higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

ECONOMIC ENVIRONMENT
NQF LEVEL 2

(3011022)

20 November 2024 (Y-paper)
13:00–15:30

This question paper consists of 10 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
ECONOMIC ENVIRONMENT
NQF LEVEL 2
TIME: 2½ HOURS
MARKS: 150

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Start each section on a new page.
5. Use only black or blue pen.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

1.1 Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 … is not a function of money.

A Money used as a store of value
B Money used as a measure of your skills level
C Money used as a measure of value
D Money used as a standard of deferred payment

1.1.2 A formal sector business is a business that …

A employs skilled people.
B is registered and pay tax.
C does not employ children under 16 years.
D is open 24 hours.

1.1.3 The department of … is an example of social services.

A Correctional Services
B Justice
C Police Services
D Education

1.1.4 … is defined as the inability to afford basic needs.

A Crime
B The Third World
C Poverty
D Rural development

1.1.5 When goods are taken to where they will be sold, … value is created.

A time
B form
C place
D possession

1.1.6 Inflow of capital into South Africa will be represented by transaction:

A Mr Jones bought a diesel water pump from a German company.
B A wealthy South African bought shares from a Japanese market.
C Many cargo ships leave South African shores loaded with cars from VW and Mercedes Benz.
D South Africans are becoming more and more interested in touring Swaziland.

1.1.7 The dry winter has affected most wheat producers. This will cause …

A high profits in the sale of wheat.
B an increase in the price of wheat.
C an increase in the export of wheat.
D a decrease in the price of wheat.

1.1.8 The productivity and profitability of a business will be negatively affected by …

A the use of machines.
B the poor health of workers.
C workers being highly educated.
D the employment of youth.

1.1.9 When government spending is more than government revenue, there will be a budget …

A speech.
B surplus.
C review.
D deficit.

1.1.10 Pick 'n Pay does not have control over …

A the price of products.
B inflation.
C their employees.
D the quantity of goods they produce.

(10 × 1) (10)

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1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–K) next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Financial account	A	increase in labour costs
1.2.2	Opportunity cost	B	qualified people cannot find jobs
1.2.3	Interest rate	C	domestic producers are protected from foreign competition
1.2.4	Complement	D	banks and marketing firms are an important asset for any country
1.2.5	Globalization	E	the cost of a benefit that is given up for the sake of the next best alternative
1.2.6	Unemployment	F	a product that is used together with another product
1.2.7	Peak	G	reaching a point of saturation in our needs and wants
1.2.8	Protectionism	H	news worthy people
1.2.9	Cost-push inflation	I	business operates in an international market
1.2.10	Tertiary sector	J	the cost of credit
		K	records capital inflow and outflow

(10 × 1) (10)

1.3 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question number (1.3.1– 1.3.10) in the ANSWER BOOK.

1.3.1 The supply of natural resources is fixed but the quality of some can improve.

1.3.2 The use of energy from the sun is categorised as secondary sector.

1.3.3 We sell goods to the international market to earn domestic currency.

1.3.4 South Africa has complete control over its international trading partners.

1.3.5 Protectionism means free trade.

1.3.6 Businesses are relieved once the trough is reached.

1.3.7 The exchange rate is a variable that can be fixed.

1.3.8 Affirmative action is one of the policies of BEE.

1.3.9 High levels of crime have a positive impact on foreign investment.

1.3.10 Networking for business purposes does not have to be formal.

(10 × 1) (10)
[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

2.1 In the table below are different quantities supplied by different suppliers. Calculate the market supply at each price level and write the answer only next to the letter (A–E) in the ANSWER BOOK.

Price	Firm A	Firm B	Firm C	Market supply
R10	30	40	50	(A)
R20	35	43	55	(B)
R30	38	52	60	(C)
R40	50	56	64	(D)
R50	55	60	68	(E)

(5)

2.2 2.2.1 List THREE factors that influence the supply of a product. (3)

2.2.2 What is meant by *law of supply*? (2)

2.3 Briefly explain how a business can be negatively affected by HIV/AIDS. (4 × 2) (8)

2.4 Why is it important to take note of language and cultural differences when selecting a market in the export industry? (3 × 2) (6)

2.5 Explain how households would be affected by an increase in the petrol price. (6)

[30]

QUESTION 3

Read the extract below and answer the questions.

MINERS POLLUTE MPUMALANGA WATER



According to the centre of environmental rights, South African coal mines operated by Glencore, South 32 and Anglo American are polluting parts of Mpumalanga as they fail to comply with their water licenses.

[Source: *Business Insider SA*,4 July 2019]

3.1 Name THREE mining companies that are responsible for water pollution in Mpumalanga. (3)

3.2 Name THREE forms of pollution. (3)

3.3 Briefly explain THREE effects of water pollution to the communities of Mpumalanga. (3 × 2) (6)

3.4 Name TWO benefits of coal mining to the people of Mpumalanga. (2 × 2) (4)

3.5 Which TWO South African companies largely depend on coal mining for their products. (2)

3.6 Considering the high rate of unemployment in South Africa, suggest how companies should be punished for pollution. (2 × 2) (4)

3.7 Explain how the exchange rate can influence the decision to import. (4)

3.8 What are the benefits of export marketing and investment assistance? (2 × 2) (4)

[30]

QUESTION 4

Read the extract below and answer the questions.

SA's NEW DEPUTY FINANCE MINISTER IS RIGHT:
INTEREST RATES SHOULD BE LOWER

South Africa's new deputy finance minister, David Masondo, believes interest rates should have been cut months ago.

Masondo said to *Business Day,* the fierce debate in the ANC over the independence of the South African Reserve Bank is misguided. The real issue is whether interest rates over the past few months have been set at the right level.

[Source: *Business Insider SA,* 4 July 2019]

4.1 Who determines the interest rate in South Africa? (1)

4.2 Briefly explain what it means to households when interest rates are cut.(3 × 2) (6)

4.3 What is the difference between *prime rate, interest rate* and *repo rate*? (6)

4.4 Mrs Bernard received a loan of R30 000 from ABC bank at 15% interest for three years.

Calculate the total interest she will pay at the end of the three years. (4)

4.5 Explain how exporting benefits the economy of a country. (6)

4.6 Give THREE reasons for international trade. (3)

4.7 Distinguish between *demand-pull inflation* and *cost-push inflation*. (4)
[30]

QUESTION 5

Read the case study below and answer the questions.

THERE'S A HUGE SHOWDOWN HAPPENING IN SOUTH AFRICA'S BANKING LANDSCAPE



There's a huge showdown in the banking space, says FNB chief executive for consumers, Christoph Nieuwoudt. The battle ground includes players beyond just the banks.

Nieuwoudt noted that technology is still evolving at a rapid pace, but there is a limit to how powerful processing and computing power can get – which is pushing technology into different territories.

[Source: *www. Businesstech.co.za,* 11 September 2019]

5.1	Explain the term *technology.*		(2)
5.2	List THREE examples of computer technology.		(3)
5.3	What positive effects does technology have on businesses?	(3 × 2)	(6)
5.4	What impact does technology have on employees in the banking sector?	(2 × 2)	(4)
5.5	Briefly explain the purpose of the Labour Relations Act.		(3)
5.6	Give FIVE characteristics of labour.		(5)
5.7	Draw and clearly label the FOUR phases of the trade cycle.		(7)
			[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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