

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 ($6 \times 2 = 12$ marks)

Choose the correct answer and write the letter next to the question number.

1.1 Which of the following best describes a monopoly?

- A. Many sellers selling identical products
 - B. One seller controlling the market
 - C. Few sellers competing closely
 - D. Sellers selling differentiated products
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1.2 What is GDP?

- A. Government Debt Policy
 - B. Gross Domestic Product
 - C. General Domestic Price
 - D. Goods Delivered Personally
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1.3 Which sector of the economy includes farming and mining?

- A. Primary
 - B. Secondary
 - C. Tertiary
 - D. Quaternary
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1.4 Inflation is measured using:

- A. Consumer Price Index (CPI)
 - B. Gross Domestic Product (GDP)
 - C. Unemployment rate
 - D. Exchange rate
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1.5 What is 'opportunity cost'?

- A. The price of a product
 - B. The benefit of the next best alternative foregone
 - C. Government spending on education
 - D. Tax collected by the government
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1.6 Which of the following policies is an example of expansionary fiscal policy?

- A. Increasing taxes
- B. Cutting government spending
- C. Increasing government spending
- D. Raising interest rates

SECTION B: DATA RESPONSE & CALCULATIONS (35 marks)

Question 2: Study the data below about the South African economy (in billions of Rands):

Year	GDP (R billion)	Inflation Rate (%)	Unemployment Rate (%)
2019	4,200	4.1	28
2020	4,000	3.3	30
2021	4,300	4.5	34
2022	4,500	7.2	35
2023	4,600	5.9	33

2.1 Calculate the percentage change in GDP from 2019 to 2023.

2.2 Which year had the highest inflation rate?

2.3 Describe the trend in unemployment rate from 2019 to 2023.

2.4 Discuss one possible reason for the inflation increase in 2022.

2.5 How might a high unemployment rate affect consumer spending?

SECTION C: ESSAY (35 marks)

Question 3: Write an essay on the following topic (about 300 words):

“The role of the South African government in managing the economy: Fiscal and Monetary Policy.”

In your essay, include:

- Explanation of fiscal and monetary policy
- How each policy affects economic growth, inflation, and unemployment
- Examples of government actions in South Africa
- Your opinion on which policy is more effective and why

● END OF EXAM
TOTAL: 100 MARKS



MEMO

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

- 1.1 B – One seller controlling the market
- 1.2 B – Gross Domestic Product
- 1.3 A – Primary
- 1.4 A – Consumer Price Index (CPI)
- 1.5 B – The benefit of the next best alternative foregone
- 1.6 C – Increasing government spending

Each correct answer = 2 marks

SECTION B: DATA RESPONSE & CALCULATIONS (35 marks)

2.1 Percentage change in GDP from 2019 to 2023:

$$\frac{(4600 - 4200)}{4200} \times 100 = 9.52\% \quad \frac{(4600 - 4200)}{4200} \times 100 = \frac{400}{4200} \times 100 = 9.52\%$$

Answer: Approximately 9.5% increase in GDP.

2.2 Year with highest inflation rate:
2022 (7.2%)

2.3 Trend in unemployment rate from 2019 to 2023:

Unemployment rate increased from 28% in 2019 to a peak of 35% in 2022, then slightly decreased to 33% in 2023. Overall, a rising trend with a small decline at the end.

2.4 Possible reason for inflation increase in 2022:

- Supply chain disruptions caused by global events (e.g., COVID-19 impacts, fuel price hikes)
- Increased cost of imports or local production costs
- Higher consumer demand after lockdowns

2.5 Effect of high unemployment on consumer spending:

High unemployment generally reduces consumer spending because fewer people have income, leading to lower demand for goods and services, which can slow economic growth.

SECTION C: ESSAY (35 marks)

Key points for marking:

- **Fiscal policy:** Government uses taxation and spending to influence the economy (e.g., increased infrastructure spending, tax cuts).
- **Monetary policy:** Central bank controls money supply and interest rates to manage inflation and growth (e.g., adjusting repo rate).
- **Effects:**
 - Fiscal policy can directly create jobs and stimulate demand but may increase debt.
 - Monetary policy controls inflation but can slow growth if rates are raised too high.
- **Examples:**
 - South African government's increased social grants during tough economic times.
 - SARB adjusting repo rates to curb inflation or stimulate borrowing.
- **Opinion:** Effective policy depends on economic context; often, a combination works best.

Marks awarded for understanding, relevant examples, clear structure, and critical evaluation.

TOTAL : 100

