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Province of the
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EDUCATION

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Provinsie van die Oos Kaap: Department van Onderwys
Porafensie Ya Kapa Botjahabela: Lefapha la Thuto

NATIONAL SENIOR CERTIFICATE

GRADE 12

SEPTEMBER 2026

ECONOMICS P2

MARKS: **150**

TIME: **2 hours**

This question paper consists of 12 pages.

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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.

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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 revenue derived from the sale of one additional unit of a product is called … revenue.

A average
B extra
C total
D marginal

1.1.2 The decision of one company influences the decisions of other companies.

A Collusion
B Mutual dependance
C Cartel
D Price leadership

1.1.3 When the types and quantities of goods or services that consumers prefer, are produced.

A Producer surplus
B Productive efficiency
C Allocative efficiency
D Technical efficiency

1.1.4 A firm that plays an insignificant role in the determination of price in the market is known as a ...

A oligopolist.
B monopolist.
C price-maker.
D price-taker.

1.1.5 A situation where prices rise so rapidly that people lose confidence in the value of money can be regarded as …

A inflation.
B stagflation.
C hyperinflation.
D headline inflation

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1.1.6 When tourists visit South African game farms, it is referred to as … tourism.

A eco-
B business
C cultural
D outbound

1.1.7 The command and control approach that focuses on the environmental impact of pollution is called …

A quantity standards.
B quality standards.
C a voluntary agreement.
D the Rio+20 Agreement

1.1.8 The process where trees are removed from the land and not replaced is known as …

A degradation.
B erosion.
C deforestation.
D recycling. (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, for example 1.2.9.J.

COLUMN A		COLUMN B	
1.2.1	Market	A	increase in salaries that results in workers paying a higher income tax rate
1.2.2	Perfect market	B	imposed on the output of goods that generates external environmental cost
1.2.3	Sunk costs	C	traditions, rituals or music that are unique to a given culture or society
1.2.4	Merit goods	D	firms that have control over the market price
1.2.5	Core inflation	E	mechanism that brings together buyers and sellers of goods and services
1.2.6	Bracket creep	F	these are undersupplied by the market but beneficial to society
1.2.7	Indigenous knowledge system	G	excludes items from the CPI basket that show high price volatility
1.2.8	Green taxes	H	market structure with many firms selling homogeneous products
		I	cannot be recovered even if the business closes down

(8 x 1) (8)

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

1.3.1 The period of production in which at least one of the factors of production is fixed

1.3.2 A market in which illegal goods are bought and sold

1.3.3 The cost to society that is not included in the market price

1.3.4 Tourists from other countries who come to South Africa to visit places of interest

1.3.5 Type of inflation where the aggregate demand for goods and services exceeds the aggregate supply

1.3.6 The ability of an environment to survive its use for economic activity

(6 x 1) (6)

TOTAL SECTION A: 30

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SECTION B

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

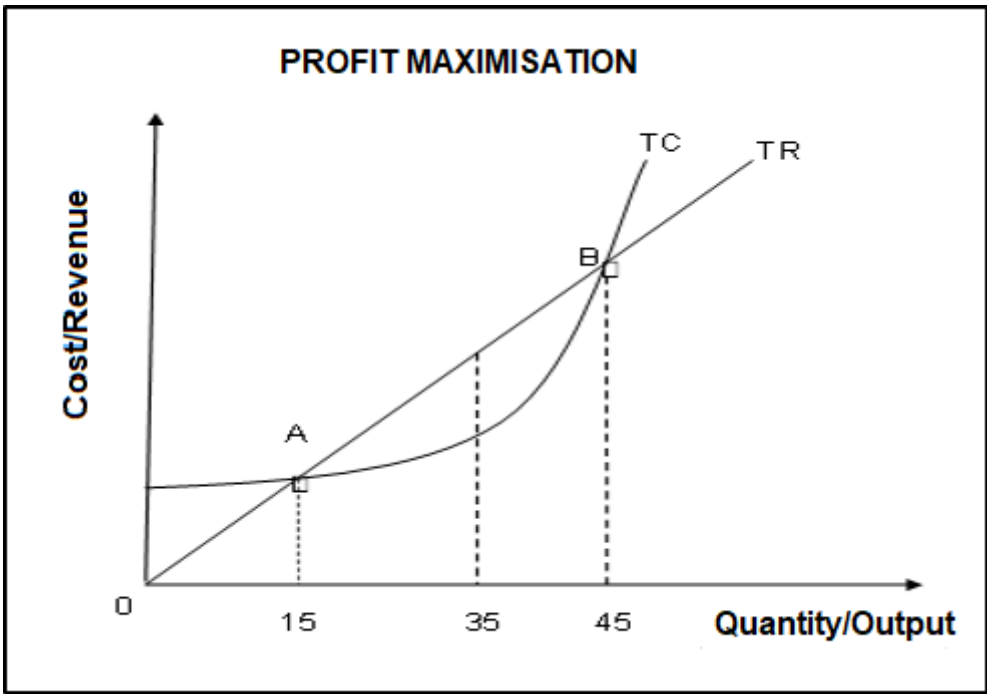
QUESTION 2: MICROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name TWO conditions of perfect markets. (2 x 1) (2)

2.1.2 How is the existence of cartels affecting the economy? (2)

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



2.2.1 Identify normal profit in the graph above. (1)

2.2.2 Name any ONE total cost component. (1)

2.2.3 Briefly describe the term *explicit cost*. (2)

2.2.4 Why would firms incur costs even when the output is zero? (2)

2.2.5 Use the graph above to explain how profit maximisation is achieved by the firm. (2 x 2) (4)

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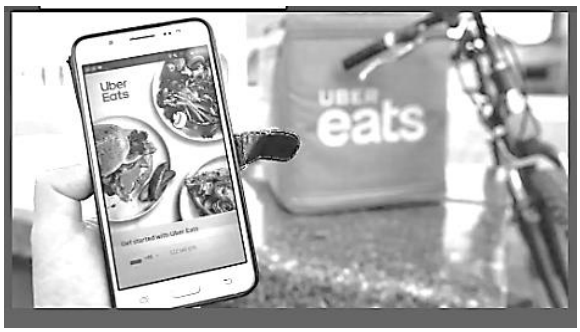
2.3 Study the extract below and answer the questions that follow.

UNPACKING UBER EATS SOUTH AFRICA 2025 CRAVINGS REPORT



The 2025 Uber Eats Cravings Report has revealed that South Africans are using delivery apps for more than just a quick meal.
According to the data, the platform has become a medium for "culture, care, and connection," with users sending everything from all-caps special requests to poetic love notes alongside their orders.
While grocery delivery is on the rise, fried chicken remains the country's undisputed favourite, dominating the order charts in every major city for another consecutive year.

[Adapted from www.inboundsa.com]

2.3.1 Identify the non-price strategy mentioned in the extract above. (1)

2.3.2 Give ONE example of a business operating under monopolistic competition. (1)

2.3.3 Briefly describe the concept *non-price competition.* (2)

2.3.4 Explain why monopolistic competition is referred to as a hybrid market structure. (2)

2.3.5 How does monopolistic competition achieve brand loyalty? (2 x 2) (4)

2.4 Briefly explain how a perfect competitor will find it difficult to earn an economic profit in the long run. (4 x 2) (8)

2.5 Analyse the negative impact of collusion in the economy? (4 x 2) (8)

[40]

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QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

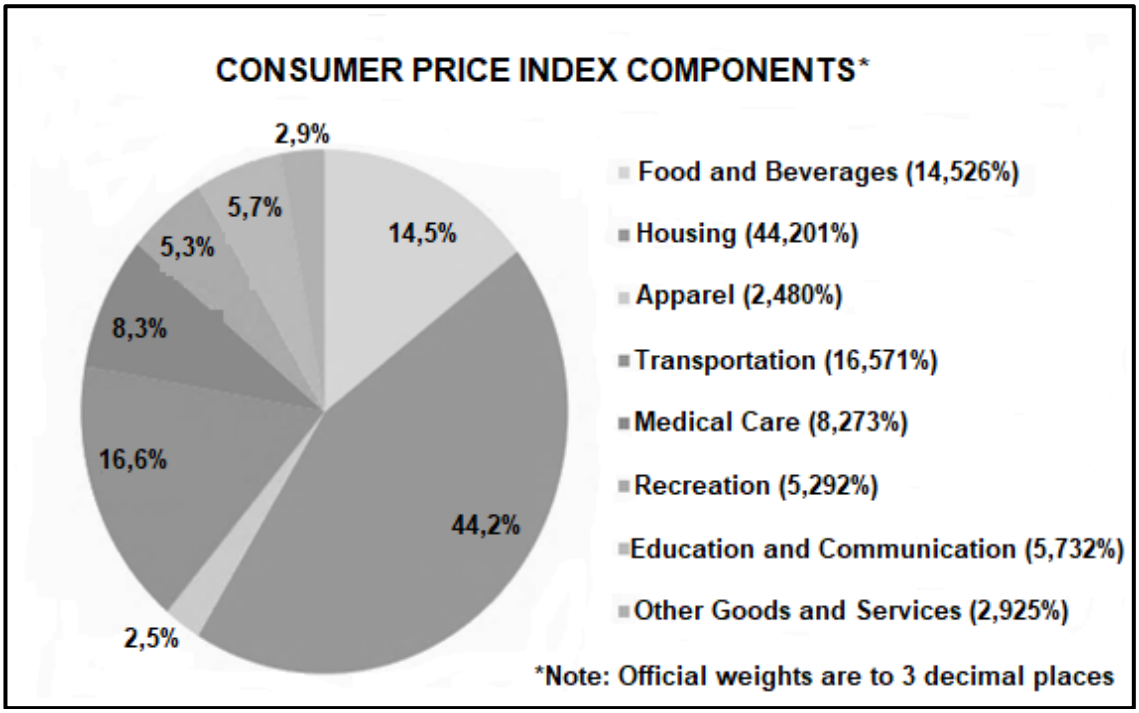
40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO monetary measures that can be used to combat inflation. (2)

3.1.2 How does pollution lead to the loss of biodiversity? (1 x 2) (2)

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



[Source: BLS; The most recent annual reweighting was in December 2024]

3.2.1 Identify any ONE component that is within the inflation targeting in the graph above. (1)

3.2.2 What is the revised inflation targeting in South Africa? (1)

3.2.3 Briefly describe the term *inflation targeting*. (2)

3.2.4 How will an increase in the inflation rate disadvantage low-income earners? (2)

3.2.5 How can price instability affect the economy negatively? (2 x 2) (4)

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

CLIMATE CHANGE PUBLIC AWARENESS AND EDUCATION

Vital to the achievement of South Africa's climate change response objectives, is the informed participation of all stakeholders in South Africa's climate change response; enabled by enhanced awareness and understanding of climate change causes. As part of the efforts to achieve the above policy mandate, the Department of Forestry, Fisheries and the Environment (DFFE) commissioned a study to establish the current level of education and awareness with regard to climate change in South Africa, towards climate change and its relevance in achieving the National Development Plan 2030 aspirations.

[Source: www.soer.environment.gov.za]

3.3.1 Identify any ONE measure to ensure environmental sustainability in the extract above. (1)

3.3.2 Name ONE environmental problem. (1)

3.3.3 Briefly describe the concept *global warming.* (2)

3.3.4 How does preservation positively affect the environment? (2)

3.3.5 How can the government protect the environment in South Africa? (4)

3.4 Differentiate between the *consumer price index (CPI)* and the *producer price index (PPI)*. (8)

3.5 How successful was the government in applying the measures agreed at the Johannesburg Summit in 2002 to ensure environmental sustainability? (4 x 2) (8)

[40]

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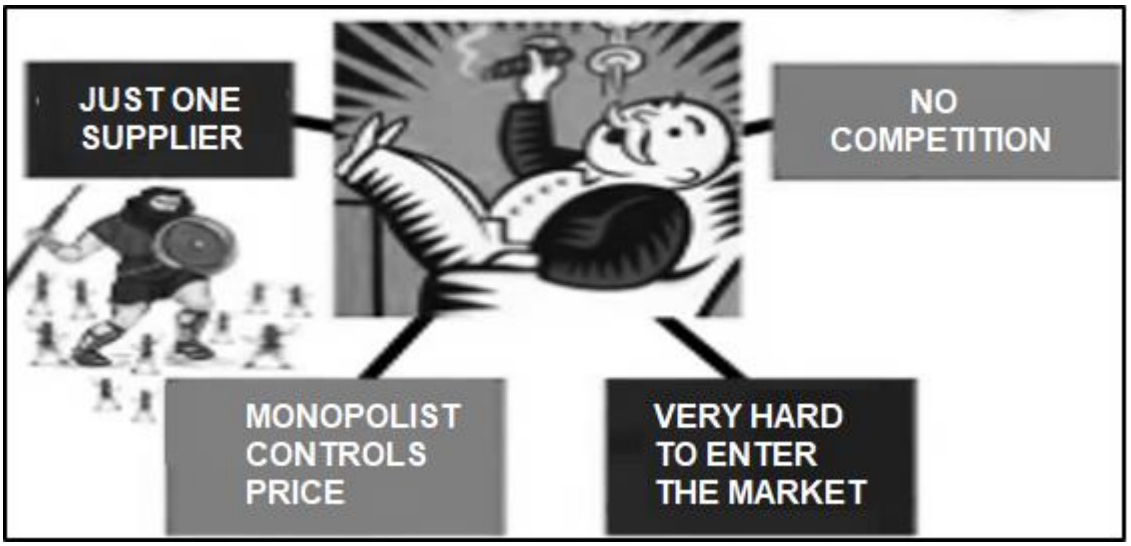
QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO barriers that prevent new businesses from entering markets. (2 x 1) (2)

4.1.2 Why does inflation have a negative effect on the balance of payments? (1 x 2) (2)

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



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

4.2.2 Name the type of profit made in this market in the long run. (1)

4.2.3 Briefly describe the concept *natural monopoly.* (2)

4.2.4 Why would a monopolist sometimes fail to achieve economic profit? (2)

4.2.5 How can a monopoly disadvantage the economy? (2 x 2) (4)

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

4.3.1 Identify the sector in the pictures above. (1)

4.3.2 Name any ONE renewable resource. (1)

4.3.3 Briefly describe the concept *deforestation.* (2)

4.3.4 Why do markets fail to ensure environmental sustainability? (2)

4.3.5 How do property rights promote environmental sustainability? (4)

4.4 Use a clearly labelled diagram to explain the derivation of the supply curve of a business. (4 x 2) (8)

4.5 Analyse the negative impact of administered prices on the economy. (4 x 2) (8)

[40]

TOTAL SECTION B: 80

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SECTION C: MICRO ECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 40 MINUTES

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 will 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 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 **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. 26 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: MICRO ECONOMICS — 40 MARKS – 40 MINUTES

- Discuss in detail state intervention as a consequence of market failures, with the aid of relevant graphs. (26 marks)
- Why is an increase in the minimum wage during an economic recession not an effective state intervention? (10 marks) **[40]**

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 40 MINUTES

- Examine in detail the benefits of tourism. (26 marks)
- How does tourism benefit the South African economy? (10 marks) **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150

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