higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

ECONOMICS N5

23 MAY 2013

This marking guideline consists of 9 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	A
	1.1.2	C
	1.1.3	B
	1.1.4	C
	1.1.5	E
	1.1.6	A
	1.1.7	D
	1.1.8	B
	1.1.9	A

(9 × 2) (18)

1.2	1.2.1	True
	1.2.2	True
	1.2.3	False
	1.2.4	True
	1.2.5	True
	1.2.6	True
	1.2.7	True
	1.2.8	True
	1.2.9	True
	1.2.10	False
	1.2.11	True
	1.2.12	False
	1.2.13	True

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1.2.14 True

1.2.15 False

1.2.16 True

(16 × 2) (32)
[50]

TOTAL SECTION A: 50

SECTION B

QUESTION 2

2.1 The term macro-economics encompasses the study of how the community solves economic problems - look at the economy as a whole. (2)

2.2
- Domestic production refers to all the economic activities which occur within the boundaries of a country.
- National production refers to those economic activities in which only the permanent residents of a country are involved. (2 × 2) (4)

2.3 2.3.1 Transfer payments

2.3.2 Double counting

2.3.3 Real national income

2.3.4 Economic growth

2.3.5 Human capital

(5 × 2) (10)

2.4 B R1 800 (2)

2.5 The national income is the grand total of the receipts of a country's inhabitants for their factors of production which have had a share in the production process for a given year. (4)

2.6 E economic activity increases (2)

2.7 2.7.1 108 000

2.7.2 82

(2 × 2) (4)

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2.8 2.8.1 False

2.8.2 True

2.8.3 False

2.8.4 True

2.8.5 False (5 × 2) (10)

2.9 2.9.1 A trade union is an organised group of workers in a particular enterprise, industry, trade or profession seeking to establish a relationship with management via the process of collective bargaining. (4)

2.9.2
- Trade unions have a common aim of improving employees' conditions of work.
- It is the aim of a trade union to promote the interests of its members in the work situation.
- This leads to a striving after higher standards of living and
- work satisfaction.

(4 × 1) (4)

2.9.3
- The primary function of a trade union is to maintain and promote the interests of its members.
- To unite and organise workers in various industries
- To bargain for wage increases
- To resist retrenchment and to strive for full employment
- To bring democracy into the workplace
- To negotiate for better working conditions e.a rest periods, tools, safety in the work place
- To obtain favourable overtime rates, paid holidays, leave and sick leave
- To establish and maintain effective collective bargaining mechanisms
- To influence management decisions which could benefit the workers

(Any 4 × 1) (4)
[50]

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QUESTION 3

3.1 3.1.1 R20 000

3.1.2 R23 636

3.1.3 R20 000

3.1.4 R18 285

(4 × 1) (4)

3.2 3.2.1 True

3.2.2 True

(2 × 2) (4)

3.3
- Yes,
- it is responsible for poverty, violence, high incidence of crime
- in its very nature, it affects the core of a person who wants to work
- unused skills and potential ability is lost for the country but
- forces people to establish their own business
- encourages entrepreneurship, creates jobs (6)

3.4 3.4.1
- Period of time
- Decline in economic activity
- Workers who cannot adapt to changes
- Seasonal workers
- Prospective workers
- A high population growth
- The capacity to create more job opportunities (Any 4 × 1) (4)

3.4.2
- Frictional unemployment
- Cyclical unemployment
- Structural unemployment
- Seasonal unemployment (4 × 1) (4)

3.4.3
- Economic growth
- Job creation
- Appropriate technology
- Inward industrialisation
- Housing
- Education and training
- Population policy
- Unemployment insurance
- Wage subsidies
- Informal sector
- Job creation programmes (Any 4 × 1) (4)

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3.5 3.5.1 Money is anything that is generally accepted as payment for goods and services✓ or which is accepted in settlement of debt.✓ It is a generally accepted medium of barter or payment✓ that also serves as accounting unit. ✓ (4 × 1) (4)

3.5.2
- General acceptability
- Durability
- Portability
- Homogeneity and divisibility
- Recognisability
- Stable value
- Relative scarcity (Any 5 × 2) (10)

3.5.3
- Money functions as a medium of exchange
- Money functions as a measure of value
- Money functions as a standard for postponed payments
- Money functions as the power of disposal over goods and services
- Money functions as hoarding medium (5 × 2) (10)

[50]

QUESTION 4

4.1 4.1.1 200

4.1.2 520

4.1.3 960

4.1.4 200

4.1.5 260

4.1.6 320

(6 × 2) (12)

4.2 4.2.1 Employee is rewarded according to time that he have worked or time spent to execute a quantity of work, e.g. monthly, weekly and daily wage. (1 × 2) (2)

4.2.2 Employee is rewarded according to a predetermined quantity of work that must be done, irrespective of the time taken to complete it. If the employee works fast, he can earn a higher wage. (2 × 1) (2)

4.2.3
- Standard wage is paid under precondition that if the employee finishes more than a certain quantity of work within the determined work time, he will receive a bonus for extra work done.

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- Standard time comes into play when the employee finishes his work in a shorter time than the standard or determined time, he will receive a bonus for the time saved.
- A commission is paid to the employee who already receives a basic salary but also receives commission on concluded transactions. (Any 2 × 1) (2)

4.3 4.3.1 True

4.3.2 True

4.3.3 False

4.3.4 False (4 × 2) (8)

4.4 B 880 (2)

4.5 A Raw materials are unevenly distributed (2)

4.6 4.6.1 8 840

4.6.2 9 450

4.6.3 9 370

4.6.4 -170

4.6.5 9 280 (5 × 2) (10)

4.7 4.7.1 B

4.7.2 D

4.7.3 A

4.7.4 C (4 × 2) (8)

4.8 A individual income tax (2)
[50]

QUESTION 5

5.1 C general price level (2)

5.2
- Inflation is a process.
- The rise in prices must be considerable.
- The buying power of money declines in inverse proportion to the inflation rate. (3 × 2) (6)

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5.3 5.3.1 True

5.3.2 False (2 × 2) (4)

5.4 C according to a fixed percentage of the value of the goods. (2)

5.5 R300 - R230 = R70 (4)

5.6
- Natural resources
- Climate
- Characteristics of labour and entrepreneurship
- Capital cannot be obtained as easily in some countries as in others
- The needs of people are heterogeneous
- Income
- Established industries
- International migration
- The development of transport and telecommunications
- Cost differences (Any 2 × 1) (2)

5.7
- Economic order and protection function
- Social welfare function
- Economic welfare function (3 × 2) (6)

5.8 5.8.1
- The Budget is a document which contains particulars of the plan for allocating state revenue and expenditure.
- It is a summary of the revenue and expenditure.
- It may be regarded as the framework within which the state has to operate.
- As a result, it is the principal financial account in a country.
- The minister of finance prepares the budget. (5 × 1) (5)

5.8.2 Taxes are the states' main source of income - it is a certain compulsory payment made to the state by individuals. (1 × 3) (3)

5.9
- Income policy
- Investment policy
- Public debt policy and control (3)

5.10 True (2)

5.11 5.11.1 Deregulation

5.11.2 Privatisation

5.11.3 Affirmative action

5.11.4 Nationalisation (4 × 2) (8)

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5.12
- Labour force
- Capital
- Technology
- Natural resources
- Entrepreneurship

(Any 3 × 1) (3)
[50]

TOTAL SECTION B: 150
GRAND TOTAL: 200

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