higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

ECONOMIC ENVIRONMENT
NQF LEVEL 2

(3011022)

24 November 2023 (Y-paper)
13:00–15:30

This question paper consists of 7 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
ECONOMIC ENVIRONMENT
NQF LEVEL 2
TIME: 2 ½ 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 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–L) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	Looks at the components of the economy	A	fiscal policy
1.1.2	Changes in the underlying structures of the economy, which are permanent	B	credit
1.1.3	The business is using most of its resources to produce goods	C	unemployment
1.1.4	A loan that enables people to buy something now and pay for it later	D	technology
1.1.5	Occurs when prices rise as a direct results of an increase in production cost	E	structural changes
1.1.6	Goods and services that come from other countries	F	peak
1.1.7	Deals with government spending, taxation and borrowing	G	prime interest rate
1.1.8	The interest rate that banks charge their special customers	H	taxation
1.1.9	It leads to the improvement of a country's products	I	cost-push inflation
1.1.10	The number of people who are available and looking for work, but are unable to find job	J	imports
		K	micro-economics
		L	balance of trade

(10 × 1) (10)

1.2 Complete the following sentences by writing only the missing word or words. Write only the answer next to the question number (1.2.1–1.2.10) in the ANSWER BOOK.

1.2.1 … are resources that can be replaced by nature over a period of time.

1.2.2 Inflation has a negative effect on … growth.

1.2.3 The … account records a country's involvement in imports and exports.

1.2.4 The … environment deals with the availability and quality of natural resources, infrastructure and support services for the business.

1.2.5 … is the transfer of money from one bank account to another, without direct intervention of a bank employee.

1.2.6 Population … occurs when the birth rate is higher than the death rate.

1.2.7 … occurs when the Rand gains more value against foreign currencies.

1.2.8 SADC stands for … .

1.2.9 The state of not having money to buy food, clothing and shelter is called … .

1.2.10 When exports are more that imports it results in a … balance of payments.

(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 financial year of the South African government runs from 01 April till 31 March the following year.

1.3.2 Protectionism restricts imports from other countries by taxing imported goods.

1.3.3 Informal businesses have to registered with SARS and does not pay tax.

1.3.4 Countries exchange goods and services in order to be rich.

1.3.5 A complementary good is a product that can be used alone.

1.3.6 An increase in globalisation forces business to compete with international business.

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1.3.7 Climate conditions cannot be the reason for a country to enter into international trade.

1.3.8 Namibia is one of the neighbouring countries that South Africa can do business with.

1.3.9 Labour lost due to strikes cannot be recovered.

1.3.10 A business will be affected negatively if its environment is very polluted.

(10 × 1) (10)
[30]

TOTAL SECTION A: 30

SECTION B

QUESTION 2

Study the information below and answer the questions.

Africa and the Russia-Ukraine conflict: Seizing the opportunity in the crisis

The real impact on each economy is related to, among others, the level of dependency on oil and gas exports or imports, tourism, and imported grain and fertilizer. There are clear long-term implications, including a possible geopolitical realignment, social and economic instability and debt unsustainability. This will likely lead to widening inequality and deeper poverty.

https://www.un.org/africarenewal/magazine/africa-and-russia-ukraine-conflict-seizing-opportunity-crisis

2.1 Explain the term *economic goods* and give TWO examples of economic goods. (2)

2.2 Identify TWO items, from the extract above, that South Africa can import. (2)

2.3 Explain FOUR impacts that the shortage of oil and gas can have on the economy of South Africa? (4 × 2) (8)

2.4 Mention FOUR effects that cheap imports can have on the South African economy. (4 × 2) (8)

2.5 Explain the effects that the war between Russia and Ukraine can have on the South African economy. (4 × 2) (8)

2.6 State the law of demand. (2)
[30]

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QUESTION 3

Study the information below and answer the questions that follows:

CLIMATE CHANGE MADE EXTREME RAINS IN 2022 FLOODS IN SOUTH AFRICA 'TWICE AS LIKELY'

The extreme rainfall that triggered one of South Africa's deadliest disasters of this century was made more intense and more likely because of climate change, a new 'rapid-attribution' study finds.

https://www.carbonbrief.org/climate-change-made-extreme-rains-in-2022-south-africa-floods-twice-as-likely/

3.1 Name ONE natural disaster caused by extreme rainfall. (2)

3.2 Mention FIVE negative effects on the economy caused by the answer in QUESTION 3.1. (8)

3.3 What is the difference between skilled labour and unskilled labour? (4)

3.4 Identify FOUR causes of poverty in the country. (8)

3.5 What are the advantages that a country gets by engaging in international trade with other countries? (4 × 2) (8)

[30]

QUESTION 4

4.1 **Corruption in state-owned companies hurt low-skilled workers the most.**

Our findings are that the inefficiencies of state-owned enterprises, and high levels of corruption within them, do spill over to the rest of the economy.

Corruption https://www.up.ac.za/news/post_3023414-expert-opinion

4.1.1 Explain the concept of *corruption.* (2)

4.1.2 What does SOE stand for? (2)

4.1.3 Explain the negative effects that corruption can have on the economy of South Africa. (10)

4.2 Explain any FIVE functions of the South African Reserve Bank. (5 × 2) (10)

4.3 What is the differences between *import duties* and *export duties*? (4)

4.4 What is the purpose of production in the economy. (2)

[30]

QUESTION 5

5.1 Nehawu threatened that they will embark on industrial action as a results of the collapsed wage negotiations with the government.



5.1.1 Explain the term *economic environment.* (2)

5.1.2 What impact could the strike have on the business sector? (6)

5.1.3 Name TWO groups of people mostly likely to be affected by the strikes. (2)

5.2 Explain the impact that an increase in government tax has on households and firms. (4 × 2) (8)

5.3 Briefly explain the characteristics of capitalism as an economic system. (4 × 2) (8)

5.4 Name the environments that are found within the macro-environment. (4)
[30]



TOTAL SECTION B: 120
GRAND TOTAL: 150

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