SMARTWIZ

GRADE11 ECONOMICS EXAM

MARKS	

MARKS: 100

TIME: 2 HOURS

SCHOOL ____

CLASS (eg. 4A) ____________

SURNAME ____

NAME ____

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: CONCEPTS & DEFINITIONS (30 marks)

Question 1: Match the terms in Column A to their correct definitions in Column B. Write the letter next to the number. (6 × 2 = 12 marks)

Column A	Column B
1. Fiscal policy	A. Measures to control inflation via interest rates
2. Inflation	B. Government revenue from taxes
3. Subsidy	C. Persistent increase in the general price level
4. Budget deficit	D. Government financial aid to encourage production
5. Tax revenue	E. When government spending exceeds income
6. Monetary policy	F. Policy to control money supply & interest rates

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Question 2: Define the following terms briefly (6 × 3 = 18 marks)

2.1 Market equilibrium

2.2 Capital goods

2.3 Demand-pull inflation

2.4 Economic growth

2.5 Producer surplus

2.6 Exchange rate

SECTION B: DATA INTERPRETATION (35 marks)

Question 3: Study the table showing South Africa's exports and imports (in billions Rands) for 5 years:

Year	Exports	Imports
2018	140	160
2019	150	155
2020	130	140
2021	160	150
2022	170	165

3.1 Calculate the trade balance for each year (exports - imports).

3.2 In which year did South Africa have the highest trade surplus?

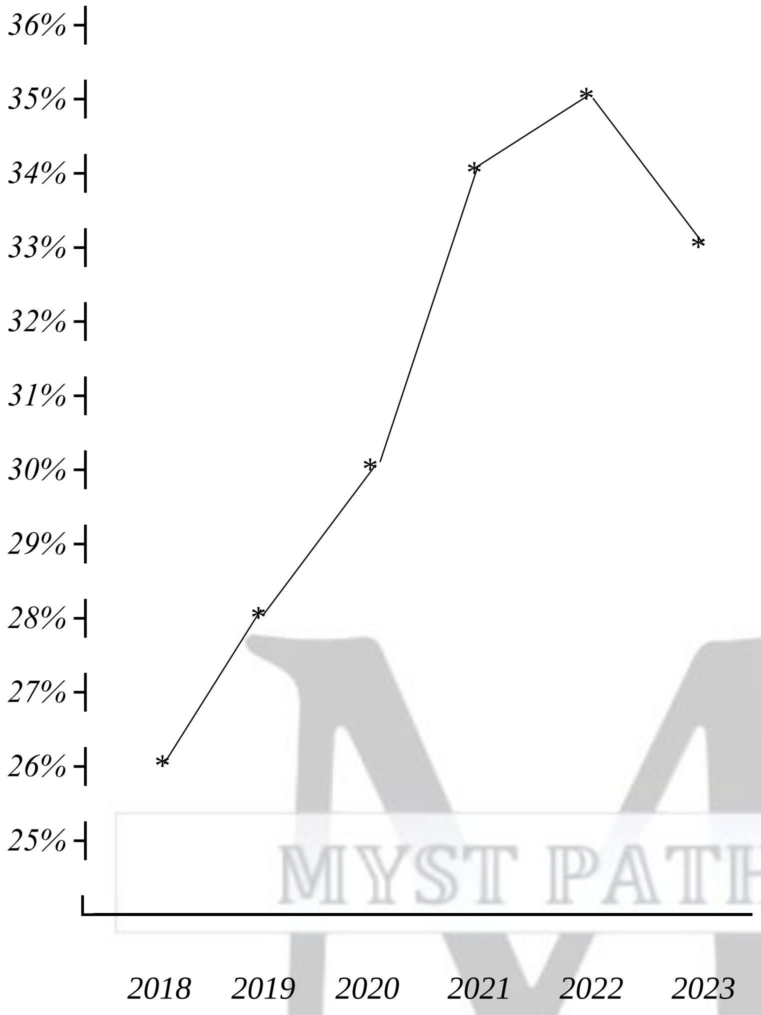
3.3 What does a trade deficit indicate?

3.4 Suggest one reason why imports might exceed exports in certain years.

3.5 Using the data, describe the general trend in South Africa's trade balance from 2018 to 2022.

Question 4: The graph below shows unemployment rates (%) from 2018 to 2023:

Unemployment Rate (%) Over Years



4.1 Describe the trend in unemployment over these years.

4.2 Suggest two effects of high unemployment on the economy.

4.3 What economic policies can the government implement to reduce unemployment? Name two and explain briefly.

SECTION C: ESSAY (35 marks)

Question 5: Explain the impact of inflation on consumers, businesses, and the government. Include examples and suggest ways to manage inflation in an economy. Write about 250 words.

🛑 **END OF EXAM**
TOTAL: 100 MARKS

MEMO

SECTION A: CONCEPTS & DEFINITIONS (30 marks)

Question 1: Match the terms

1. Fiscal policy – **E** (When government spending exceeds income)
2. Inflation – **C** (Persistent increase in the general price level)
3. Subsidy – **D** (Government financial aid to encourage production)
4. Budget deficit – **E** (When government spending exceeds income)
5. Tax revenue – **B** (Government revenue from taxes)
6. Monetary policy – **F** (Policy to control money supply & interest rates)

Note: For question 1, fiscal policy corresponds to government spending and taxation to influence the economy (often linked with budget deficits), while monetary policy relates to money supply and interest rates.

Question 2: Definitions

2.1 Market equilibrium: The point where quantity demanded equals quantity supplied in a market.
2.2 Capital goods: Goods used in the production of other goods and services (e.g., machinery, tools).
2.3 Demand-pull inflation: Inflation caused by an increase in aggregate demand that outpaces supply.
2.4 Economic growth: An increase in the capacity of an economy to produce goods and services over time.
2.5 Producer surplus: The difference between the amount producers receive for a good and the minimum they are willing to accept.
2.6 Exchange rate: The price of one currency in terms of another currency.

SECTION B: DATA INTERPRETATION (35 marks)

Question 3: Trade balance

3.1 Trade balance = Exports - Imports

- 2018: 140 – 160 = **-20 billion (deficit)**
- 2019: 150 – 155 = **-5 billion (deficit)**
- 2020: 130 – 140 = **-10 billion (deficit)**
- 2021: 160 – 150 = **+10 billion (surplus)**
- 2022: 170 – 165 = **+5 billion (surplus)**

3.2 Highest trade surplus in **2021 (+10 billion)**.
3.3 Trade deficit indicates that a country is importing more goods and services than it exports.
3.4 Imports might exceed exports due to higher domestic demand, lack of local production, or increased prices of imported goods.
3.5 From 2018 to 2020, South Africa had trade deficits, but in 2021 and 2022, the country experienced trade surpluses, showing an improving trade balance.

Question 4: Unemployment rate

4.1 Trend: Unemployment increased steadily from 26% in 2018 to a peak of 35% in 2022, then slightly decreased to 33% in 2023.
4.2 Effects of high unemployment:

- Increased poverty and lower living standards
- Reduced consumer spending, slowing economic growth
  4.3 Economic policies to reduce unemployment:
- **Fiscal policy:** Government increases spending on infrastructure projects to create jobs.
- **Monetary policy:** Lower interest rates to encourage business investment and hiring.

SECTION C: ESSAY (35 marks)

Question 5: Impact of inflation

Key points to include:

- **Consumers:** Inflation reduces purchasing power, making goods and services more expensive. People on fixed incomes suffer the most.
- **Businesses:** Costs of production may increase; uncertainty may reduce investment; however, some businesses can increase prices to maintain profits.
- **Government:** Inflation can increase tax revenues but may also lead to higher welfare payments and social unrest.

Ways to manage inflation:

- Central bank raises interest rates to reduce spending and borrowing.
- Government controls public spending and taxes.
- Price controls and subsidies in critical sectors (temporary measures).

Award marks for clarity, examples, and well-structured explanation.

TOTAL : 100