higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

# MARKING GUIDELINE

## NATIONAL CERTIFICATE

## ECONOMICS N4

## 19 NOVEMBER 2018

**This marking guideline consists of 6 pages.**

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## SECTION A (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 | True |
| | 1.2.2 | False |
| | 1.2.3 | False |
| | 1.2.4 | True |
| | 1.2.5 | False |

(5 × 2) (10)
**[50]**

**TOTAL SECTION A: 50**

## SECTION B

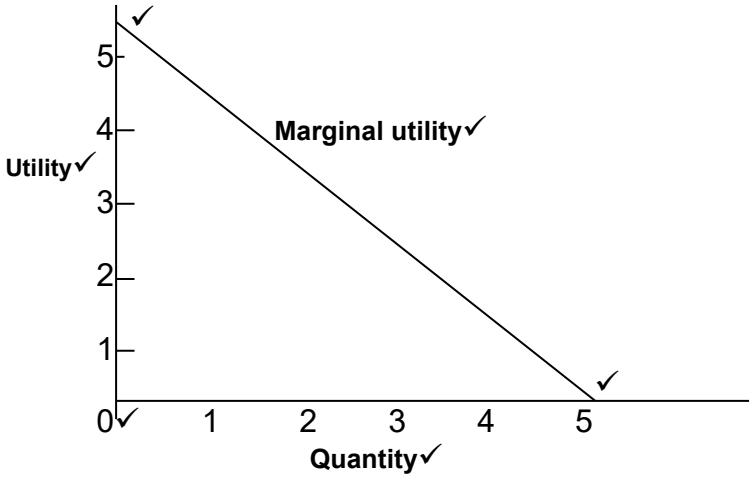
## QUESTION 2

2.1 2.1.1 Utility – ability of an article/goods/service✓ to satisfy a want.✓ (2)

2.1.2 Marginal utility – additional utility a consumer gains✓ from consuming one more additional unit of goods or service.✓ (2)

2.1.3 Law of diminishing marginal utility – as a person increases consumption of a product✓ while other things remain the same/constant✓ there is a decline/decrease in the marginal utility that a person derives✓ from consuming each additional unit.✓ (4)

2.2




(6)

2.3 Producing the quantity of goods and services✓ where marginal revenue✓ equals marginal costs.✓ (3)

2.4
- Market constraints – is a market where all or part of a change in demand is not reflected in a corresponding change in supply✓ but instead in a change in consumption elsewhere.✓
- Technology constraints – these are limitations in a project✓ of what it is expected to accomplish.✓ (2 × 2) (4)

2.5 2.5.1 R25 (2)

2.5.2 At R25 for 4 units MR = 4 units × price per unit✓
= 4 units × R25✓
= R100✓✓ (4)

2.5.3 At R23 for 4 units MR = 4 units × price per unit✓
= 4 units × R23✓
= R92✓✓ (4)

2.5.4 Total loss of revenue = R100 – R92✓✓
= R8✓✓ (4)

2.6
- Legal barriers
- Natural barriers

(2 × 2) (4)

2.7
- Land/Natural resources
- Labour
- Interest
- Entrepreneur

(4 × 2) (8)

2.8 2.8.1 Entrepreneur
2.8.2 Inverse/Opposite
2.8.3 Economic (3)
**[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 inelastic
- Highly elastic
- Unitary elastic
- Less elastic

(Any 3 × 2) (6)

3.3
- Price of product
- Income levels
- Consumer tastes and preferences
- Competition
- Fashions

(5 × 2) (10)

3.4 3.4.1 (a) 0
(b) 550
(c) 300
(d) 350
(e) 850

(5 × 2) (10)

3.4.2 750/2/35✓✓= 10.71✓✓ (4)
**[50]**

## QUESTION 4

4.1 4.1.1 True
4.1.2 False
4.1.3 False
4.1.4 True
4.1.5 False

(5 × 2) (10)

4.2 4.2.1 equals
4.2.2 Mining
4.2.3 indirect
4.2.4 using
4.2.5 deferred

(5 × 2) (10)

4.3 4.3.1 An estimate✓ of income and expenditure✓ for a set period of time.✓

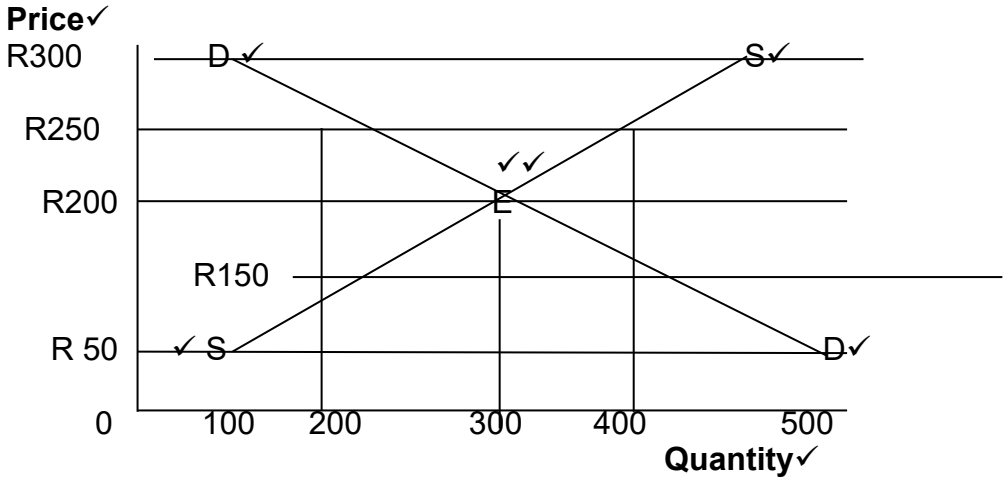
4.3.2 Decrease in the additional output/income✓ due to an increase of a single factor of production✓ while all the other factors remain constant.

4.3.3 Costs that change over time✓ due to firms changing production✓ in response to expected economic profit or losses.✓

4.3.4 Plant shutdown: Complete closure✓ of equipment/machinery/buildings✓ for scheduled maintenance, replacement of parts, modification or expansion.✓

(4 × 3) (12)

4.4 4.4.1




(8)

4.4.2 At quantity of 300✓ and price of R200.✓ (2)

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

4.5
- Labour market
- Capital market
- Land market (Any 2 × 2) (4)

**[50]**

**QUESTION 5**

5.1
5.1.1 Socialism
5.1.2 Capitalism
5.1.3 Socialism
5.1.4 Socialism
5.1.5 Capitalism

(5 × 2) (10)

5.2
- Perfectly elastic demand✓ – change in price causes an infinite/immeasurable change in demand.✓✓
- Perfectly inelastic demand✓ – change in price causes little or no effect in demand.✓✓
- Relatively elastic demand✓ – relatively large change in price causes a relatively large change in demand.✓✓
- Relatively inelastic demand✓ – relatively large change in price causes a relatively small change in demand.✓✓
- Unitary elastic demand – change in price causes an equal change in demand. (Any 4 × 3) (12)

5.3

| COMBINATION | PRODUCT A | PRODUCT B |
|---|---|---|
| A✓ | 30✓ | 7✓ |
| B✓ | 25✓ | 13✓ |
| C✓ | 20✓ | 17✓ |

(10)

5.4 5.4.1
$$MR = \frac{R98 - R91}{14 - 13}✓✓$$
$$= \frac{7}{1}✓✓$$
$$= R7✓✓$$

(6)

5.4.2 R7 (2)

5.4.3 Income not spent or deferred consumption (2)

5.4.4
- For emergency/unexpected expenditure
- For retirement
- For down payment on fixed and immovable assets
- Expectations by consumers
- For education (Any 4 × 2) (8)

**[50]**

**TOTAL SECTION B: 150**
**GRAND TOTAL: 200**

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