higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

ECONOMIC ENVIRONMENT
NQF LEVEL 3

18 November 2024

This marking guideline consists of 7 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	C
	1.1.2	B
	1.1.3	B
	1.1.4	C
	1.1.5	B
	1.1.6	A
	1.1.7	C
	1.1.8	D
	1.1.9	B
	1.1.10	C
	1.1.11	D
	1.1.12	A
	1.1.13	A
	1.1.14	D
	1.1.15	A

(15 × 1) (15)

1.2	1.2.1	True
	1.2.2	False
	1.2.3	True
	1.2.4	True
	1.2.5	True
	1.2.6	False
	1.2.7	True
	1.2.8	False
	1.2.9	True
	1.2.10	True

(10 × 1) (10)

1.3	1.3.1	Goods that are produced within the borders of one country but sold to other countries
	1.3.2	Refers to a continuous and considerable rise in prices of goods and services in general in the economy.
	1.3.3	Refers to an inability of an individual to provide themselves with basic needs such as food, shelter and clothes
	1.3.4	A social science that studies how people use their scarce resources to satisfy their unlimited needs and wants
	1.3.5	Where buyers and sellers meet to exchange financial assets

(5 × 2) (10)

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QUESTION 2

2.1 Consumer services
2.2 Technology
2.3 SARB
2.4 Risk transfer
2.5 Appreciates

(5 × 1) **[5]**

SECTION A TOTAL: 40

SECTION B

QUESTION 3

3.1 3.1.1
- Gas
- Brent crude oil (2)

3.1.2
- Countries in Europe had to source gas and oil from other countries outside Europe.
- Many of them switched to renewable energy. (2 × 2) (4)

3.2 3.2.1 France 2 × €8 000 = €16 000✓✓
3.2.2 Portugal 1 × €8 000 = €8 000✓✓
3.2.3 Belgium 3 × €8 000 = €24 000✓✓
3.2.4 Netherlands 2 × €8 000= €16 000✓✓

(4 × 2) (8)

3.3 Foreign currency is money that is used in other countries to conduct their transactions,✓✓ such as a yen in Japan.✓ Domestic currency is currency that is locally used ✓✓ such as the South African Rand.✓ (6)

3.4 Interest (1)

3.5
- Wine
- Gold
- Platinum
- Diamonds
- Coal (Any 2 × 1) (2)

3.6
- They read✓ newspapers and other print media.
- They listen✓ to news.
- They know✓ about their business, customers, competitors and suppliers.
- They observe.✓ (4)

3.7 An entrepreneur is a person who starts the business✓✓ whilst the manager runs the business on behalf of the entrepreneur.✓✓ (4)

3.8
- Lack of education:✓ Uneducated people find it difficult to find jobs.✓
- Economic recession:✓ During an economic downturn a lot of businesses retrench many workers.✓ (4)

3.9
- Stock market
- Bond market
- Money market
- Commodities market
- Forex market
- Cryptocurrency market
- Derivatives market (Any 5 × 1) (5)

[40]

QUESTION 4

4.1 R19,86 – R19,81✓ = 0,05✓

$\frac{0,05}{R19,86} \times 100$✓ = 0,25%✓ (4)

4.2
- Financial markets ensure that funds flow from savers to borrowers.
- They facilitate and streamline the production process.
- They ensure funds are available for production units to produce goods and services.
- They play a role in expansion of businesses by making funds available.
- They promote the establishment of small and medium enterprises. (5 × 2) (10)

4.3
- An increase in corporate tax means that businesses have to pay more tax to the government.
- This leads to less profit that businesses make.
- Increased company tax also decreases business confidence.
- This means less investments and less growth.
- Investors may look to invest in other countries where company taxes are low.
- Economic growth decreases following a decline in production. (5 × 2) (10)

4.4
- Managers need to keep up with ever-changing technology.
- Managers must have enough time to plan on how to face risks presented by technology.
- Managers need to be aware of the opportunities presented by the different factors that surround the business. (3 × 2) (6)

4.5
- Product
- Price
- Promotion
- Place (4)

4.6 A charge account allows the customer to buy on credit and pay the full amount in 30 days from the date of billing. (2)

4.7 Double coincidence of wants occurs when you have what the other person wants and vice versa. (3)

4.8 Redeployment strategy (1)
[40]

QUESTION 5

5.1
- Links investors and public companies
- Provides a safe market for buying and selling securities
- Prevents fraud and protects investors by applying strict rules
- Encourages new investments
- Raising capital for business (5)

5.2 A share represents part ownership in a company✓✓ whilst dividends are payments to the shareholders.✓✓ (4)

5.3
- Inflation
- Interest rate
- Consumer price index
- Brent crude oil price
- Maize price
- Wheat price
- Currencies/exchange rate
- Current account deficit/surplus
- Gold price (Any 4 × 1) (4)

5.4 Physical environment refers to material objects and conditions that surround the business. (2)

5.5
- Political/legal
- Economic
- Social
- Technological (4)

5.6
- Provide information about business prospects
- Accept customers' deposits for safekeeping
- Buy and sell shares on behalf of clients
- Assess the creditworthiness of clients
- Buy and sell foreign exchange
- Act as executors and trustees of estates (Any 5 × 1) (5)

5.7 5.7.1 €R250 000/R20,54✓ = €12 171,37✓✓

Therefore a superfan should have €12 171,37 (3)

5.7.2 R20,54 × 10/100 = R2,05✓
R20,54 – R2,05✓ = R18,49✓

R18.49/R20.54= 90.4%✓
therefore 90.6% of R250 000✓ = R226 000✓

Therefore one Super fan should need only R226 000 after the rand has appreciated by 10% (6)

5.8 (a) 3✓
(b) R16,20✓
(c) R24,30✓
(d) 5✓ (4)

5.9 Department of Finance/National Treasury (1)

5.10 Labour is the mental or physical human effort that is used in the production of goods and services. (2)
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QUESTION 6

6.1
- Increased inflation rate decreases the disposable income of consumers.
- Lower disposable income means less goods and services are demanded in the economy.
- Consumption spending decreases.
- Production of goods and services declines.
- Businesses make less profits as they pay more for their inputs.
- Economic growth declines.
- Unemployment increases. (Any 5 × 2) (10)

6.2 Simple interest is calculated based on the principal that was borrowed✓✓ whilst compound interest is calculated based on both the principal borrowed and the interest that has not been paid.✓✓ (4)

6.3 The amount of one country's currency that is needed to purchase one unit of another country's currency (2)

6.4
- When the rand loses value, our exports become cheap and imports become expensive.
- Demand for locally produced goods increases in the global markets.
- As demand for exports increases, more foreign exchange comes into the country.
- This will increase production and economic growth.
- When the rand appreciates, imports become cheap and exports become expensive.
- This will lead to more money leaving the country.
- Economic growth declines. (Any 5 × 2) (10)

6.5 Break-even point is a point where total revenue is equal to total costs✓✓ whilst break-even analysis is a planning tool used to calculate when and if a product will reach break-even point.✓✓ (4)

6.6 6.6.1 R800 20/100✓ = R160✓
R800 + R160✓ = R960✓
R960 x 50✓ = R48 000✓✓ (7)

6.6.2 R48 000 × 5/100✓ = R2 400✓✓ (3)
[40]

TOTAL SECTION B: 160
GRAND TOTAL: 200

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