

SMARTWIZ

GRADE11 ECONOMICS EXAM

MARKS: 100

TIME: 2 HOURS

SCHOOL _____

CLASS (eg. 4A) _____

SURNAME _____

NAME _____

MARKS	
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Instructions for Learners:

- Read all instructions carefully before you begin the exam.
- Write your full name and student number clearly on the answer sheet/book.
- Answer all questions unless otherwise instructed.
- Show all your work/calculations where necessary.
- Write neatly and clearly.
- Use only a blue or black pen. Do not use correction fluid or tape.
- Electronic devices (calculators, cell phones, etc.) are not allowed unless explicitly permitted.
- Raise your hand if you have any questions.
- Do not talk to other learners during the exam.
- Any form of cheating will result in immediate disqualification from the exam.

This exam consists of six pages, including the cover page.

SECTION A: MULTIPLE CHOICE & SHORT ANSWERS (30 marks)

Question 1: Multiple Choice ($5 \times 2 = 10$ marks)

1.1 What is the primary function of the South African Reserve Bank?

- A) Control inflation
- B) Provide loans to businesses
- C) Collect taxes
- D) Set government budgets

1.2 Which of the following is a characteristic of a public good?

- A) Excludable
- B) Rivalrous
- C) Non-excludable
- D) Produced by private firms

1.3 When demand for a product decreases, what happens to its price assuming supply remains constant?

- A) Increases
- B) Decreases
- C) Remains the same
- D) Becomes unpredictable

1.4 What type of unemployment results from technological change?

- A) Cyclical
- B) Frictional
- C) Structural
- D) Seasonal

1.5 Which indicator measures the average change in prices of goods and services in an economy?

- A) GDP
- B) Inflation rate
- C) Interest rate
- D) Exchange rate

Question 2: Define the following terms ($5 \times 2 = 10$ marks)

2.1 Fiscal policy

2.2 Market equilibrium

2.3 Monopoly

2.4 Opportunity cost

2.5 Consumer price index (CPI)

Question 3: Explain the following concepts ($5 \times 2 = 10$ marks)

3.1 Explain how government subsidies can affect the supply of a product.

3.2 Describe the role of the Competition Commission in South Africa.

3.3 Why do governments impose taxes on cigarettes and alcohol?

3.4 Explain the difference between demand and quantity demanded.

3.5 What is meant by “price elasticity of demand”?

**SECTION B: DATA RESPONSE & GRAPH INTERPRETATION
(40 marks)**

Question 4: Study the demand and supply table below for a product in the market

Price (R)	Quantity Demanded	Quantity Supplied
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10	100	50
15	80	70
20	60	90
25	40	110

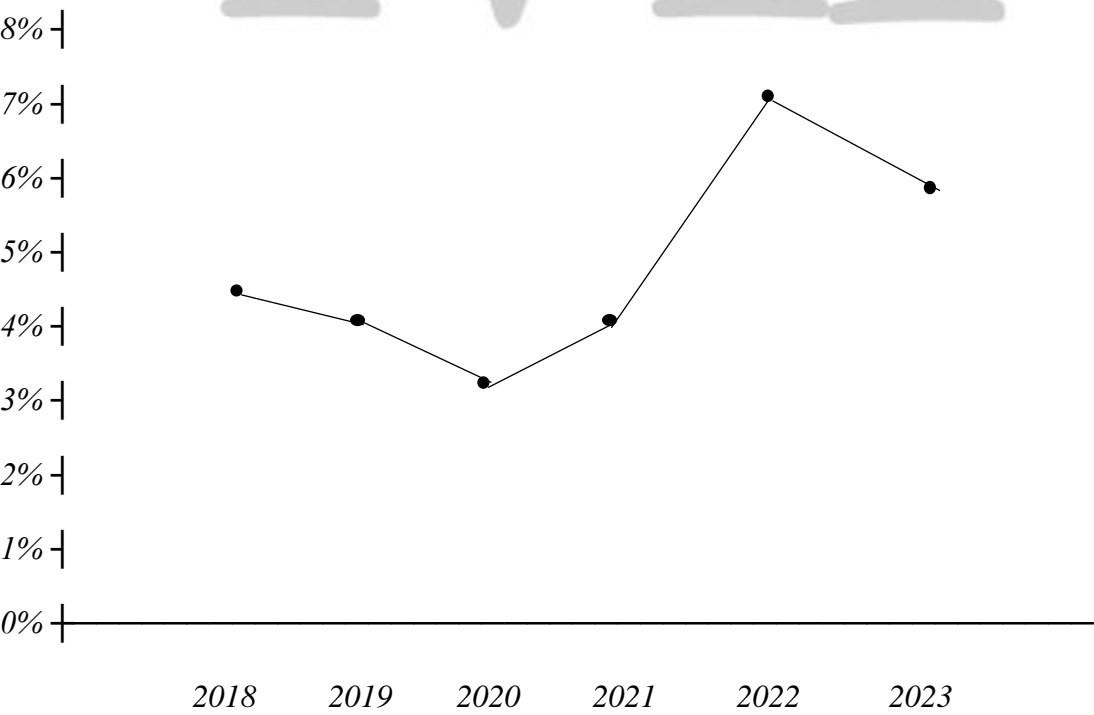
4.1 Identify the price at which market equilibrium occurs.

4.2 Calculate the shortage or surplus at a price of R10.

4.3 What happens to the price if there is a surplus? Explain.

4.4 Explain what would happen to demand if the price drops from R20 to R15.

Question 5: Refer to the line graph below showing South Africa’s inflation rate (%) from 2018 to 2023:



5.1 Describe the trend in inflation between 2018 and 2023.

5.2 Identify the year with the highest inflation rate.

5.3 Suggest two possible causes for the increase in inflation in 2022.


5.4 What impact does inflation have on consumers?

SECTION C: ESSAY (30 marks)

Question 6: Discuss the role of the South African government in addressing unemployment. Your answer should include:

- Types of unemployment in South Africa
- Government strategies to reduce unemployment
- The challenges faced in reducing unemployment

Write approximately 200–250 words.

 **END OF EXAM**
TOTAL: 100 MARKS

MEMO

SECTION A: MULTIPLE CHOICE & SHORT ANSWERS (30 marks)**Question 1: Multiple Choice ($5 \times 2 = 10$ marks)**

- 1.1 A) Control inflation
 - 1.2 C) Non-excludable
 - 1.3 B) Decreases
 - 1.4 C) Structural
 - 1.5 B) Inflation rate
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Question 2: Definitions ($5 \times 2 = 10$ marks)

- 2.1 **Fiscal policy:** Government policy relating to taxation and government spending to influence the economy.
 - 2.2 **Market equilibrium:** The point where quantity demanded equals quantity supplied at a specific price.
 - 2.3 **Monopoly:** A market structure where one firm controls the entire supply of a product or service.
 - 2.4 **Opportunity cost:** The value of the next best alternative foregone when making a choice.
 - 2.5 **Consumer Price Index (CPI):** A measure that examines the weighted average of prices of a basket of consumer goods and services, used to measure inflation.
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Question 3: Explanations ($5 \times 2 = 10$ marks)

- 3.1 Government subsidies reduce production costs, encouraging producers to supply more of a product, increasing supply.
 - 3.2 The Competition Commission promotes fair competition by investigating and preventing anti-competitive behaviour such as monopolies and price-fixing.
 - 3.3 Governments impose taxes on cigarettes and alcohol to reduce consumption (due to health risks) and to generate revenue.
 - 3.4 Demand is the overall desire and willingness to buy a product at various prices; quantity demanded is the amount consumers will buy at a specific price.
 - 3.5 Price elasticity of demand measures how sensitive the quantity demanded is to a change in price.
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SECTION B: DATA RESPONSE & GRAPH INTERPRETATION (40 marks)**Question 4: Demand & Supply Table**

4.1 Market equilibrium occurs at price R20 where quantity demanded (60) equals quantity supplied (90) — closest match is R20; note equilibrium technically where quantity demanded equals quantity supplied, so here approx at R20 (could accept explanation of no perfect equilibrium in table).

(If strict equality required, explain that equilibrium would be between R15 and R20)

4.2 At R10, Quantity Demanded = 100, Quantity Supplied = 50 → Shortage = $100 - 50 = 50$ units.

4.3 If there is a surplus, suppliers lower the price to sell excess stock, causing price to fall toward equilibrium.

4.4 When price drops from R20 to R15, demand increases (from 60 to 80 units) because consumers buy more at a lower price.

Question 5: Inflation Rate Graph

5.1 Inflation decreased from 2018 to 2020, then increased sharply in 2022 before slightly falling in 2023. Overall fluctuating trend.

5.2 Highest inflation rate was in 2022 (7.2%).

5.3 Possible causes: Supply chain disruptions, rising fuel and food prices, global economic pressures such as post-COVID recovery.

5.4 Inflation reduces consumers' purchasing power as prices increase, making goods and services more expensive.

SECTION C: ESSAY (30 marks)

Question 6: Role of Government in Unemployment

Marking guidelines (approximate):

- **Types of unemployment:**
 - Structural unemployment (changes in economy, technology)
 - Frictional unemployment (job searching, movement between jobs)
 - Cyclical unemployment (economic downturns)
 - Seasonal unemployment (seasonal industries)
- **Government strategies:**
 - Public works programs (e.g., Expanded Public Works Programme)
 - Skills development and training programs
 - Encouraging entrepreneurship and small business development
 - Policies to attract foreign direct investment
 - Promoting sectors like tourism, agriculture, and manufacturing
- **Challenges:**
 - Mismatch between skills and jobs available
 - Economic inequality
 - Slow economic growth

- Limited job creation in formal sectors

Award marks for clarity, relevance, structure, and examples.

TOTAL : 100

