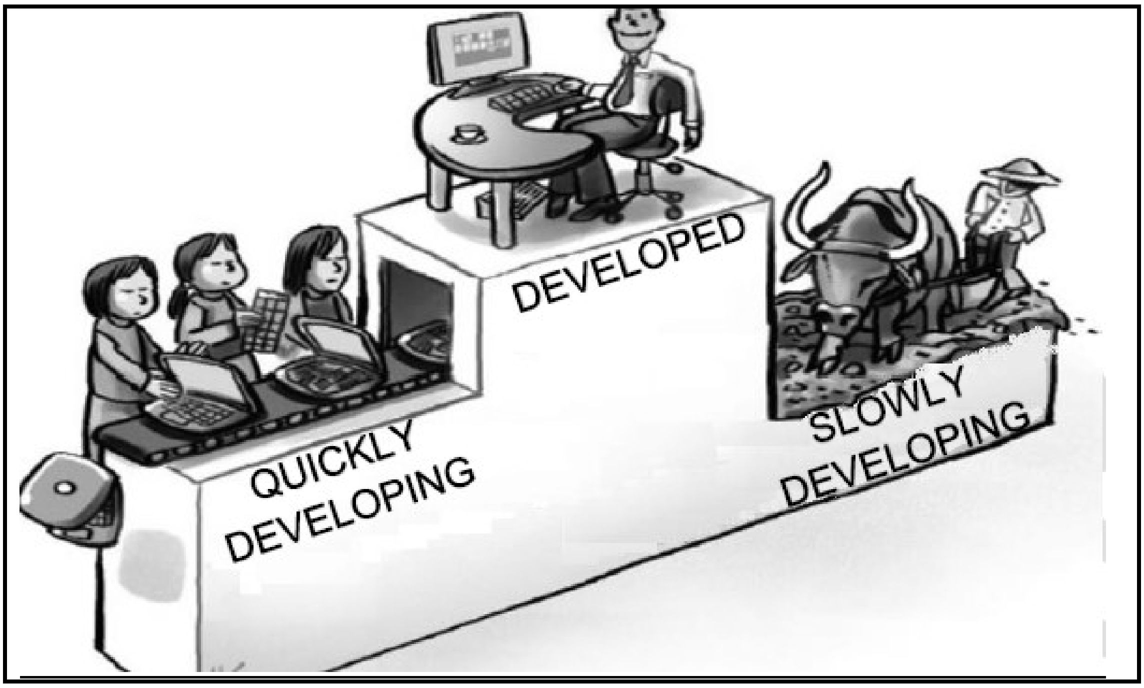
3.2.2 Name ONE strategy which government plans to use to create alternative jobs for the communities. (1)

3.2.3 Briefly define the term *quotas.* (2)

3.2.4 Outline ONE reason why the poor fisherman will not benefit from these quotas. (2)

3.2.5 Explain how marine resources can be prevented from becoming extinct. (2 x 2) (4)

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



3.3.1 Identify the type of economy in which the primary sector will contribute the most to GDP. (1)

3.3.2 Name any ONE fast developing country in Africa. (1)

3.3.3 Briefly describe the term *North-South divide.* (2)

3.3.4 Why is it important to protect new technologies and patents? (2)

3.3.5 Why is it beneficial for a country to engage in free trade? (4)

3.4 Distinguish between *BRICS* and *G20* trade groupings. (8)

3.5 Examine the negative impact of globalisation on the South African economy. (4 x 2) (8)

[40]

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO objectives of a business. (2 x 1) (2)

4.1.2 How does the development of technology cause globalisation? (2)

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

4.2.1 Identify the type of elasticity in the picture above. (1)

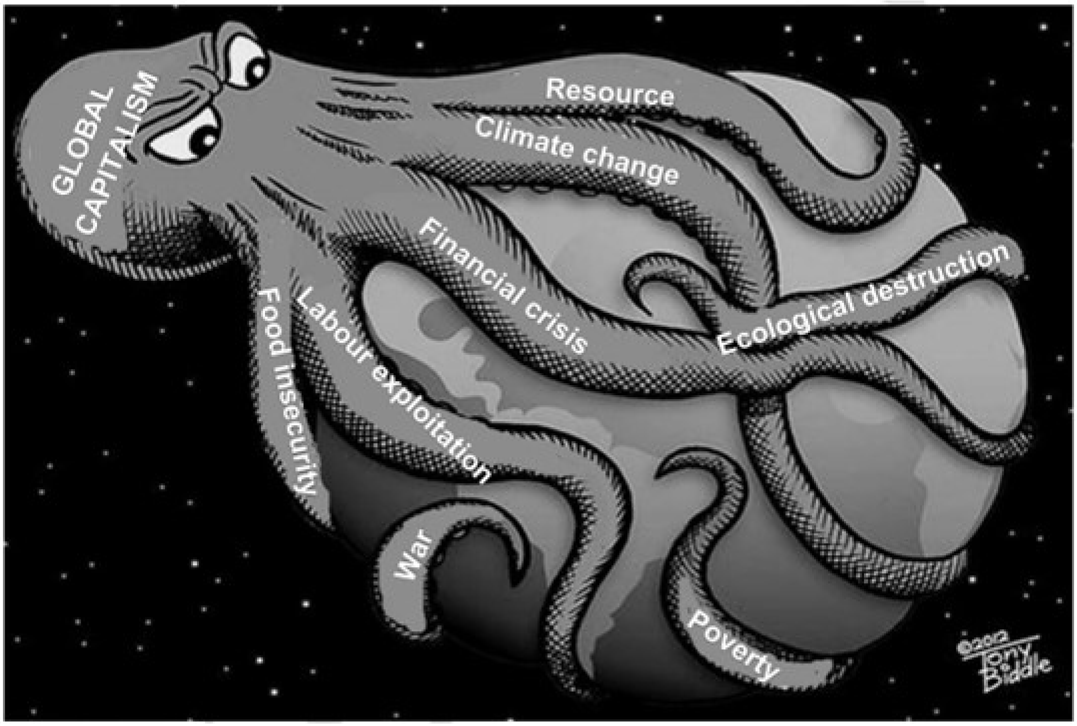
4.2.2 Name any type of price elasticity of demand. (1)

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

4.2.4 Why does the demand for normal goods increase when income levels increase? (2)

4.2.5 Explain why price elasticity of demand has a negative sign. (2 x 2) (4)

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



4.3.1 Identify ONE consequence of globalisation from the information above. (1)

4.3.2 Which global institution assists countries in financial crisis? (1)

4.3.3 Briefly describe the term *globalisation.* (2)

4.3.4 Explain standardisation as a cause of globalisation. (2)

4.3.5 How does international integration positively impact economic growth? (4)

4.4 Briefly explain the trend of the marginal cost curve. (4 x 2) (8)

4.5 What are the advantages of promoting globalisation? (4 x 2) (8)
[40]

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows.

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a 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 your introduction. • 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/Differentiate/Explain	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/How/Suggest	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 viewpoint with motivation, if required • Recommendations	Max. 2
TOTAL	**40**

QUESTION 5: MICROECONOMICS 40 MARKS – 40 MINUTES

- Discuss in detail the demand and supply relationships with the aid of graphs (substitutes and complements). (26)
- Why is the factor market necessary in the economy? (10) **[40]**

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 40 MINUTES

- Discuss in detail the problems threatening the environment. (26)
- Evaluate South Africa's implementation of the World Summit on Sustainable Development (WSSD) goals. (10) **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150