higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

ECONOMICS N4

21 NOVEMBER 2016

This marking guideline consists of 7 pages.

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SECTION A

ALL the questions in SECTION A are COMPULSORY.

QUESTION 1

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

(20 × 2) (40)

1.2	1.2.1	False
	1.2.2	False
	1.2.3	False
	1.2.4	True
	1.2.5	True

(5 × 2) (10)
[50]

TOTAL SECTION A: 50

SECTION B

Answer any THREE of the four questions in this section.

QUESTION 2

2.1 2.1.1 R26 (2)

2.1.2 At R26 for 4 units MR = 4 units × price per unit
= 4 units × R26
= R104 (4)

2.1.3 At R24 for 4 units MR = 4 units × price per unit
= 4 units × R24
= R96 (4)

2.1.4 Total loss in revenue = R104 – R96
= R8 (4)

2.2
- Interest rates – E.g. high interest rates means less disposable income which results in less saving and vice versa.
- Wealth – E.g. If people have the net money value of assets, saving will increase.
- Income distribution – E.g. High income earners save more than lower income earners.
- Taxes – E.g. If the government lowers income tax (PAYE) and other indirect taxes, people may be encouraged to save.

(4 × 3) (12)

2.3 2.3.1 Entrepreneur
2.3.2 Positive
2.3.3 Resources
2.3.4 Microeconomics
2.3.5 Monopolistic

(5 × 2) (10)

2.4 2.4.1 Monopolistic – there is only one seller who offers the product or service and there is no competition.
Oligopolistic – there is a small number of relatively large firms that produce similar but slightly different products and there are significant barriers to entry for other entrepreneurs. (4)

2.4.2
- Industry is dominated by a small number of relatively large firms.
- Firms sell either identical or differentiated products.
- Industry has significant barriers for entry by other entrepreneurs.

(3 × 2) (6)

2.5
- It slopes downward from left to right.
- It has a concave shape downward with increasing slope. (2 × 2) (4)

[50]

QUESTION 3

3.1
3.1.1 G
3.1.2 A
3.1.3 I
3.1.4 H
3.1.5 J
3.1.6 C
3.1.7 D
3.1.8 F
3.1.9 E
3.1.10 B

(10 × 2) (20)

3.2
- Perfectly elastic
- Perfectly inelastic
- Relatively elastic
- Relatively inelastic
- Unitary elasticity (Any 3 × 2) (6)

3.3
- Price of product
- Prices of other products
- Prices of resources used in production
- Number of suppliers
- Technology (5 × 2) (10)

3.4 3.4.1
(a) 0
(b) 300
(c) 150
(d) 200
(e) 450

(5 × 2) (10)

3.4.2 350/2/23 = 15,2 (4)

[50]

QUESTION 4

4.1
4.1.1 True
4.1.2 True
4.1.3 True
4.1.4 False
4.1.5 False

(5 × 2) (10)

4.2
4.2.1 Remain the same
4.2.2 Furniture
4.2.3 Nondurable
4.2.4 Capital
4.2.5 Sin tax

(5 × 2) (10)

4.3
4.3.1 The quantity that buyers are willing to buy/purchase at a given price

4.3.2 The entire population/society or all consumption-seeking members of society

4.3.3 Factors which hamper the business in the achievement of their objectives

4.3.4 Change in total cost that arises when quantity produced increases by one more unit

(4 × 3) (12)

4.4
4.4.1 The equilibrium price is R200 and the equilibrium quantity is 300 units. (2)

4.4.2 Surplus exists at R250 and quantity is R400 units. (4)

4.5 400 units less or – (minus) 200 units = 200 units (4)

4.6
- Labour Relations Act (LRA)
- Basic Conditions of Employment Act (BCEA)
- Employment Equity Act (EEA)
- Skills Development Act (SDA) (4 × 2) (8)

[50]

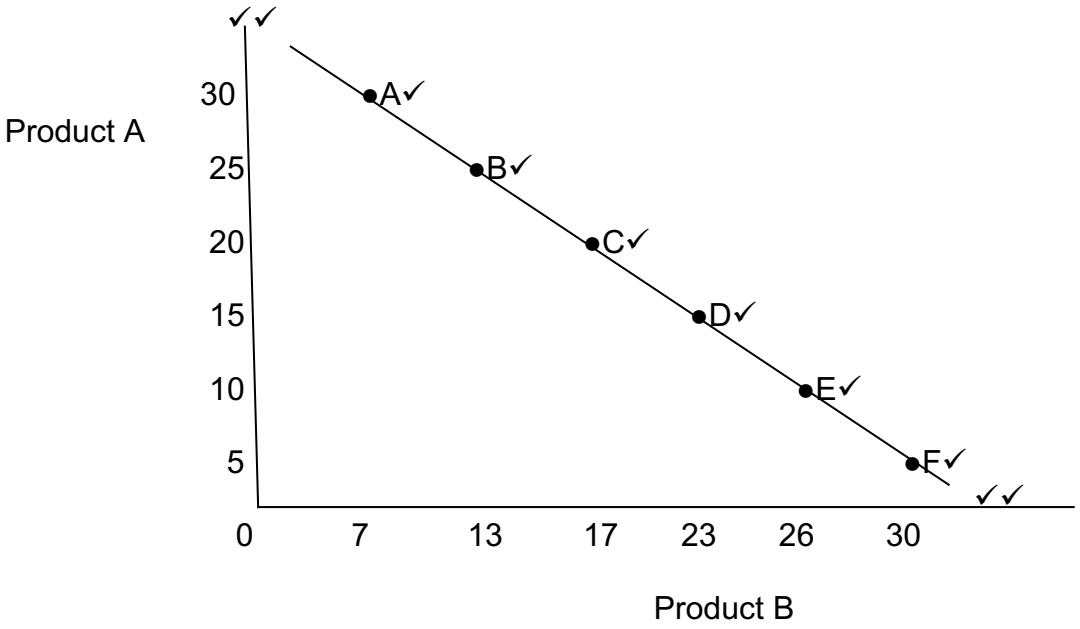
QUESTION 5

5.1 5.1.1 Perfectly competitive market
5.1.2 Perfectly competitive market
5.1.3 Monopoly
5.1.4 Monopoly
5.1.5 Monopoly

(5 × 2) (10)

5.2 5.2.1 20 (2)
5.2.2 Budget line (2)
5.2.3 F (2)
5.2.4 Consumer choice and equilibrium (2)
5.2.5 Yes. All combinations above the curve are preferable to combinations along or below the curve. (4)

5.3



MARK ALLOCATION
Drawing graph (4)
Labelling points (6)

5.4 5.4.1 $MR = \frac{R85 - R80}{17 - 16}$

$= \frac{5}{1}$

= R5 (6)

5.4.2 R5 (2)

5.4.3 Consumer spending is what households buy to fulfil their everyday needs. (2)

5.4.4
- Income
- Interest rates
- Wealth
- Expectations by consumers
- Income distribution
- Age distribution of the population
- Taxes (Any 4 × 2) (8)

[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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