higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

ECONOMIC ENVIRONMENT
NQF LEVEL 2

XX February 2020

This marking guideline consists of 6 pages.

Copyright reserved

SECTION A

QUESTION 1

1.1	1.1.1	B		
	1.1.2	C		
	1.1.3	D		
	1.1.4	B		
	1.1.5	B		
	1.1.6	A		
	1.1.7	C		
	1.1.8	D		
	1.1.9	D		
	1.1.10	C		
			(10 × 1)	(10)
1.2	1.2.1	K		
	1.2.2	I		
	1.2.3	G		
	1.2.4	B		
	1.2.5	H		
	1.2.6	D		
	1.2.7	E		
	1.2.8	J		
	1.2.9	A		
	1.2.10	C		
			(10 × 1)	(10)
				[20]

QUESTION 2

2.1	2.1.1	Economic		
	2.1.2	Physical		
	2.1.3	Social		
	2.1.4	Social		
	2.1.5	Economic		
			(5 × 1)	(1)

2.2
- Buildings
- Roads
- Railways
- Bridges
- Stadiums
- Airports
- Telecommunication systems (Any 5 × 1) (5)

[10]

TOTAL SECTION A: 30

Copyright reserved

SECTION B

QUESTION 3

3.1 Business run by the state (2)

3.2
- ESKOM
- South African Airways
- SABC (3)

3.3 3.3.1
- Less money to spend
- Miserable life for households who cannot afford electricity

3.3.2
- Businesses will lose their profitability
- Electronic equipment will be expensive

(2 × 4) (8)

3.4
- Extended power cuts
- Businesses suffering due to inconveniences
- Increase in crime (3 × 2) (6)

3.5
- Salary-related strikes
- ESKOM officials charged with corruption
- Load-shedding (3 × 2) (6)

3.6 If the rand appreciates,✓ exports will be cheaper.✓ Increased exports will cause high levels of production.✓ There will be more job opportunities.✓ There will be economic growth.✓ (5)

[30]

QUESTION 4

4.1 4.1.1 Demand decreases as price increases. (2)

4.1.2
- Price of a product
- Price of related goods
- Income of prospective buyers
- Number of prospective buyers
- Change in income
- Change in price of complementary product
- Change in price of substitutes (Any 4 × 1) (4)

4.1.3
- Needs are unlimited✓✓ and compete with one another.✓✓
- Wants complement one another✓✓ and differ from time to time, place to place and person to person.✓✓ (4 × 2) (8)

4.1.4
- To buy goods and services in the future
- To have money available for unforeseen events
- To provide for old age
- To increase wealth and income (4)

4.1.5
- Economic goods are produced with scarce resources and can command a price in the market.
- Consumer goods are used by households to satisfy their wants, for example cars and appliances. (2 + 2) (4)

4.2
- The cost of import
- Domestic levels of production (2 × 2) (4)

4.3
- May lead to retrenchments
- Decrease the demand for local products
- Decrease profits of local business (3 × 2) (6)

[30]

QUESTION 5

5.1 5.1.1 Economy performing below its potential (2)

5.1.2
- Decrease in the demand for goods
- High interest rates
- Political instability
- Slowdown of manufacturing order
- Falling housing prices and sales
- Stock market crash
- Deregulation (Any 4 × 1) (4)

5.1.3 Jobs and employment✓
- Unemployment rates are extremely high during a recession with individuals and families struggling to find work to pay the bills each month.
- Job loss affects the stability of families and individuals, many suffer with depression, alcoholism, and denial. (Any ONE)

Family life✓
- The stress of not finding work and a loss of income can lead to damaging interfamily relationships that can take years to mend.
- Sometimes families must borrow money from relatives or friends, which can result in tense situations. (Any ONE)

Education✓
- Many families cannot afford to send their children to college during a recession.
- College experiences change for many students who attend, as universities fill classes with too many students or cut classes, majors, and staff. (Any ONE)

Lifestyle changes✓
- Some families must change their plans, sell their homes, switch schools, and cancel vacations.
- Child abuse increases. (Any ONE) (8)

5.1.4
- Peak
- Contraction
- Trough
- Expansion (4)

5.1.5 More goods and services are exported (2)

5.2 Structural changes refer to changes in the underlying structure of an economy,✓✓ for example, change in technology.✓
Cyclical changes refer to the regular ups and down (fluctuations) of economic factors,✓✓ for example, inflation.✓ (3 + 3) (6)

5.3 In free trade, there are no restrictions to trade between countries.✓✓
Protectionism means government protects domestic producers against foreign competition.✓✓ (2 + 2) (4)
[30]

QUESTION 6

6.1 6.1.1 Poverty (2)

6.1.2
- Low income
- Lack of skills
- Lack of education (Any 2 × 1) (2)

6.1.3
- Proper houses
- Health-care facility
- Water (3)

6.2
- Increase in poverty
- Crime increases
- Increase in government spending (3 × 2) (6)

6.3
- Lack of infrastructure
- High levels of crime
- High levels of poverty
- High rates of unemployment
- Lack of suitable land to build houses (Any 4 × 2) (8)

6.4
- Technology costs more money.
- It reduces human resources.
- It increases crime.
- Technology has to be upgraded very often. (Any 3 × 1) (3)

Copyright reserved

6.5
- Consumers have more money to spend.
- More goods are produced.
- More people are employed to increase production.
- Businesses make more profit.
- Asset values decrease.
- Economic growth is stimulated. (6)

[30]

TOTAL SECTION B: 120
GRAND TOTAL: 150

Copyright reserved