higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

ECONOMIC ENVIRONMENT
NQF LEVEL 2

24 November 2023

This marking guideline consists of 6 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	K		
	1.1.2	E		
	1.1.3	F		
	1.1.4	B		
	1.1.5	I		
	1.1.6	J		
	1.1.7	A		
	1.1.8	G		
	1.1.9	D		
	1.1.10	C		
			(10 × 1)	(10)
1.2	1.2.1	Renewable resources		
	1.2.2	economic		
	1.2.3	current		
	1.2.4	physical environment		
	1.2.5	Electronic funds transfer		
	1.2.6	growth		
	1.2.7	Appreciation		
	1.2.8	Southern African Development Community		
	1.2.9	poverty		
	1.2.10	positive/surplus		
			(10 × 1)	(10)
1.3	1.3.1	True		
	1.3.2	True		
	1.3.3	False		
	1.3.4	False		
	1.3.5	False		
	1.3.6	True		
	1.3.7	False		
	1.3.8	True		
	1.3.9	True		
	1.3.10	True		
			(10 × 1)	(10)
				[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

2.1 Economic goods are goods that are produced with scarce resources and can command a price in the market.✓✓
Example:
- Vehicles
- Equipment
- Machinery
- Plant (Any relevant example) (2)

2.2
- Oil
- Gas (2)

2.3
- The price of fuel will increase
- An increase in fuel will increase the price of the transportation of goods
- The price of goods and services will also increase
- Production of goods and services will decline
- The currency will depreciate
- Economic growth will decline (Any 4 × 2) (8)

2.4
- Dumping of cheaper goods from other countries
- The price of local goods will decline
- Production of local goods will decline
- Demand for local goods will also decline
- Profits of businesses will decrease
- People will lose their jobs (Any 4 × 2) (8)

2.5
- There will be a shortage of oil and gas
- The price of goods and services will increase
- Fewer goods will be produced
- Transport cost will become too high
- People will lose their jobs
- Will set off geopolitical realignment
- Will cause social and economic instability
- Can result in debt unsustainability
- Can increase inequality and poverty (Any 4 × 2) (8)

2.6 The law of demand states that, if the price of a product increases, the quantity demanded will decrease, and if a price of a product decreases, the quantity demanded will increase. (2)
[30]

QUESTION 3

3.1 Floods (2)

3.2
- Financial loss
- Loss of livestock
- Decrease in production of crops
- Increase in the price of agricultural products
- Increase in government spending
- Loss in seasonal employment opportunities (Any 4 × 2) (8)

3.3 Skilled labour is any worker who has a special skill, training and knowledge, which they can apply to their work✓✓ and unskilled labour is labour that requires relatively little or no training or experience for its satisfactory performance✓✓ (4)

3.4
- Poor education
- Limited jobs
- Death of the breadwinner
- Lack of infrastructure
- Limited capacity of government
- Climate change
- Unequal distribution of resources
- Political conflicts in the country (Any 4 × 2) (8)

3.5
- Improves the standard of living
- Greater variety of goods available for consumption
- Efficient allocation and better utilisation of resources
- Promotes efficiency in production
- More employment
- Products/consumption at cheaper cost
- Price of the products tends to remain more stable
- Surplus products are sold to other countries (Any 4 × 2) (8)

[30]

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QUESTION 4

4.1 4.1.1 Corruption is a dishonest or fraudulent conduct by those in power, typically involving bribery. (2)

4.1.2 SOE – stands for state-owned enterprise (2)

4.1.3
- Hampers investments
- Economic growth declines
- Loss of income
- Unemployment increases
- Poverty increases
- Crime rate also increases
- Mistrust by citizens, and domestic and foreign investors

(Any 5 × 2) (10)

4.2
- Issuing notes and coins
- Bankers' bank
- Banker for the government
- Custodian of gold and other foreign reserves
- Formulates and implements monetary policy (5 × 2) (10)

4.3 Import duties refer to taxes that must be paid on all goods that are imported and✓✓ export duties refer to the taxes that must be paid on all goods that are exported.✓✓ (4)

4.4 To provide human with goods and services to satisfy their needs and wants. (2)
[30]

QUESTION 5

5.1 5.1.1 Economic environment refers to all those economic factors that directly/indirectly impact on a business. (2)

5.1.2
- Production stops or slows down
- People are stopped from buying
- There is a drop in sales
- Employees' working hours could be reduced, thus reduced salary.
- People lose their job, which leads to poverty (Any 3 × 2) (6)

5.1.3
- Employer
- Employee
- Government
- Consumers (Any 2 × 1) (2)

5.2
- People will have less money left over from their salaries
- Production will decrease, because people will be spending less
- Savings by households will decrease
- People may turn to crime to support their families (4 × 2) (8)

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5.3
- Private ownership of the factors of production
- Motivated by self-interest and profit motive
- Markets regulate the allocation of resources
- There is freedom of choice
- No central planning
- Production is determined by demand of consumers (Any 4 × 2) (8)

5.4
- Physical environment
- Social environment
- Political environment
- Economic environment
- Technological environment
- Legal and global environment (Any 4 × 1) (4)

[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

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