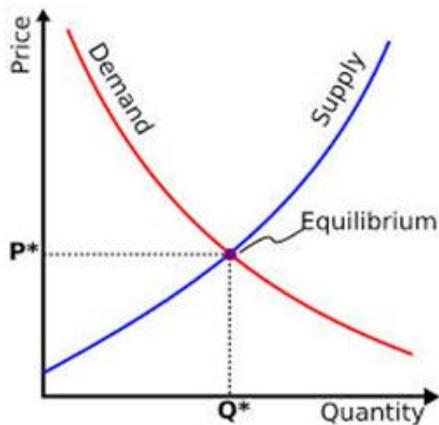


QUESTION 1**[10 marks]**

Choose the correct answer from the following options. Encircle the correct letter of the answer.

- 1.1 Which one of the following are not participants in a closed economy?
- a) Households
 - b) Foreign sector
 - c) Businesses
 - d) Government
- 1.2 There are four factors of production. Which one of the following is not a production factor?
- a) Natural resources
 - b) Capital
 - c) Labour
 - d) Intrapreneurship

Look at the graph and answer question 1.3 and 1.4.



- 1.3 If there were an increase in demand, the demand graph would:
- a) move downwards
 - b) move to the right
 - c) move to the left
 - d) none of the above
- 1.4 If there were a decrease in supply, the supply curve would:
- a) move to the left
 - b) move upwards
 - c) move downwards
 - d) none of the above

- 1.5 Identify the product or service that is not classified as part of the primary sector.
- a) Mining
 - b) Forestry
 - c) Potato farm
 - d) Construction company
- 1.6 Identify the product or service that is not classified as part of the secondary sector.
- a) Printing press
 - b) Construction company
 - c) Lawyers
 - d) Fish monger
- 1.7 Identify the product or service that is not classified as part of the tertiary sector.
- a) Fisherman
 - b) Grocery store
 - c) Doctor
 - d) Cell phone provider
- 1.8 Which one of the following is not part of the basic tasks of management?
- a) Plan for the future of the business
 - b) Organise all staff in the business
 - c) Lead workers to make a profit
 - d) Evaluate financial data
- 1.9 Which one of the following is not used as a method of market research?
- a) Telephone
 - b) Advertisements
 - c) Questionnaires
 - d) Personal interviews
- 1.10 Which one of the following is not used when calculating the production cost?
- a) Cost of administration
 - b) Cost of raw material
 - c) Cost of labour
 - d) Overhead costs

QUESTION 2**[15 marks]**

Match the definition in column B to the correct term in column A. Only write the letter in the answer column.

COLUMN A		COLUMN B	ANSWER
2.1	Capitalism	A Raw materials that are converted into finished products.	2.1
2.2	Socialism	B The point where the consumer and supplier are both satisfied with the number of units and the price of a product.	2.2
2.3	Communism	C Consists of all enterprises involved in extracting raw materials or using natural resources.	2.3
2.4	Natural resources	D Combines factors of production in order to produce and sell goods and services at a profit.	2.4
2.5	Labour	E Economic system in which property is largely privately owned.	2.5
2.6	Capital	F The quantity that a supplier is prepared to offer at a given price.	2.6
2.7	Entrepreneurship	G Creates a favourable image for the enterprise as a whole.	2.7
2.8	Exchange rate	H Includes all efforts (mental and physical) to create goods and services.	2.8
2.9	Demand	I Industry concerned with the distribution of raw materials and manufactured goods.	2.9
2.10	Supply	J Economic system in which state and private ownership of resources.	2.10
2.11	Equilibrium	K Consists of industries involved in converting or processing raw materials into consumable goods.	2.11
2.12	Primary sector	L Price of one currency expressed in terms of another currency.	2.12
2.13	Secondary sector	M The need for a product and the ability to pay for that product.	2.13
2.14	Tertiary sector	N Economic system in which production factors are state owned.	2.14
2.15	Public relations	O Money and assets contributed by the owner to start the business.	2.15

QUESTION 3**[20 marks]**

Complete the following sentences by filling in the missing words.

- 3.1 Another name for capitalism is _____.
- 3.2 Businesses owned by government form part of the _____ sector.
- 3.3 Goods and services must be produced and made available to satisfy human _____ and _____.
- 3.4 A _____ is a place where goods are bought and sold by participants in the economic cycle.
- 3.5 Businesses are also known as the _____ sector.
- 3.6 The economic cycle involves a continuous two-way flow of _____ and _____.
- 3.7 _____ refers to a situation where South African businesses buy goods and services from businesses in other countries.
- 3.8 One of the advantages of competition is that businesses will try to sell the best _____ product at the _____ price to attract more customers.
- 3.9 A _____ is any number of employees in a particular undertaking or industry that are grouped together for the purpose of regulating relations between employees and employers.
- 3.10 When choosing a supplier for a business, it is important for the supplier to have a good _____.
- 3.11 A SWOT analysis can be undertaken to determine the _____, _____, _____ and _____ of a new business.
- 3.12 There are four sub-sections to be covered by the marketing function. They are personal sales, _____, _____, and _____.

QUESTION 4**[10 marks]**

State whether the following statements are true or false.

- 4.1 In a capitalist system profit is the main aim. _____
- 4.2 In a communist system there is a right to competition between businesses. _____
- 4.3 In a socialist system government provides essential services. _____
- 4.4 A stay-away is a temporary, collective refusal to work by employees to pressurise the employer to agree to the demands of the workers. _____
- 4.5 Trade unions don't cause businesses to lose focus and profits. _____
- 4.6 The purchasing function buys goods and services needed by all departments in the business. _____
- 4.7 The administrative function deals with all matters related to staff. _____
- 4.8 The main focus of PR is the improvement of a company's image. _____
- 4.9 In order to make a profit, sales price has to exceed the production cost. _____
- 4.10 Break-even point refers to the number of products needed to be sold to cover all the expenses. _____

QUESTION 5

[32 marks]

Answer the following questions.

5.1 Complete the following table by listing one advantage and one disadvantage of each of the economic systems.

	Advantage	Disadvantage
Capitalism		
Socialism		
Communism		

(6)

5.2 List any three possible reasons for international trade.

_____ (3)

5.3 Apart from change in price, name two things that could influence a change in demand.

_____ (2)

5.4 Name any two functions of a trade union.

_____ (2)

5.5 The world we live in has limited resources. What can businesses like Curro Serengeti do for their part in the sustainable use of resources? Give two suggestions.

_____ (2)

5.6 In a business there are eight functions of a business that an entrepreneur is responsible for managing. Name any five of these functions.

(5)

5.7 There are four policy instruments covered by the marketing function (often referred to as the four P's). Name the four instruments.

(4)

5.8 Name three reasons for the importance for public relations.

(3)

5.9 Name any five components of the business plan.

(5)

QUESTION 6**[13 marks]**

6.1 What is the law of demand?

 (1)

6.2 What is the law of supply?

 (1)

6.3 Use the information from the given table and complete a demand and supply graph. Identify the demand curve with a "D", the supply curve with an "S" and the equilibrium with an "E". (9)

PRICE PER PAIR OF PANTS	QUANTITY DEMANDED	QUANTITY SUPPLIED
R300	100	500
R250	200	400
R200	300	300
R150	400	200
R100	500	100



6.4 At what price and number of units was the equilibrium reached?

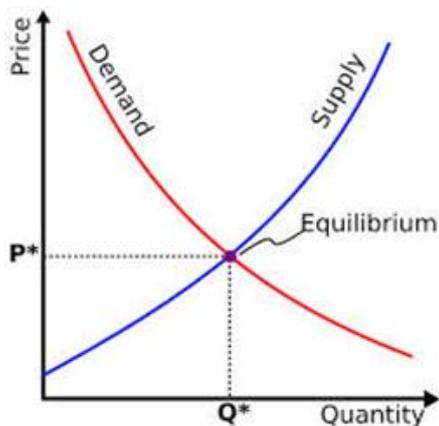
 (2)**TOTAL: 100 MARKS**

MEMORANDUM**MEMORANDUM****QUESTION 1****[10 marks]**

Choose the correct answer from the following options. Encircle the correct letter of the answer.

- 1.1 Which one of the following are not participants in a closed economy?
- a) Households
 - b) Foreign sector**
 - c) Businesses
 - d) Government
- 1.2 There are four factors of production. Which one of the following is not a production factor?
- a) Natural resources
 - b) Capital
 - c) Labour
 - d) Intrapreneurship**

Look at the graph and answer question 1.3 and 1.4.



- 1.3 If there were an increase in demand, the demand graph would:
- a) move downwards
 - b) move to the right**
 - c) move to the left
 - d) none of the above
- 1.4 If there were a decrease in supply, the supply curve would:
- a) move to the left
 - b) move upwards
 - c) move downwards**

d) none of the above

1.5 Identify the product or service that is not classified as part of the primary sector.

- a) mining
- b) forestry
- c) potato farm
- d) construction company

1.6 Identify the product or service that is not classified as part of the secondary sector.

- a) printing press
- b) construction company
- c) lawyers
- d) fish monger

1.7 Identify the product or service that is not classified as part of the tertiary sector.

- a) fisherman
- b) grocery store
- c) doctor
- d) cell phone provider

1.8 Which one of the following is not part of the basic task of management?

- a) Plan for the future of the business plan
- b) Organise all staff in the business
- c) Lead workers to make a profit
- d) Evaluate financial data

1.9 Which one of the following is not used as a method of market research?

- a) Telephone
- b) Advertisements
- c) Questionnaires
- d) Personal interviews

1.10 Which one of the following is not used when calculating the production cost?

- a) Cost of administration
- b) Cost of raw material
- c) Cost of labour
- d) Overhead costs

QUESTION 2**[15 marks]**

Match the definition in column B to the correct term in column A. Only write the letter in the answer column.

COLUMN A		COLUMN B	ANSWER
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2.3	Communism	C Consists of all enterprises involved in extracting raw materials or using natural resources.	2.3 N
2.4	Natural resources	D Combines factors of production in order to produce and sell goods and services at a profit.	2.4 E
2.5	Labour	E Property is largely privately owned.	2.5 H
2.6	Capital	F The quantity that a supplier is prepared to offer at a given price.	2.6 O
2.7	Entrepreneurship	G Creates a favourable image for the enterprise as a whole.	2.7 D
2.8	Exchange rate	H Includes all efforts (mental and physical) to create goods and services.	2.8 L
2.9	Demand	I Industry concerned with the distribution of raw materials and manufactured goods.	2.9 M
2.10	Supply	J State and private ownership of resources.	2.10 F
2.11	Equilibrium	K Consists of industries involved in converting or processing raw materials into consumable goods.	2.11 B
2.12	Primary sector	L Price of one currency expressed in terms of another currency.	2.12 C
2.13	Secondary sector	M The need for a product and the ability to pay for that product.	2.13 A
2.14	Tertiary sector	N Production factors are state owned.	2.14 I
2.15	Public relations	O Money and assets contributed by the owner to start the business.	2.15 G

QUESTION 3**[20 marks]**

Complete the following sentences by filling in the missing words.

- 3.1 Another name for capitalism is **Market system**.
- 3.2 Businesses owned by government form part of the **public** sector.
- 3.3 Goods and services must be produced and made available to satisfy human **wants** and **needs**.
- 3.4 A **market** is a place where goods are bought and sold by participants in the economic cycle.
- 3.5 Businesses are also known as the **private** sector.
- 3.6 The economic cycle involves a continuous two-way flow of **goods/services** and **money**.
- 3.7 **Importing** refers to a situation where South African businesses buy goods and services from businesses in other countries.
- 3.8 One of the advantages of competition is that businesses will try to sell the best **quality** product at the **lowest** price to attract more customers.
- 3.9 **Trade unions** are any number of employees in a particular undertaking or industry that are grouped together for the purpose of regulating relations between employees and employers.
- 3.10 When choosing a supplier for a business, it is important for the supplier to have a good **reputation**.
- 3.11 A SWOT analysis can be undertaken to determine the **strengths, weaknesses, opportunities and threats**.
- 3.12 There are four sub-sections to be covered by the marketing function. They are **personal sales, advertising, sales promotion and publicity**.

QUESTION 4**[10 marks]**

State whether the following statements are true or false.

- 4.1 In a capitalist system profit is the main aim. **True**
- 4.2 In a communist system there is a right to competition between businesses. **False**
- 4.3 In a socialist system government provides essential services. **True**
- 4.4 A stay-away is a temporary, collective refusal to work by employees to pressurise the employer to agree to the demands of the workers. **True**
- 4.5 Trade unions can cause businesses to lose focus and profits. **True**
- 4.6 The purchasing function buys goods and services needed by all departments in the business. **True**
- 4.7 The administrative function deals with all matters related to staff. **False**
- 4.8 The main focus of PR is the improvement of a company's image. **True**
- 4.9 In order to make a profit, sales price have to exceed the production cost. **True**
- 4.10 Break-even point refers to the number of products needed to be sold to cover all the expenses. **True**

QUESTION 5

[32 marks]

Answer the following questions.

5.1 Complete the following table by listing one advantage and one disadvantage of each of the economic systems.

	Advantage	Disadvantage
Capitalism	Citizens can make own wealth	Rich control economy
	Little interference from government	Uneven distribution of wealth
	Equal opportunity	
Socialism	Freedom to start own business	Need to find own market
	Pay taxes but receive infrastructure	Not in control of how much tax is paid
Communism	Basic needs are provided for by government	Government is in control of all resources
		Money remains in the hands of few

(6)

5.2 List any three possible reasons for international trade.

Natural resources are unevenly distributed. Climate differs in different regions.

Labour specialisation. Preferences, wants and needs. Income levels.

Improved transport and communications

(3)

5.3 Apart from change in price, name two things that could influence a change in demand.

Changes in tastes and habits, changes in real income, business cycle/economic cycle, volume of money in circulation, tax, changes in population.

(2)

5.4 Name any two functions of a trade union.

Being a mouthpiece for workers' rights, collective bargaining for its members,

improved conditions for employment, negotiate on behalf of its members, represent

members in disciplinary issues, offers advice to its members on labour legislation. (2)

5.5 The world we live in has limited resources. What can businesses do for their part in the sustainable use of resources?

Recycle, curb wastage, etc.

(2)

- 5.6 In a business there are eight functions of a business that an entrepreneur is responsible for managing. Name any five of these functions.
Purchasing/procurement, production, human resources, public relations, administration, marketing, finance, general management (5)
- 5.7 There are four policy instruments covered by the marketing function (often referred to as the four P's). Name the four instruments.
Product
Price
Place/distribution
Promotion/marketing (4)
- 5.8 Name three reasons for the importance for public relations.
Continued scientific and technological progress / development in economic, sociological and political fields / growth of large enterprises / employment of thousands of enterprises. (3)
- 5.9 Name any five components of the business plan.
Title page / table of content / introduction or executive summary / description of business / product and production plan / marketing plan / staff structure / social responsibility / financial plan / conclusion (5)

QUESTION 6

[13 marks]

6.1 What is the law of demand?

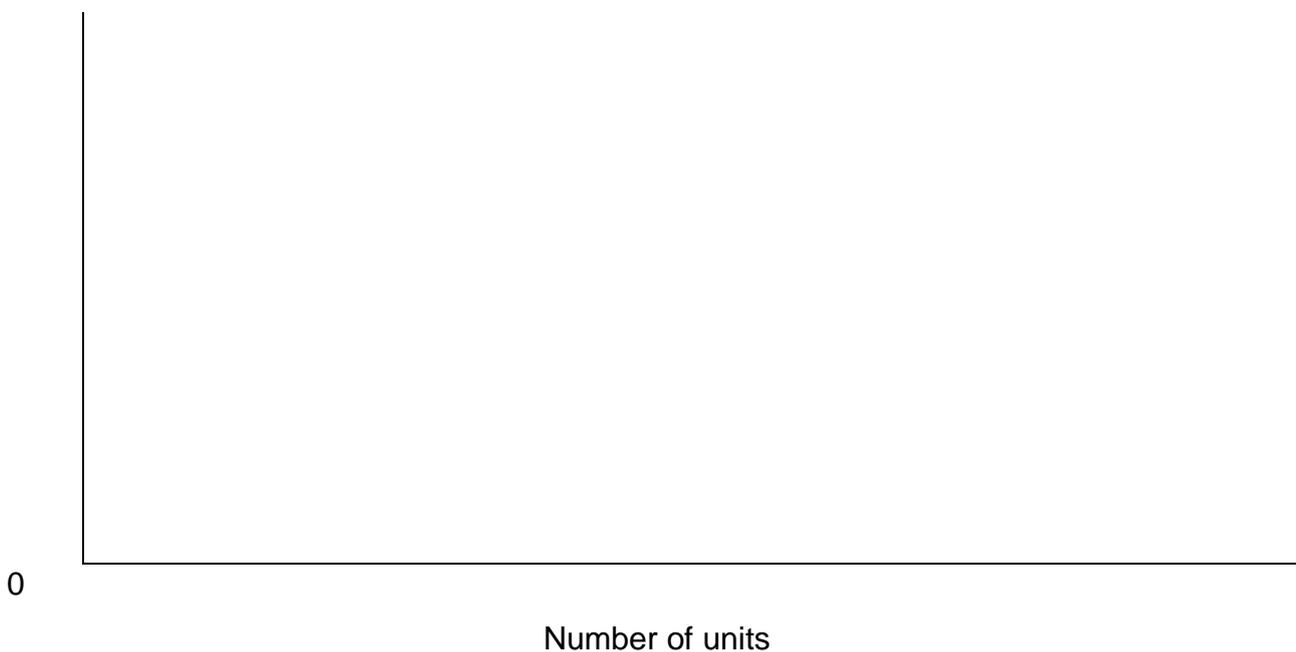
The higher the price, the lower the demand. The lower the price, the higher the demand (1)

6.2 What is the law of supply?

The higher the price, the higher the supply. The lower the price, the lower the supply. (1)

6.3 Use the information from the given table and complete a demand and supply graph. Identify the demand curve with a "D", the supply curve with an "S" and the equilibrium with an "E". (9)

PRICE PER SHIRT	QUANTITY DEMANDED	QUANTITY SUPPLIED
R150	100	500
R125	200	400
R100	300	300
R75	400	200
R50	500	100



6.4 At what price and number of units was the equilibrium reached?

R100 and 300 units (2)

TOTAL: 100 MARKS