



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ECONOMICS P2

MAY/JUNE 2024

Stanmorephysics.com

MARKS: 150

TIME: 2 hours

This question paper consists of 13 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. Number the answers correctly according to the numbering system used in this 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 The value of inputs that are owned by an entrepreneur and used in the production process is called ... cost.

- A explicit
- B implicit
- C total
- D average

1.1.2 When average revenue is greater than average cost, the firm makes an/a ...

- A economic loss.
- B normal profit.
- C total loss.
- D economic profit.

1.1.3 A market that is dominated by two producers is known as a/an ...

- A duopoly.
- B monopoly.
- C oligopoly.
- D trigopoly.

1.1.4 When the market fails to supply the product combination that is needed by consumers, it is called ... inefficiency.

- A pareto
- B productive
- C allocative
- D technical

1.1.5 An index that measures prices of imported goods as they enter the country is known as ... price index.

- A consumer
- B basket
- C market
- D producer



1.1.6

Religious events form part of ... tourism.

- A cultural
- B inclusive
- C paleo
- D local

1.1.7

Natural resources that are managed in such a way that they are available for present and future generations are referred to as ...

- A pollution.
- B conservation.
- C preservation.
- D renewable.

1.1.8

The international agreement that aims at reducing chemical waste is called the ...

- A Kyoto Protocol.
- B Rio de Janeiro Summit.
- C Stockholm Protocol.
- D Basel Convention.

(8 x 2) (16) _



- 1.2 Choose a description from COLUMN B that matches the 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, e.g. 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Industry	A set below market equilibrium to make goods more affordable
1.2.2 Deregulation	B traditions, rituals or music that are unique to a given culture or society
1.2.3 Heterogeneous	C a situation where total revenue is equal to total cost
1.2.4 Maximum price	D a process whereby soil and rocks are removed from the Earth's surface due to wind and water
1.2.5 Core inflation	E the removal of unnecessary laws and regulations that restrict competition in the market
1.2.6 Indigenous knowledge system	F sum of all individual businesses producing a similar kind of product
1.2.7 Biodiversity	G products that are different in appearance, size and quality
1.2.8 Erosion	H excludes the items from the CPI basket that are highly volatile or prices affected by government policy
	I a variety of plant and animal life within an ecosystem

(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 cost that remains the same even if the output changes

1.3.2 The additional revenue earned by selling one extra unit of a product

1.3.3 When identical goods and services are sold at various prices to different consumers

1.3.4 Low growth, high unemployment and high inflation rate occurring at the same time

1.3.5 The activity of people travelling to and staying in places outside their usual environment for no longer than one year

1.3.6 The granting of licences to businesses to set limits for pollution

(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 Give any TWO examples of fixed costs. (2 x 1) (2)

2.1.2 Why is the demand curve horizontal for an individual firm in a perfect market? (1 x 2) (2)

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

INQUIRY INTO THE ONLINE MARKET IN SOUTH AFRICA

In response to the growing importance of the online economy and competition, the Competition Commission launched an investigation into competition and participation in the online economy in 2021.

In July 2022 the Competition Commission released a report that highlighted the lack of effective competition in the fees charged by app developers leading to high prices.

The commission recommended that certain considerations be taken into account regarding payment options for goods and services and how they are priced. The matter has since been referred to the Competition Tribunal.

[Adapted from *Business Tech*]

2.2.1 Identify ONE reason for launching an enquiry into the online market in South Africa. (1)

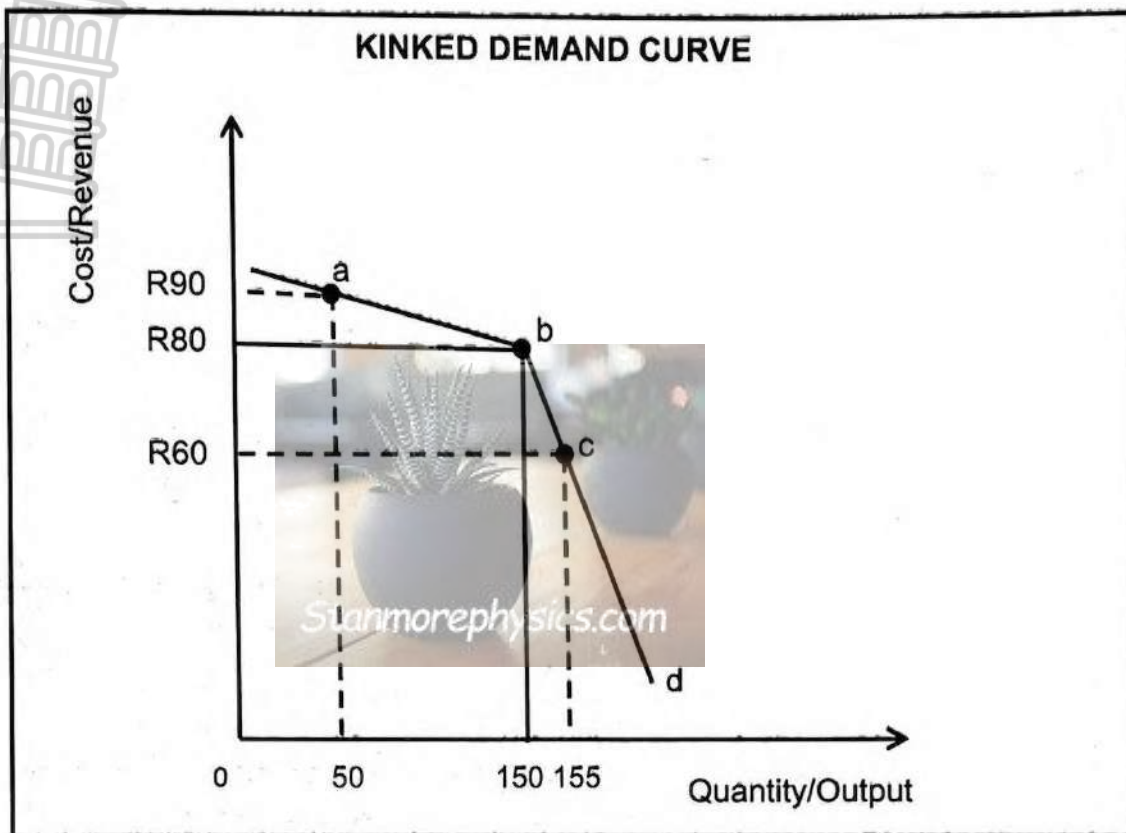
2.2.2 Name the competition institution that has a similar status to that of a high court in South Africa. (1)

2.2.3 Briefly describe the term *price fixing*. (2)

2.2.4 Explain the role of the Competition Tribunal. (2)

2.2.5 How has the Competition Act, 1998 (Act 89 of 1998) benefited (advantaged) South Africa? (2 x 2) (4)

2.3



- | | | |
|-------|---|-------------|
| 2.3.1 | Identify the market price in the graph above. | (1) |
| 2.3.2 | Name the type of price elasticity represented by the lower part (b–d) of the kinked demand curve. | (1) |
| 2.3.3 | Briefly describe the term <i>oligopoly</i> . | (2) |
| 2.3.4 | Explain the impact of price competition on the oligopoly market. | (2) |
| 2.3.5 | How do firms operating in an oligopoly market increase their market share? | (2 x 2) (4) |
| 2.4 | Differentiate between a <i>natural monopoly</i> and an <i>artificial monopoly</i> . | (2 x 4) (8) |
| 2.5 | Analyse the effect of increased competition on the market. | (4 x 2) (8) |

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 State any TWO effects of tourism. (1 x 2) (2)

3.1.2 Why are businesses reluctant (unwilling) to change to more environmentally friendly production methods? (1 x 2) (2)

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

TOURISM RECEIPTS AND EXPENDITURE (Rm)						
	2017	2018	2019	2020	2021	
INBOUND TOURISM						
Total international receipts	9 706	9 790	9 064	2 717	2 113	
OUTBOUND TOURISM						
Total international expenditure	6 068	6 348	5 866	1 594	1 669	

[Adapted from [oecd-library.org](https://www.oecd-ilibrary.org/)]

3.2.1 Identify in the table above the term that refers to tourists visiting other countries. (1)

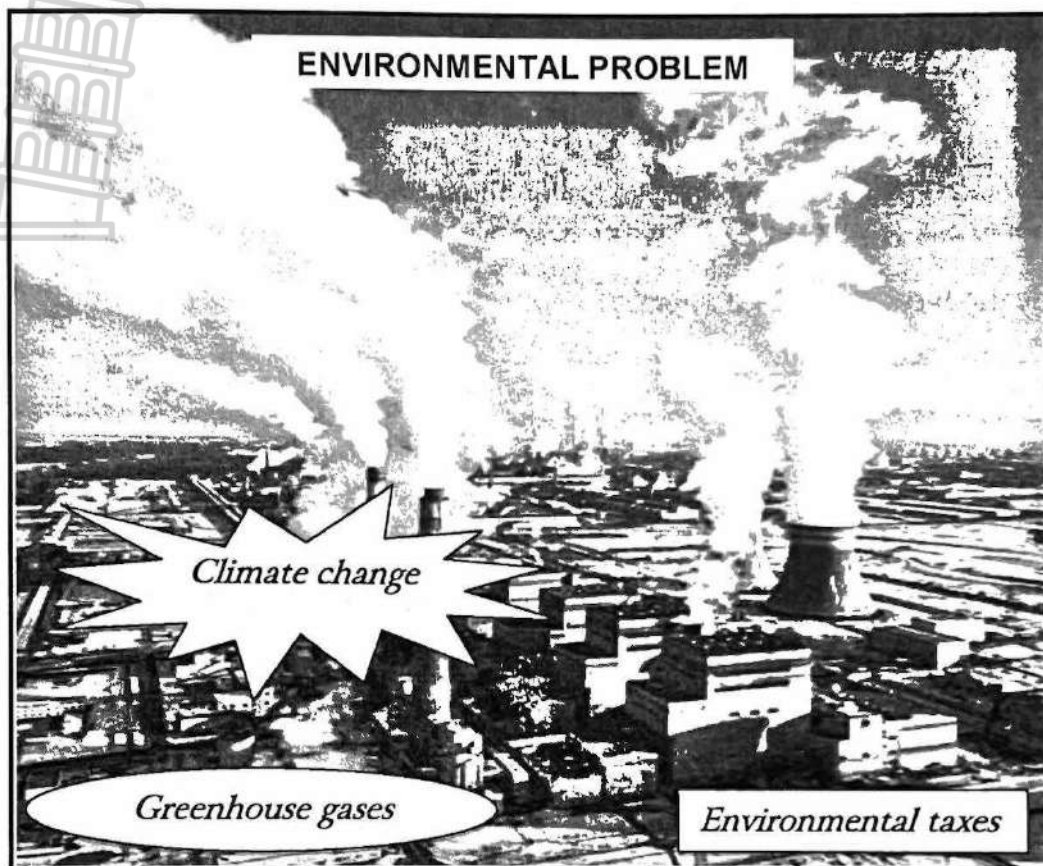
3.2.2 Name ONE criterion (way) that is used to measure tourism. (1)

3.2.3 Briefly describe the term *transit tourism*. (2)

3.2.4 Why do people from other countries prefer South Africa as a tourist destination? (2)

3.2.5 How can an increase in tourism activities negatively affect the environment? (2 x 2) (4)

- 3.3 Study the picture below and answer the questions that follow.



[Source: www.istockphoto.com]

- 3.3.1 What type of pollution is depicted in the picture above? (1)
- 3.3.2 Give any ONE example of a renewable source of energy. (1)
- 3.3.3 Briefly describe the term *environmental sustainability*. (2)
- 3.3.4 Explain the effect of deforestation on the environment. (2)
- 3.3.5 How can pollution cause climate change? (2 x 2) (4)
- 3.4 Briefly discuss *marketing* and *spatial distribution* as policy suggestions to promote tourism. (2 x 4) (8)
- 3.5 How can the levying of taxes ensure sustainable use of the environment? (4 x 2) (8)
- [40]**

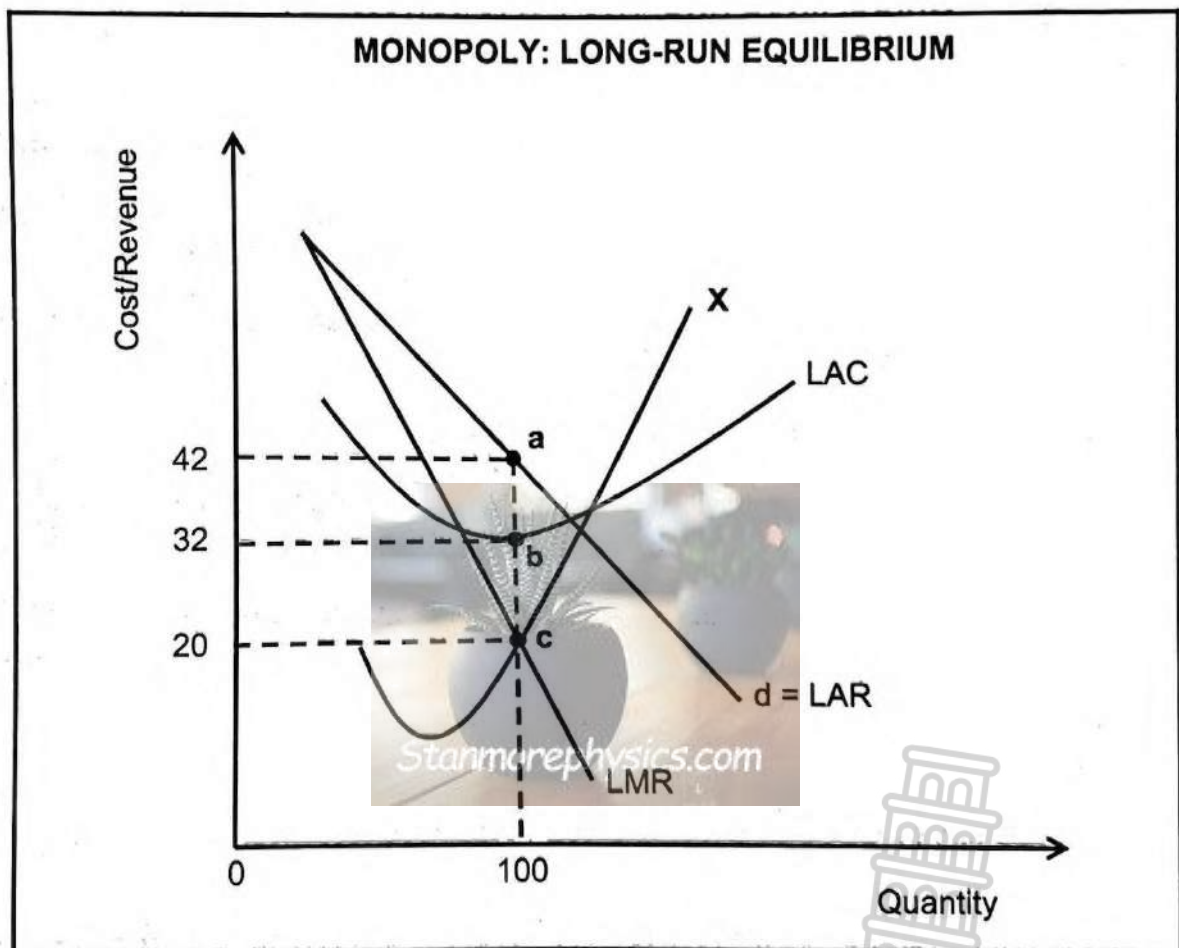
QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO World Heritage Sites in South Africa. (2 x 1) (2)

4.1.2 Why would a monopoly be unwilling to charge excessively high prices for their products? (1 x 2) (2)

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



4.2.1 Identify the label for the profit maximising point in the graph above. (1)

4.2.2 Label the curve represented by the letter X. (1)

4.2.3 Briefly describe the term *long run*. (2)

4.2.4 Why is the position of the marginal revenue (LMR) curve below the average revenue (LAR) curve? (2)

4.2.5 Calculate the profit/loss that is made by the firm. Show ALL calculations. (4)

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

LOSS OF BIODIVERSITY IS A GLOBAL PHENOMENON

The loss and degradation of South Africa's biodiversity has serious implications for society and the economy.

Global biodiversity is being lost much faster than natural extinction due to, among others, changes in land use, unsustainable use of natural resources, invasive alien species, climate change, population growth, urban development and pollution.

South Africa has a well-developed and progressive policy framework for biodiversity management.

[Source: www.google.co.za]

- 4.3.1 Identify the term in the extract that relates to the introduction/disposal of waste material into the environment. (1)
- 4.3.2 Which international agreement addresses the extinction of endangered species? (1)
- 4.3.3 Briefly describe the term *preservation*. (2)
- 4.3.4 Explain the unsustainable use of natural resources as a contributing factor to the loss of biodiversity. (2)
- 4.3.5 Why is hazardous waste regarded as harmful to the environment? (2 x 2) (4)
- 4.4 With the aid of a well-labelled graph, explain normal profit for a perfectly competitive firm. (8)
- 4.5 How does infrastructure promote domestic tourism in South Africa? (4 x 2) (8)

[40]

TOTAL SECTION B: 80

SECTION C

Answer any ONE

For answer write

Answer any ONE of the two questions in 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 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/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/Assess/Debate A maximum of 8 marks may be allocated for headings/examples.	Max. 26
Additional part: Critically discuss/Evaluate/Critically evaluate/Deduce/Compare/Distinguish/Suggest/Interpret/Debate/How 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 valued 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 causes of market failure. (26)
 - Analyse the impact of minimum prices in the economy. (10)
- [40]**

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES

- Discuss in detail the consequences of Inflation. (26)
 - How can the continued stages of load-shedding cause Inflation? (10)
- [40]**

TOTAL SECTION C:	40
GRAND TOTAL:	150