higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

ECONOMICS N5

20 NOVEMBER 2014

This marking guideline consists of 8 pages.

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SECTION A

QUESTION 1

1.1 True
1.2 False
1.3 False
1.4 True
1.5 True
1.6 False
1.7 False
1.8 False
1.9 True
1.10 False
1.11 True
1.12 True
1.13 False
1.14 True
1.15 False
1.16 True
1.17 False
1.18 True
1.19 False
1.20 False
1.21 False
1.22 True
1.23 False
1.24 True
1.25 False

(25 × 2) **[50]**

TOTAL SECTION A: 50

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SECTION B

QUESTION 2

2.1 2.1.1 Transfer payments
2.1.2 Double counting
2.1.3 Real national income
2.1.4 Economic growth
2.1.5 Human capital

(5 × 2) (10)

2.2.1 108 000 (2)
2.2.2 82 000 (2)

2.3 **Trade unions**

2.3.1 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)

2.3.2 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 means striving for higher standards of living and work satisfaction. (4)

2.3.3
- 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 to the workplace
- To negotiate for better working conditions – 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)

2.4
- Increasing productivity
- Availability of production
- Technological development
- Effective government policy (4 × 2) (8)

2.5 150 (1990 as base year) (3)

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2.6 2.6.1 Price of the final product
Marginal income product (MIP) of labour (4)

2.6.2 Huge supply of unskilled labour
Concentration of labour in certain areas
Shortage of technicians
Women are becoming more important in the labour market (4)

2.7 Delivery of a service or goods and payment thereof are separated by time. (2)

2.8 We sell products to foreign countries/create job opportunities/We receive money/Economic growth (3)
[50]

QUESTION 3

3.1 a = R 20 000
b = R 23 636
c = R 20 000
d = R 18 285 (4)

3.2 Yes
- It is responsible for poverty, violence, high incidence of crime
- In its very nature it affects the person who wants to work
- Unused skills and potential ability force people to establish their own businesses
- Encourages entrepreneurship, creates jobs (6)

3.3 3.3.1
- 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 (4)

3.3.2
- Frictional unemployment
- Cyclical unemployment
- Structural unemployment
- Seasonal unemployment (4)

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3.3.3
- Economic growth
- Job creation
- Appropriate technology
- Inward industrialisation
- Housing
- Education and training
- Population policy
- Unemployment insurance
- Wage subsidies
- Informal sector
- Job creation programmes (4)

3.4 3.4.1 530 + 9 120 – 1 810 = 8 840 (4)

3.4.2 8 840 + 770 – 160 = 9 450 (4)

3.4.3 9 450 – 90 – 130 + 140 = 9 370 (3)

3.5 3.5.1 Duty amounts to a certain percentage of the value of the imported article (2)

3.5.2 Levied as a certain amount per unit, mass or size (2)

3.6
- Efficient
- Elastic
- Economical
- Certain
- Impartial
- Convenient
- Simple
- Must increase the national income to its maximum (5)

3.7 GDP = (Pw x Qw) + (Pc + Qc) + (Pb x Qb) + (Pm x Qm)
= (5 x 200) + (3 x 120) + (1 x 500) + (2 x 400)]
= 1 000 + 360 + 500 + 800
= 2 660 (8)
[50]

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QUESTION 4

4.1 4.1.1 Employee is rewarded according to time that he has worked or time spent to execute a quantity of work, e.g. monthly, weekly and daily wage. (2)

4.1.2 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)

4.1.3
- Standard wage = 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.
- Standard time = if the employee finishes his work in a shorter time than the standard or determined time, he will receive a bonus for the time saved.
- Commission = the employee receives a basic salary plus commission on concluded transactions. (2)

4.2 4.2.1 True
4.2.2 True
4.2.3 False
4.2.4 False (4 × 2) (8)

4.3 4.3.1 B
4.3.2 D
4.3.3 A
4.3.4 C (4 × 2) (8)

4.4
- School education is important for economic growth. The higher the scholastic level of the labour force, the more productive they are and the more goods and services can be produced. Especially technical education is regarded as an essential factor for economic growth.
- Post-school education at universities and technicons is necessary to develop the skills necessary for modern economic development. The training of engineers, technicians and technologists is particularly necessary for improving the capacity of the economy to create welfare.
- In-service training and retraining must be undertaken continually to suit changing circumstances.
- Vocational guidance must receive much more attention to ensure the maximum utilisation of school leavers.
- Entrepreneurs must be available to create new job opportunities, as well as goods and services.
- More management personnel are needed to direct the creation of welfare.
- Labour must be more effectively utilised at all levels. Peaceful and harmonious labour relations, motivation for work and positive attitudes and a true work ethic are needed to improve the quality of labour. (10)

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4.5	4.5.1	Cost-push		
	4.5.2	Demand-pull		
	4.5.3	Demand-pull		
	4.5.4	Cost-push		
	4.5.5	Cost-push	(5 x 2)	(10)
4.6	4.6.1	G		
	4.6.2	I		
	4.6.3	C		
	4.6.4	I	(4 x 2)	(8)
				[50]

QUESTION 5

5.1

- Economic order and protection function (2)
  In order to maintain internal and external security, the state needs a strong defence force. Terrorism occurs throughout the world and has become a threat to peaceful existence. Much capital is invested in maintaining this security, e.g. the defence, police and prison functions.
  Law and order must be maintained in the country - for this purpose, there must be a legal service rendered by courts. (4)

- Social welfare function
  The nature and range of this function will be influenced by the policy of the government.
  The functions which have a bearing on social welfare are material (economic) care, keeping fit and in good health, mental stimulation, intellectual development and cultural promotion. The state must also ensure that the disadvantaged are at least able to satisfy their minimum needs. This is social security. Large amounts of money are spent on the physically disabled and other disadvantaged groups each year. These services are rendered because the state is held responsible for the well-being of the nation. (2)

Social services include:

- Free hospitalisation
- Family allowances
- Unemployment insurance
- Medical services
- Subsidised pension services
- Removal of garbage
- Provision of water and electricity
- Schools, universities, technical colleges (4)

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- Economic welfare function (2)

- The regulation of the economy and to ensure **economic stability**, e.g. monetary control
- The stimulation of **economic development** to ensure total wealth, in which every individual can share according to his own contribution, e.g. assistance to future entrepreneurs
- Maintenance of **economic order**
- The provision and maintenance of an **economic infrastructure** for the support of the private sector, e.g. public transport services, provision of water and electricity
- Support private **industrial development** (4)

5.2 R2.50 = $1
Rand depreciates against the dollar with 20%
20% of R2.50 = 50c
R3.00 = $1 (6)

5.3 Minister of Finances (2)

5.4 An important factor in economic growth is the quantity and quality of capital, that is, the manufactured means of production; further growth will depend largely on whether new capital can be created out of savings. (4)

5.5 Economic growth concerns the increase in the real gross domestic product per capita, as measured by the average increase in the quantity of goods and services per capita (head) of the population over time.
Economic growth concentrates on things (goods and services). (4)

5.6 A C (2)

5.7 5.7.1 True (2)
5.7.2 False (2)

5.8 R300 – R230 = R70 (4)

5.9 5.9.1 Deregulation
5.9.2 Privatisation
5.9.3 Affirmative action (6)
[50]

TOTAL SECTION A: 150
GRAND TOTAL: 200

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