

### GENERAL COMMENTS

Teachers are encouraged to pay more attention to usage of economic concepts and definitions.

There are few centres where learners were listing. Teachers are thus advised to guide learners on how to answer questions on “discuss whether, explain, describe” so learners develop their answers and do not simply list.

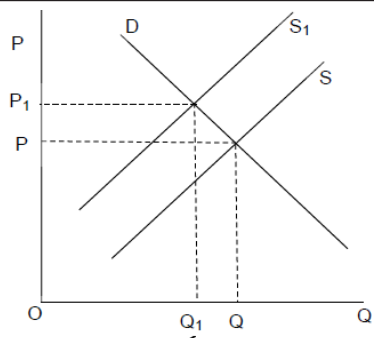
Teachers must place more emphasis on the drawing of demand and supply diagrams. Labelling of diagrams should be clearly indicated with the arrows to show that there was a shift.

Teachers should teach the syllabus and NOT the textbook. Teachers must use the syllabus as a guide on what to emphasise during class teaching.

Teachers are encouraged to read more economic newspapers/articles to enrich their knowledge of Economics. Teachers must use articles in class during teaching.

Teachers are encouraged to train learners using the Economics national examination cover page to avoid rubric error. If a rubric error occurs when a candidate answered more than four questions then the first four questions are marked.

### COMMENTS ON INDIVIDUAL QUESTIONS

	Answer	Guidance
<b>1 (a)</b>	Fairly well answered. Learners confused tariffs and non-tariffs thus scored a minimum of two marks.	
	<p><b>State four measures, other than import duties, that a government might use to protect local industries against imports.</b></p> <ul style="list-style-type: none"> <li>• Quotas</li> <li>• Embargos/total ban/sanctions</li> <li>• Red tape/frontier delays and administrative burdens</li> <li>• Product standards/regulations</li> <li>• Subsidies for local firms</li> <li>• Exchange rate control</li> <li>• Anti-dumping laws</li> <li>• Voluntary export restraints</li> </ul>	<p><b>4</b></p> <p>Any four</p> <p>Do NOT accept tariffs, tax on imports.</p> <p>Do NOT repeat import duties.</p>
<b>(b)</b>	Poorly answered. Most of the learners could not draw the demand and supply diagram correctly. Learners also could not label the diagram correctly.	
	<p><b>Using a demand and supply diagram, illustrate and explain the possible effects of an import duty on the market for imported poultry products.</b></p> <p><b>Diagram (4)</b></p> <ul style="list-style-type: none"> <li>• Labels (1)</li> <li>• New equilibrium price (1) and new equilibrium quantity (1)</li> <li>• Shift (1)</li> </ul> <p><b>Explanation</b></p> <ul style="list-style-type: none"> <li>• Shift of supply curve from S to S1/decrease in supply (1)</li> <li>• New equilibrium price is higher from P – P1 (1)</li> <li>• New equilibrium quantity supplied decreased from Q – Q1 (1)</li> </ul>	<p><b>7</b></p>  <p>All labels must be indicated – P, Q, O, S, D</p>

(c)	Poorly answered. Most learners concentrated on the negative side of import duties on employment rather than the relevance/importance of import duty on employment.		
	<b>Evaluate the consequences of an import duty on employment in SA.</b> <ul style="list-style-type: none"> <li>SA poultry products will remain competitive</li> <li>Jobs in poultry industry will be protected</li> <li>Cheaper locally produced poultry will create higher demand for poultry</li> <li>Employment in poultry industry will increase</li> <li>Labour is a derived demand</li> <li>Supporting industries will also experience an increase in employment, such as transport and refrigeration industries</li> </ul> <p style="text-align: right;">Any <b>five</b></p>	<b>5</b>	Up to five marks for evaluation of consequences of import duty on employment.
(d)	Well answered. The majority scored three to four marks.		
	<b>Discuss how the government might benefit from low levels of unemployment.</b> <ul style="list-style-type: none"> <li>Decrease in transferred payments such as unemployment benefit/social welfare</li> <li>Government will have more funds to spend on public and merit goods</li> <li>Decrease in output lost/increase in output levels/ GDP</li> <li>Decrease in crime and social problems in the community/political instability</li> <li>Increase in income tax contributions to the government</li> <li>A higher employment rate causes more economic activity as people spend more, causing larger job creation and economic growth/good reputation/good image</li> </ul> <p style="text-align: right;">Any <b>four</b></p>	<b>4</b>	
2 (a)	Fairly answered. The majority of learners could not give points and their development was lacking, thus most of learners scored three marks.		
	<b>Describe the main features of a command economy.</b> <p><b>Public ownership</b></p> <ul style="list-style-type: none"> <li>The government owns all factors of production.</li> </ul> <p><b>Planned production</b></p> <ul style="list-style-type: none"> <li>A national plan with production targets for different industries is established.</li> <li>For the goods and services which are provided by the government</li> </ul> <p><b>Prices</b></p> <ul style="list-style-type: none"> <li>Are not free to change in response to changes in demand and supply. Prices are fixed and controlled by the state</li> <li>Shortages and physical rationing might occur</li> </ul> <p><b>Profits</b></p> <ul style="list-style-type: none"> <li>Firms owned by government do not produce for profit but what the government thinks is in the best interest of the people collectively</li> </ul> <p style="text-align: right;">(3 x 2)</p>	<b>6</b>	A description of the features required.  No description given, maximum of three marks.

<p><b>(b)</b></p>	<p>Fairly well answered. The majority of learners gave both positive and negative effects of a command economic system.</p>		
	<p><b>Comment on the effectiveness of a command economic system.</b></p> <ul style="list-style-type: none"> <li>• Factors of production can be organised to produce public and merit goods as well as services, such as education and health care</li> <li>• The distribution of wealth is more equal</li> <li>• Goods and services provided by the government are priced so that everyone can afford them/affordability</li> <li>• State ownership of the factors of production allows for any “profit” made to be ploughed back into state owned enterprises</li> <li>• The government can make sure that factories do not cause pollution and that people work in healthy and safe conditions</li> <li>• High employment as government employs more workers</li> <li>• Government would also manage the economy to smooth out economic fluctuations</li> <li>• The government decides what to produce</li> <li>• how it will be produced</li> <li>• and how it will be distributed</li> </ul>	<p><b>7</b></p>	<p>Any seven</p>
<p><b>(c)</b></p>	<p>Poorly answered. Most of learners could not give the advantages of a mixed economic system, but they rather concentrated on both systems.</p>		
	<p><b>Evaluate the merits of changing from a command economic system to a mixed economic system.</b></p> <ul style="list-style-type: none"> <li>• A mixed economic system will promote economic development</li> <li>• The public and private sector operate equally and economic resources will be utilised efficiently</li> <li>• Regions will be developed and improved through the planning commission of the country</li> <li>• Income and wealth would be more equally distributed through government welfare programmes</li> <li>• Consumers will be able to influence what goods and services are produced through their purchases (consumer sovereignty)</li> <li>• The market system will provide incentives to entrepreneurs in the form of profits and higher wages of workers</li> <li>• Consumers will have greater choice of producers</li> <li>• Competition will increase amongst rival firms, increasing quality of products and lowering prices</li> <li>• Foreign investment might increase</li> </ul>	<p><b>7</b></p>	<p>Up to seven marks for the advantages of a mixed economic system evaluated.</p>
<p><b>3 (a)</b></p>	<p>Well answered. Most learners gave a definition of trade unions and the types of trade unions.</p>		
	<p><b>Define a trade union and give two examples of different types of trade unions.</b></p> <ul style="list-style-type: none"> <li>• A trade union is a workers’ organisation (1) that represents workers in their dealings with the management and owners of a firm (1)</li> <li>• Examples: craft union, general union, industrial union/blue collar union, white collar union (2)</li> </ul>	<p><b>4</b></p>	<p>Two marks for definition. Two marks for examples.</p>

<b>(b)</b>	Fairly well answered. Learners referred to industrial action such as a strike. It is a way to resolve disputes between trade union and employer's associations.		
	<p><b>Explain the different ways of how a dispute may be resolved if the union and employer disagree.</b></p> <ul style="list-style-type: none"> <li>Trade unions negotiate with employers' associations to bargain collectively regarding wages and working conditions</li> <li>Negotiations which fail lead to conciliation. An independent person is called in to listen to both sides and tries to guide them to an agreement</li> <li>If conciliations fail, arbitration is used: <ul style="list-style-type: none"> <li>- an independent person acts as a judge</li> <li>- listens to both sides and makes a decision which is binding on both trade unions and employers' associations</li> </ul> </li> <li>If arbitration fails, labour court is used to resolve the disagreement arising between parties (3 x 2)</li> </ul>	<b>6</b>	Up to six marks for explanation of ways to reach agreement.
<b>(c)</b>	Poorly answered. Most learners could not give a clear description of employers' association, but rather referred to employee associations.		
	<p><b>Describe an employers' association.</b></p> <ul style="list-style-type: none"> <li>Collective organisations, companies or employers (1)</li> <li>from the same industry (1) working together</li> </ul>	<b>2</b>	Up to two marks for description of employers' association.
<b>(d)</b>	Poorly answered. The majority of learners could not give a direct answer to the question. Most of them started their sentences with "They or It". Most learners gave the functions of trade unions. Few learners discussed the role of employers' associations.		
	<p><b>Discuss how employers' associations and trade unions might contribute to the wellbeing of workers.</b></p> <ul style="list-style-type: none"> <li>Trade unions negotiate on behalf of workers about working conditions and pay</li> <li>Trade unions offer training, counselling, HIV/Aids, other benefits (discount prices)</li> <li>Trade unions will ensure that labour laws passed by parliament will benefit workers</li> <li>Employer's associations provide recruitment support</li> <li>Employers' associations may give advice on employment, health and safety, as well as tax laws</li> <li>Employers' associations try to convince government to provide better economic conditions for business to prosper and create employment as well as economic growth</li> <li>Employers' associations and trade unions try to solve disputes between management and workers more quickly</li> </ul>	<b>8</b>	Up to eight marks for discussion.  Up to 3/4 marks for discussing only trade unions or employers' associations.
<b>4 (a)</b>	Fairly well answered. Most learners could only score two marks. Most learners failed to use "highest possible profit or as high as possible", and instead used much or more. The point of the difference between TC and TR could not be given by most learners.		
	<p><b>Describe what is meant by profit maximisation.</b></p> <ul style="list-style-type: none"> <li>When firms make the highest profits possible (1)</li> <li>Profit maximisation is achieved where <math>MC = MR</math> (1)</li> <li>The change in cost resulting from producing one extra unit of output is equal to the change in extra revenue gained by selling one extra unit of output (1)</li> <li>Profit maximisation can be expressed in terms of the difference between total revenue and total costs. (1)</li> </ul> <p style="text-align: right;"><b>Any three</b></p>	<b>3</b>	Up to three marks for description.

<b>(b)</b>	Fairly well answered. Most learners scored two marks. Learners could not explain the two definitions correctly. The majority of learners mentioned output measured against input. However, they could not mention goods/services.	
	<p><b>Explain the difference between production and productivity.</b></p> <ul style="list-style-type: none"> <li>• Production = making physical objects/render a service/total output produced</li> </ul> <p><b>OR</b></p> <p>Production is turning raw materials into finished goods (1)</p> <ul style="list-style-type: none"> <li>• Productivity measures efficiency of factor of production over period of time</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• Productivity is the output measured against the input used to produce something/output ÷ input (2)</li> </ul>	<p><b>3</b></p> <p>Up to two marks for productivity. One mark for production.</p>
<b>(c)</b>	Fairly well answered. Most of the learners scored three to five marks. Most learners were listing and could not explain the points in full.	
	<p><b>Explain how a company might improve production.</b></p> <ul style="list-style-type: none"> <li>• Increase the quality of their labour force with training and education programmes</li> <li>• Improve the quality of machines and production plant with better technology to increase productivity</li> <li>• Use and combine factors of production efficiently</li> <li>• Apply division of labour by breaking down complex tasks and employ machines or workers as experts on a specific task to increase productivity</li> <li>• Allow employees to participate in decision making to improve production</li> <li>• Increase motivation of workers through profit sharing, selling of stock/shares</li> <li>• Economic situations also affect productivity. A higher demand for electric cars will increase production of electric cars</li> </ul>	<p><b>7</b></p> <p>Up to seven marks for explanation of methods used to improve production.</p>
<b>(d)</b>	Poorly answered. Most learners could not attempt to answer the question. Learners could not identify the different costs (VC, FC, TC, AC) incurred in the business operations.	
	<p><b>Discuss how costs might change as output of electric cars produced changes.</b></p> <ul style="list-style-type: none"> <li>• When output of electric cars is zero, total cost will not be zero, as fixed costs need to be paid</li> <li>• When output increases, total cost increases as variable costs, such as costs of raw materials and electricity costs increase</li> <li>• Average costs might fall as output increases, because fixed costs are being spread over a larger output</li> <li>• However, average costs will rise as fixed factors of production become overloaded</li> </ul>	<p><b>7</b></p> <p>Up to seven marks for discussing effects on TC, FC and VC.</p>
<b>5 (a)</b>	Well answered. Most learners scored three marks. Few learners referred to expenditure method as spending method.	
	<p><b>Identify the methods used to calculate the GDP of a country.</b></p> <ul style="list-style-type: none"> <li>• Output method</li> <li>• Income method</li> <li>• Expenditure method</li> </ul>	<p><b>3</b></p> <p>Up to three marks for methods identified.</p>

(b)	<p>Fairly well answered. The majority of learners scored four marks. However, few learners were relating their answers to census counting. Learners, instead of comparing living standards, rather compared economic growth.</p> <p><b>Explain why the government of a country wants to calculate the GDP.</b></p> <ul style="list-style-type: none"> <li>• GDP figures indicate the standard of living</li> <li>• GDP figures help the government to compare the standard of living in a country between different years</li> <li>• GDP figures are also used to compare the standard of living between different countries</li> <li>• To provide the government with essential information</li> <li>• GDP figures help the government to know how different sectors in the economy contribute to the GDP</li> <li>• GDP figures determine if the country has experienced economic growth</li> <li>• GDP figures and statistics will help the government to determine the economic policy aims and the policy instruments to achieve them</li> </ul>	6	<p>Up to six marks for explanation.</p> <p>Emphasis is on living standard when comparing.</p>
(c)	<p>Poorly answered. Most learners scored two marks. Most learners confused monetary policy with exports and imports. The majority of learners failed to link the policy to the government objectives/uses.</p> <p><b>Describe fiscal policy and monetary policy.</b></p> <p><b>Fiscal policy</b></p> <ul style="list-style-type: none"> <li>• Is the government's plan for government expenditure and the use of taxation (1)</li> <li>• to achieve desired economic and social objective (1)</li> </ul> <p><b>Monetary policy</b></p> <ul style="list-style-type: none"> <li>• Is the use of a variety of mechanisms, such as interest rates, open market transactions in the market, (1) to influence the money supply in an economy (1)</li> </ul>	4	<p>Definition for fiscal policy up to two marks and definition of monetary policy up to two marks.</p>
(d)	<p>Poorly answered. The majority of learners could not link the government spending on goods/services to economic growth.</p> <p><b>Discuss how an increase in government spending on the provision of goods and services might lead to economic growth.</b></p> <p><b>Producer of goods and services</b></p> <ul style="list-style-type: none"> <li>• Real/direct spending of government on goods/services increases the exports of a country leading to economic development</li> </ul> <p><b>Infrastructure</b></p> <ul style="list-style-type: none"> <li>• e.g. roads and rail networks, post and telecommunication, electricity, water, sanitary services</li> <li>• Needed by private firms in economy in order to increase output</li> </ul> <p><b>Education services</b></p> <ul style="list-style-type: none"> <li>• Needed for trained workforce to produce more goods and services</li> </ul> <p><b>Medical services</b></p> <ul style="list-style-type: none"> <li>• Increasing productivity of workforce when healthy and fit</li> </ul> <p><b>Security and protection services</b></p> <ul style="list-style-type: none"> <li>• Spending on police services to provide stability needed for economic growth and foreign investment</li> </ul> <p><b>Transfer payments/indirect spending of government</b></p> <ul style="list-style-type: none"> <li>• Unemployment, social security benefits, increase demand for goods and services, increase economic growth</li> <li>• Subsidies and grants to firms to produce more goods and services/increase output</li> </ul>	7	<p>Up to seven marks for discussion.</p> <p>Points well explained.</p> <p>Link to economic growth is required.</p>

<p><b>6 (a)</b></p>	<p>Poorly answered. The majority of learners focused on the factors affecting population growth and not natural population growth.</p> <p><b>Describe the factors which influence the natural population growth rate of a country.</b></p> <ul style="list-style-type: none"> <li>The natural population growth rate: birth rates minus death rates (1)</li> </ul> <p><b>Birth rate</b></p> <ul style="list-style-type: none"> <li>The number of live births per thousand of the population (1)</li> </ul> <p><b>Death rate</b></p> <ul style="list-style-type: none"> <li>The number of deaths per thousand of the population (1)</li> </ul>	<p><b>3</b></p>	<p>Description of factors influencing natural population growth rate required.</p>
<p><b>(b)</b></p>	<p>Well answered. Most learners scored four marks. The majority of learners could not give seven points instead used four points and compared both for Mali and Switzerland.</p> <p><b>Analyse why there are differences in the living standards of a developed country such as Switzerland and a developing country such as Mali.</b></p> <ul style="list-style-type: none"> <li>GDP per capita is very low in Mali, compared to Switzerland</li> <li>In Switzerland life expectancy is higher, because health care services are better</li> <li>Switzerland also has a better education system ensuring higher literacy rates compared to Mali</li> <li>Switzerland has economic and political stability</li> <li>Mali experiences extreme poverty due to a higher population growth rate compared to Switzerland</li> <li>Mali has a lack of capital investment compared to Switzerland</li> <li>Human Development Index (HDI) is higher in Switzerland compared to Mali</li> <li>Mali might also suffer from poor natural resources</li> </ul>	<p><b>7</b></p>	<p>Up to seven marks for analysis.</p> <p>Mention Mali or Switzerland/developed or developing when mentioning a difference</p>
<p><b>(c)</b></p>	<p>Poorly answered. The majority of learners scored one mark. Most learners failed/could not mention better telecommunication infrastructure, education and higher income.</p> <p><b>Describe how the access to information technology might differ between developing countries and developed countries.</b></p> <ul style="list-style-type: none"> <li>Income per capita is higher in developed countries, therefore in developed countries more households own laptops, cell phones, tablets and computers</li> <li>Developed countries have better education opportunities allowing for better access to IT</li> <li>Developed countries have better communication infrastructure compared to low developed countries allowing larger use of IT</li> </ul>	<p><b>3</b></p>	<p>Up to three marks for description of difference in access to IT.</p>

(d)	<p>Poorly answered. The majority of learners mainly focused on job creation, economic growth and loss of skills because of the use of technology. Many learners could not look at the negative impact of IT on living standards of a person.</p>		
	<p><b>Discuss whether information technology might improve the living standards of a person.</b></p> <p><b>Advantages</b></p> <ul style="list-style-type: none"> <li>• Increases access to information to make better decisions</li> <li>• Increases productivity and output</li> <li>• Increases accuracy of work completed</li> <li>• Might help to fight crime (CCTV)</li> <li>• Access to more entertainment</li> <li>• Convenient to shop online/e-commerce</li> <li>• Saves time</li> <li>• Education online</li> <li>• Medical breakthroughs</li> </ul> <p><b>Disadvantages</b></p> <ul style="list-style-type: none"> <li>• IT is expensive</li> <li>• Might increase crime - theft of cell phones, laptops etc.</li> <li>• Reduces employment opportunities for unskilled workers</li> <li>• Might increase health risks (higher stress levels)</li> <li>• Information overload (always in contact)</li> <li>• Less family time/leisure</li> </ul>	7	<p>Up to 3/4 marks for Up to 3/4 marks against</p> <p>NO marks for revenue/sales increases.</p>

**POSITIVE SUGGESTIONS TO TEACHERS**

Teachers are encouraged to consult various sources of information to enrich their subject knowledge, such as You tube videos, Tutor2u.

Teachers are encouraged to complete the syllabus by the end of the first semester of Grade 11. This will enable them to practise more on the past question papers, by giving many exercises, tests and class work.

Teachers MUST test on different levels of assessment objectives.