



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

ECONOMICS

EXAMINATION GUIDELINES

GRADE 11

2023

This document consists of 33 pages

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1. INTRODUCTION

The *Curriculum and Assessment Policy Statement (CAPS)* for Economics outlines the nature and purpose of the subject Economics. This guides the philosophy underlying the teaching and assessment of the subject in Grade 11.

The purpose of these Examination Guidelines is to:

- Provide clarity on the depth and scope of the content to be taught and assessed in the Grade 11 Examination in Economics.
- Assist teachers to adequately prepare learners for the examinations.

This document deals with the entire content in grade 11. It does not deal in any depth with the School-Based Assessment (SBA).

These Examination Guidelines should be read in conjunction with:

- *The National Curriculum Statement (NCS) Curriculum and Assessment Policy Statement (CAPS): Economics*
- *The National Protocol of Assessment: An addendum to the policy document, the National Senior Certificate: A qualification at Level 4 on the National Qualifications Framework (NQF), regarding the National Protocol for Assessment (Grades R–12)*
- The national policy pertaining to the programme and promotion requirements of the National Curriculum Statement, Grades R–12

NOTE: All topics where 'discuss in detail/examine in detail/compare and contrast in detail' appear, should be regarded as essay topics.

2. ASSESSMENT IN GRADE 11

2.1 CLASSIFICATION OF TOPICS FOR THE GRADE 11 ECONOMICS QUESTION PAPERS

MID-YEAR EXAMINATION PAPERS

ECONOMICS GR.11	
PAPER 1 150 MARKS - 2 HOURS	PAPER 2 150 MARKS - 2 HOURS
MAIN TOPIC: MACROECONOMICS	MAIN TOPIC: MICROECONOMICS
SUBTOPICS: <ul style="list-style-type: none"> • Factors of production and its remuneration • Circular flow & quantitative elements: Economic goods and services • Economic systems • South Africa's economic structures 	SUBTOPICS: <ul style="list-style-type: none"> • Relationships between markets • Effects of cost & revenue • Price elasticity

FINAL EXAMINATION PAPERS

ECONOMICS GR.11	
PAPER 1 150 MARKS - 2 HOURS	PAPER 2 150 MARKS - 2 HOURS
MAIN TOPIC: MACROECONOMICS	MAIN TOPIC: MICROECONOMICS
SUBTOPICS: <ul style="list-style-type: none"> • Factors of production and its remuneration • Circular flow & quantitative elements: Economic goods and services • Economic systems • South Africa's economic structures 	SUBTOPICS: <ul style="list-style-type: none"> • Relationships between markets • Effects of cost & revenue • Price elasticity
MAIN TOPIC ECONOMIC PURSUITS	MAIN TOPIC CONTEMPORARY ECONOMIC ISSUES
SUBTOPICS: <ul style="list-style-type: none"> • Economic growth • Economic development • Money & banking 	SUBTOPICS: <ul style="list-style-type: none"> • Globalisation • Environmental deterioration

2.2 Details of question papers

- Each paper carries 150 marks.
- The duration of each paper is **2 HOURS**.
- Each paper comprises six questions divided into three sections.
- Of the six questions only four must be answered as follows:
 - Section A: question 1 is compulsory.
 - Section B: consists of three questions: questions 2–4 of which the candidate must choose only two
 - Section C: consists of two questions: questions 5–6 of which the candidate must choose only one
- The above papers must not be written on the same day.
- The detailed requirements of each section (per question paper) are indicated below.

SECTION A (COMPULSORY)

TOTAL: 30

QUESTION 1

- | | |
|--|---------------------|
| <p>1.1 MULTIPLE-CHOICE ITEMS (lower order)
 WITH 4 POSSIBLE Options Per Main Topic = 8 ITEMS (2 Marks Per Item)</p> | <p>(8 X 2) (16)</p> |
| <p>1.2 MATCHING ITEMS (COLUMN A AND B) (lower order)
 FOUR ITEMS per main topic = 8 ITEMS (1 MARK PER ITEM)</p> | <p>(8 X 1) (8)</p> |
| <p>1.3 GIVE THE TERM (lower order)

 THREE ITEMS per main topic = 6 ITEMS (1 mark per item)
 ABBREVIATIONS, ACRONYMS AND EXAMPLES ARE NOT ACCEPTABLE.</p> | <p>(6 X 1) (6)</p> |

Although the questions are regarded as lower order, they may be classified as easy (e.g. open economy), moderate (e.g. real flow) or difficult (e.g. methods of calculating GDP-).

SECTION B (ANSWER TWO QUESTIONS IN THIS SECTION)**TOTAL: 80****QUESTIONS 2–4 (THREE QUESTIONS)**

One question per main topic and one combination question between the 2 MAIN TOPICS. (50%/50%)

2.1 SHORT ITEMS

- 2.1.1 Lower order (2 Items) Name TWO. (2 X 1) (2)
 2.1.2 middle order (1 item), e.g. how, why and what (an application type of question). (1 X 2) (2)

2.2–2.3 TWO DATA RESPONSE QUESTIONS (MIDDLE ORDER), E.G. STUDY THE FOLLOWING GRAPH/ CARTOON/ TABLE/ EXTRACT/ REAL DATA AND ANSWER THE QUESTIONS THAT FOLLOW.

(10 X 2) (20)

- Items in the data response questions must be 'scaffolded' from easy to difficult: 2 marks easy, 4 marks moderate and 4 marks difficult
- The answers to the first 2 questions (1 mark each) may appear in the data, but will be one of application
- Data response questions give a context on what aspects to be assessed, and answers would not necessarily appear in the data

2.4 ONE single question (middle order), e.g. explain, discuss, distinguish or differentiate between, draw a correctly labelled graph/draw a correctly labelled graph and explain//use the given graph and explain. (8)

2.5 ONE single question (higher order), e.g. how, why, analyse or evaluate. (8)
Higher order questions are grounded in the content. these types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. content (covered by discuss/ examine/ describe/ analyse/ explain/ evaluate/ compare /assess/ justify/ construct/ calculate) can be assessed as higher-order questions. answers will not necessarily be found in textbooks.

With regard to what, how and why questions, learners must be guided by the mark allocation when answering the question. e.g. why (2 marks) will require one discussion point and why (8 marks) will require three to four discussion points depending on examples given.

Responses must give effect to the contextual demands of the question! [40]

SECTION C (ANSWER ONE QUESTION FROM THIS SECTION)**TOTAL: 40****QUESTIONS 5-6 (TWO ESSAY QUESTIONS) - ONE question per MAIN TOPIC**

STRUCTURE OF ESSAY	MARK ALLOCATION
<p>INTRODUCTION The introduction is a lower order response.</p> <ul style="list-style-type: none"> • A good starting point would be to define the main concept related to the question • Do not include any part of the question in the introduction • Do not repeat any part of the introduction in the body • Avoid mentioning what you are going to discuss in the body 	MAX. 2
<p>BODY MAIN PART: Discuss in detail /In-depth discussion/ Examine/ critically discuss/ Analyse/ Compare/ Evaluate/ Distinguish/ Differentiate/ Explain / Draw a graph and explain / Use the graph given and explain/ Complete the given graph A maximum of 8 marks may be allocated for headings/ examples.</p> <p>ADDITIONAL PART: Critically discuss/ Evaluate/ Critically evaluate/ Calculate/ Debate/ Deduce/ Compare/ Distinguish/ Interpret/ How?/ Suggest / construct graph (price elasticity of demand) A maximum of 2 marks may be allocated for mere listing of facts.</p>	MAX. 26 MAX. 10
<p>CONCLUSION Any higher order conclusion that should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed /analysed without repeating facts already mentioned • An opinion or valued judgement on the facts discussed • Additional support information to strengthen the discussion / analysis • A contradictory viewpoint with motivation, if required • Recommendations 	MAX. 2
TOTAL	40

2.3. COGNITIVE LEVEL GRID

MAIN TOPICS		Section A			Section B					Section C	
		Multiple choice	Matching Column A&B	Identify the concept	Short items		Data response	Single Questions		Essay Questions	
		Lower	Lower	Lower	Lower	Middle	Middle	Middle	Higher	Lower	Higher
PAPER 1	Macroeconomics	4x2 = 8	4x1 = 4	3x1 = 3	2x1 = 2	1x2 = 2	2x10 = 20	8	8	10	30
	Economic Pursuits	4x2 = 8	4x1 = 4	3x1 = 3	2x1 = 2	1x2 = 2	2x10 = 20	8	8	10	30
	Macro & Pursuits				2x1 = 2	1x2 = 2	2x10 = 20	8	8		
	TOTAL	16	8	6	4	4	40	16	16	10	30
PAPER 2	Microeconomics	4x2 = 8	4x1 = 4	3x1 = 3	2x1 = 2	1x2 = 2	2x10 = 20	8	8	10	30
	Contemporary Economics	4x2 = 8	4x1 = 4	3x1 = 3	2x1 = 2	1x2 = 2	2x10 = 20	8	8	10	30
	Micro & Contemporary				2x1 = 2	1x2 = 2	2x10 = 20	8	8		
	TOTAL	16	8	6	4	4	40	16	16	10	30
PAPER 1 & PAPER 2	COGNITIVE LEVELS						MARKS		%		
	Lower Order (Levels 1 & 2)						44		29.3		
	Middle Order (Levels 3 & 4)						60		40.0		
	Higher Order (Levels 5 & 6)						46		30.7		

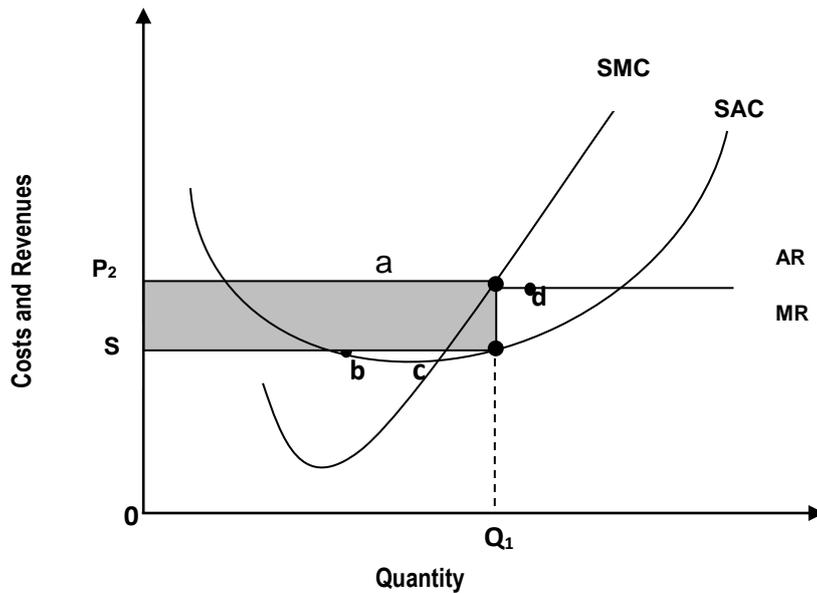
NOTE: Cognitive-level deviations not to exceed 2,67%.

2.4 A GUIDELINE TO MARKING

Mark allocation depends on the cognitive level of the question, as follows:

SECTION A	
Multiple choice items:	2 marks per item (8 x 2) 16
<p>E.g. Oligopolies that collude in a formal manner are called ... A. cartels. ✓✓ <i>(Items from this section are <u>easy lower order</u> questions, and requires only recall the candidate must only identify a particular economic concept from a description given)</i></p>	
Matching column A and B items :	1 mark per item (8 x 1) (8)
<p>E.g. Inflation Sustained increase in the general price level ✓ <i>(Items from this section are <u>easy lower order</u> questions, and requires only recall the candidate must only identify a particular economic concept from a description given)</i></p>	
Give one word/concept for Description :	1 mark per item (6 x 1) (6)
<p>E.g. The system of processing waste material into new products. Recycling ✓ <i>(Items from this section are <u>moderate lower order</u> questions and requires recall the candidate must be able to recall a particular economic concept from a given Description)</i> NOTE: In these items the answers are not provided.</p>	
SECTION B	
List TWO	1 mark per item (2 x 1) (2)
<p>E.g. List TWO reasons for market failure. Externalities ✓ Missing markets ✓ Imperfect competition ✓ <i>(This is an <u>easy lower order</u> question and requires recall, it is therefore expected that the candidate shall provide the correct facts according to the approved textbooks)</i></p>	
What? Why? How? and Show	2 marks for a correct answer (1 x 2) (2)
<p>E.g. What effect will a weak currency have on exports? It will lead to an increase in exports. ✓✓ <i>(This is a <u>easy to moderate middle order</u> question and requires understanding, it is therefore expected that the candidate shall provide the correct reasoning / understanding of the particular concept or fact)</i></p>	
TWO data response questions	(2 X 10) (20)
<p>Items on a: Cartoon, Extract, Graph, Table, Pictures, or a mix <i>(This is an <u>easy to difficult middle order</u> question and requires insight and understanding of the particular topic) Questions range from easy to difficult.</i></p>	

E.g. GRAPH



2.1 Which market structure is shown above?

Perfect market ✓

(1)

2.2 What is being depicted in the by the shaded area in the graph above?

Economic Profit ✓

(1)

2.3 Briefly describe the term economic profit.

When average revenue is greater than average cost a firm makes economic profit. ✓✓

The profit that is made in addition to normal profit. ✓

(2)

*(When the question requires a **description**, the candidate must provide a complete description. If the Description is partially correct, part marks may be awarded.)*

*Where the question requires an **explanation**, the candidate must provide an appropriate explanation of the concept / fact, highlighted by an appropriate example.)*

2.4 Which point on the graph illustrates profit maximisation? Why?

Point a, where MR = MC ✓✓

(2)

2.5 Explain why this equilibrium position will not remain fixed?

Profits will attract more entrants into the market which will lead to an increase in supply. ✓✓

There is easy entry into the perfect market ✓

This will drive prices down towards average costs and profits will decrease. ✓✓

The new equilibrium position will be a normal profit. ✓✓

(4)

Paragraph question	(4 x 2) or (2 x 4) (8)
<p><i>(This is a middle order moderate to difficult question and requires insight and understanding of the particular topic, candidates must be able to recall, reason facts from approved textbooks and then substantiate / demonstrate the facts with appropriate examples)</i></p> <p>Allocation of marks: TWO marks will be allocated per fact. Listing of examples will only count ONE mark. If an example is appropriately explained, TWO marks will be allocated. If facts are only listed, a maximum of FOUR marks will be allocated.</p>	
Paragraph question	(4 x 2) or (2 x 4) (8)
<p><i>(This is a higher-order question and requires deeper insight and understanding of the particular topic. Candidates must be able to give their own opinion and then substantiate / demonstrate arguments against / in favour of or to recommend solutions on certain issues. Application of knowledge).</i></p> <p>Candidates must be able to:</p> <ul style="list-style-type: none"> • give their own opinion and then substantiate / demonstrate arguments against or in favour • evaluate and critique certain actions/values... in the economy • analyse certain aspects ... in the economy by unpacking and critique • use economic models e.g. graph and diagram to explain certain aspects of economics. 	
SECTION C	
Essay question	(40)
Introduction	(2)
<p><i>(The introduction is a moderate to difficult lower order response, a candidate can use a accepted Description or an appropriate explanation of the topic under discussion as an introduction)</i></p> <p>Allocation of marks: TWO marks will be given if a candidate can provide a correct Description or an appropriate explanation of the topic under discussion.</p>	
Body: Main Part	(26)
<p><i>(The main part is a higher order response which contains some lower order elements. E.g. The listing of headings can be regarded as a lower order response)</i></p> <p style="text-align: center;">Example: If the question reads; ‘Discuss how fiscal policy can be used to smooth out business cycles’.</p> <ul style="list-style-type: none"> • The answer must relate to the issue surrounding taxes and government expenditure by showing how they are used in the smoothing of cycles. • If a learner only discussed fiscal policy without clearly showing the relationship in smoothing of cycles, the learner cannot obtain maximum marks. • Guard against accepting information under a particular heading just because it appears in the text. Sometimes the information does not relate to the question asked. 	

- *Keep in mind that textbooks give more or less information about a topic than is required by the examination guidelines. In terms of the examination guidelines, more than one question can be asked on a particular topic. The learner must be able to select/ extracts the relevant information and then relate it to the question.*

Allocation of marks:

- ONE mark will be given for a fact that is not written in context / listed / not fully explained.
- TWO marks will be given for a fact that is fully explained and relates to the question.

E.g. If the candidate refers to price leadership in his response, and the candidate writes; 'price leader', (a single concept without any further detail) the candidate will only get ONE mark.

If the candidate writes; 'the price leader is usually the largest or dominant business in the industry'. The candidate will get TWO marks.

Body: Additional part**(10)**

*(This is a moderate to difficult **higher order** question and requires deeper insight and understanding of the particular topic. Candidates must be able to:*

- *Give their own opinion and then substantiate / demonstrate arguments against or in favour*
- *Evaluate and critique certain actions/values... in the economy*
- *Analyse certain aspects in the economy by unpacking and critiquing*
- *Use economic models e.g. graphs and diagrams to explain certain aspects of economics*

Allocation of marks:

- *Guard against accepting information under a particular heading just because it appears in the text. Sometimes the information does not relate to the question asked.*
- *It must be remembered that textbooks give more/less information about a topic than is required by the examination guidelines. In terms of the exam guideline more than one question can be asked on the topic. The learner must be able to select the relevant information and relate it to the question.*
- **ONE mark** will be given to a fact that is not in context / not fully explained.
- **TWO marks** will be given for fact that is fully explained and is within the context of what is been asked in the question.

Conclusion**(2)**

*(The conclusion is a moderate to difficult **lower order** response, the candidate can use any appropriate final / finishing remark on the topic under discussion)*

Allocation of marks: TWO marks will be given if a candidate can provide an *appropriate finishing/ final remark on the topic under discussion)*

NOTE: To develop critical thinking within the subject economics teachers must comply with the prescribed way of marking, it should start at Gr.10 level.

2.5 Command verb detail

The following list of command verbs, **among others**, gives an indication of the scope and depth of examinable content:

COMMAND VERB	LINK TO EXAMINATION PAPERS
Discuss in detail/In-depth discussion/ Examine/ Critically discuss/ Analyse/ Compare/ Evaluate/Distinguish/ Differentiate / Explain /Assess/ Debate/ Draw a graph and explain/Use the graph given and explain/Complete the graph	Main part in essay question <ul style="list-style-type: none"> Higher order 20 marks (level 5 and 6) Lower Order 10 marks (level 1 and 2)
Give own opinion/ Critically discuss/ Evaluate/ Critically evaluate/ Construct a graph/ Calculate/ Deduce/ Compare/ Distinguish /Interpret/ Justify/ Debate/ Propose	Additional part in essay question <ul style="list-style-type: none"> Higher order 10 marks (levels 5 and 6)
Give own opinion/Critically discuss/ Evaluate/ Critically evaluate/ Draw a graph and explain/ Use the graph given and explain/ Complete the graph/ Calculate/ Deduce/ Compare/ Show/ Distinguish/ Interpret/ Briefly discuss/ Explain/ Justify/ Briefly debate	Single Questions <ul style="list-style-type: none"> One 8 marks middle-order question (levels 3 and 4) One 8 marks higher-order question (levels 5 and 6)
Use the: graph/ table/ diagram/ cartoon/ extract/ data /information/ text and .../ Calculate/ Deduce/ Compare/ Distinguish/ Interpret/ Briefly discuss/ Briefly explain/ Define/ Give a broad outline /Briefly debate/ What?/ How?/ Why?/ Show/ Give own opinion	Data Response Questions <ul style="list-style-type: none"> Middle-order questions Levels 3 and 4 10 marks each, Items will range from easy to difficult
Choose the correct answer (multiple- choice items)/Match Columns A and B/ Give one concept for/List/ What?/ How?/ Why?/ Show	Short and Objective items <ul style="list-style-type: none"> Lower-order items 1 and 2 Items vary from easy to difficult 1 or 2 marks each

THE FOLLOWING ILLUSTRATES THE TYPES OF LEARNER RESPONSES IN THE DIFFERENT COGNITIVE LEVELS	
HIGHER ORDER	LEVEL 6: CREATING
	<p><u>Can the learner create new opinions or points of view?</u></p> <ul style="list-style-type: none"> ● Propose alternative solutions. ● Develop new unique structures, systems, models, approaches, ideas and creative thinking. ● Develop plans or procedures, design solutions, integrate methods, resources, ideas, or new approaches, and write protocols or contingencies. ● Develop, plan, create, organise, revise, formulate, propose, establish, integrate and rearrange.
MIDDLE ORDER	LEVEL 5: EVALUATION
	<p><u>Can the learner justify a stand or decision?</u></p> <ul style="list-style-type: none"> ● Evaluate scenarios; make judgments with evidence and state conclusions appropriately. ● Assess effectiveness of whole concepts, in relation to values, outputs, efficacy, viability; critical thinking, strategic comparison and review; judgement relating to external criteria ● Review strategic options or plans in terms of efficacy, return on investment or cost effectiveness, practicability; assess sustainability; perform a SWOT analysis in relation to alternatives; produce a financial justification for a proposition or venture, calculate the effects of a plan or strategy; perform a detailed and cost benefit analysis with recommendations and justifications
LOWER ORDER	LEVEL 4: ANALYSES
	<p><u>Can the learner distinguish between the different parts?</u></p> <ul style="list-style-type: none"> ● Collect process and analyse information from various sources to evaluate problems and issues. ● Interpret elements and principles ● Identify constituent parts and functions of a process or concept ● Break down ideas into simpler parts
MIDDLE ORDER	LEVEL 3: APPLY KNOWLEDGE
	<p><u>Can learners use/apply knowledge in a new way?</u></p> <ul style="list-style-type: none"> ● Use or Apply knowledge (e.g. terms, concepts, theories and methods) and skills (e.g. communication, critical thinking) to discuss problems and issues. ● Put theory into practice, generate solutions for economic issues ● Apply knowledge to actual situations
HIGHER ORDER	LEVEL 2: COMPREHENSION / UNDERSTANDING
	<p><u>Can the learners explain ideas or concepts?</u></p> <ul style="list-style-type: none"> ● Understand meaning, re-state data in one's own words, explain or interpret meaning from a given scenario or statement, suggest treatment, reaction or solution to given problem, create examples or metaphors ● Demonstrate an understanding of the fact(s)
LOWER ORDER	LEVEL 1: KNOWLEDGE/REMEMBERING
	<p><u>Can the learner recall, remember or recognize the information, ideas and principles in the approximate form in which they were learnt?</u></p> <ul style="list-style-type: none"> ● Demonstrate knowledge (remembering) of the specified content (e.g. key words or concepts or terminologies).

NOTE:

Take cognisance of the following:

- 'Research the world over tells us: that in many instances the only reason why learners can perform with a degree of competency on their final exams, is that the questions on the exams are nearly carbon copies of questions they have seen before; the learners are not being asked to think'.

2.6 Higher-order questions

Higher-order questions place advanced cognitive demand on learners. It encourages learners to think beyond literal questions. Higher-order questions promote critical thinking skills because these types of questions expect learners to apply, analyse, synthesize, and evaluate information instead of simply recalling facts. Issues from the real world can be used to either support or refute a point of view.

Higher-order questions require one to make inferences, draw relevant and insightful conclusions and use their knowledge in new situations. It also requires one to relate their thinking to other situations and to their own background knowledge.

Teachers need to realise that there are many more ways to teach than by rote learning. There is teaching for understanding, decision making, problem solving, and connecting a part to a whole, detail to concept, and concept to concept. There also is inference, prediction, analysis for bias, and learning for transfer. Each of these processes requires some form of critical thinking.

Opportunities for learners to develop critical thinking processes are not found in classrooms dominated by the regurgitation of factual content. They are found in classrooms where active learning is an essential component.

Features of higher-order questions:

- Require learners to **engage with unrehearsed or unfamiliar contexts**.
- Ask for deep thinking.

Grounded in CAPS curriculum content.

□Types of higher-order-thinking questions: (What? How? Why?)

Analysis: These questions ask learners to dissect key information and analyse essential concepts, themes and processes. For example:

- *How is x related to y?*
- *What are the major reasons for?*
- *What is the impact of b on c?*
- *What is the problem faced by ...?*
- *What is the main idea? Theme? What are some of the problems of ...?*
- *How is ... similar to/different from ...?*
- *Why did ... changes occur?*

Evaluation: These questions require learners to formulate and justify judgements and criticisms based upon clearly-articulated evaluative criteria. For example:

- *Provide a better solution for ...?*
- *What are the consequences of ...?*
- *What are the pros and cons of ...?*
- *What are the alternatives for ...?*
- *How effective are...?*

Creativity/Synthesis: These questions require learners to formulate a holistic summary of key ideas; provide an integrated, cohesive, sustained response, make inferences; reformulate, reconstruct or create scenarios. Own voice is critical.

For example:

- *Based on these facts, what predictions would you make?*
- *Propose a solution to this problem.*
- *How can the errors be fixed?*
- *What alternative will you suggest ...?*

***POINTS TO CONSIDER WHEN MARKING HIGHER COGNITIVE QUESTIONS USING A MARKING GUIDELINE**

- **It is important to note that a marking guideline essentially gives the marker direction about what answers are acceptable. The learner does NOT have to present answers exactly as in the marking guideline (except objective-type questions). In terms of other questions (SECTION A, SECTION B, list, define, etc.) the essence of what the learners say must be covered by the marking guideline.**
- **When marking a particular question, e.g. 8 marks, it is important that the learner presents his/her answer in such a way that it answers the question.**
- **If a learner gives an example only, then 1 mark may be awarded. An explanation of the example can earn further marks.**
- **In an 8-mark question the maximum marks a learner can earn for examples and explanations should be 4 marks. The marker must check at all times whether the explanation given, answers the question. In higher-order short questions, a maximum of 2 marks (25%) will be allocated for merely listing of facts and examples.**
- **We need to guard against accepting information under a particular heading because it appears in the text. Sometimes the information does not relate to the question asked.**
- **It must be remembered that textbooks give more/less information about a topic than is required by the examination guidelines. In terms of the examination guidelines more than one question can be asked on a particular topic. The learner must be able to select/extract the relevant information and relate to it in the question.**
- **Sometimes textbooks have information under a heading that seems abstract when compared to the exam requirement. The important aspect to bear in mind is that not all information in the text may be relevant to the question.**

3. CONTENT

MAIN TOPIC: MACROECONOMICS

TOPIC 1: FACTORS OF PRODUCTION

CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

Principles, processes and practices of economy

- **Analysis of the factors of production and their remuneration**

- Natural resources
 - Description
 - characteristics
 - importance
 - remuneration (economic rent and royalties)
 - factors that influence the price of natural resources:
 - supply and demand
 - climate
 - location
 - quality of resources
 - technology
- Labour
 - Description
 - classification
 - characteristics
 - importance
 - remuneration
- Capital
 - Description
 - characteristics
 - importance
 - remuneration
- Entrepreneurial skills
 - Description
 - characteristics
 - importance
 - remuneration

- Briefly describe and explain the relevant concepts
- Distinguish between economic and free goods
- Distinguish between non-renewable and renewable resources
- Discuss the characteristics of natural resources
- Discuss the importance of natural resources
- Discuss remuneration of natural resources under the following headings:
 - The concept 'rent'
 - Economic rent & Royalties
 - Factors that influence rent

Discuss natural resources as a factor of production (characteristics, importance, factors affecting rent)

- Briefly describe and explain the relevant concepts
- Classify labour in the three broad categories
- Discuss the characteristics,
- Discuss the importance of labour
- Discuss the and remuneration of labour
- Distinguish between nominal and real wages

- Briefly describe and explain the relevant concepts
- Distinguish between money and real capital
- Discuss the characteristics of capital
- Discuss the functions of capital
- Discuss the importance of capital
- Discuss the remuneration of capital

- Briefly describe and explain the relevant concepts
- Discuss the importance of entrepreneurship
- Discuss the remuneration of entrepreneurship
- Distinguish between gross and net profit
-

Discuss in detail entrepreneurial skills as factor of production

<ul style="list-style-type: none"> • Investigation of community participation in local economic planning and activities. • Economically marginalized groups: <ul style="list-style-type: none"> - Description - Causes / reasons for marginalization • Accessibility of economically marginalized groups through <ul style="list-style-type: none"> - Empowerment - Procurement 	<ul style="list-style-type: none"> • <u>Suitable for SBA tasks</u> • Briefly discuss 4 reasons/causes why people are marginalized • Briefly explain the accessibility of the economically marginalized group through empowerment • Briefly explain the accessibility of the economically marginalized group through procurement
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<p>TOPIC 2: CIRCULAR FLOW and QUANTITATIVE ELEMENTS: ECONOMIC GOODS AND SERVICES</p>	<p>CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES</p>
<p>Analysis of the uses of economic goods and services in relation to the Gross Domestic Product (GDP) GDP/GNI</p> <ul style="list-style-type: none"> • Circular flow and quantitative elements <div style="border: 1px solid black; background-color: #fce4d6; padding: 5px; margin: 10px 0;"> <p>CAUTION: Revise the four-sector open economy circular flow model as discussed in Gr.10, but focus is on quantitative elements</p> </div> <ul style="list-style-type: none"> • Final consumption expenditure (C) <ul style="list-style-type: none"> - Description - Classification - Importance • Consumption expenditure by Government (G) <ul style="list-style-type: none"> - Description - Classification - Importance 	<ul style="list-style-type: none"> • Study the model of circular flow and identify the different participants and explain each participant’s contribution to the economy • Identify the different flows • Briefly describe and explain relevant concepts • Classify final consumption expenditure by households (C) • Briefly discuss the importance of final consumption expenditure by households (C) • Briefly describe and explain relevant concepts • Classify final consumption expenditure by government (G) • Briefly discuss the importance of final consumption expenditure by government (G)

<ul style="list-style-type: none">• Gross fixed capital formation (I)<ul style="list-style-type: none">- Description- Classification- Importance • The main aggregates<ul style="list-style-type: none">- Gross Value Added (GVA)- Gross National Expenditure (GNE)- Gross National income (GNI)	<ul style="list-style-type: none">• Briefly describe gross fixed capital formation• Discuss the classification of gross fixed capital (I)• Briefly discuss the importance of gross fixed capital formation(I) • Explain the role of the main aggregates• Briefly describe and explain the main aggregates • Briefly discuss gross value added (GVA) as a main aggregate• Briefly discuss gross national expenditure (GNE) as a main aggregate• Briefly discuss gross national income (GNI) as main aggregate • Brief explanation of the following components : GDP = C + G + I + (X-M); GDE = C + G + I GDI =wages + profit + interest <p style="text-align: center;">THE ABOVE TOPIC HAS NO ESSAYS</p>
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TOPIC 3: ECONOMIC SYSTEMS: THE MIXED ECONOMY	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Explanation of the characteristics and foundations of South Africa’s mixed economy, and assessing its efficiency in terms of socio-economic services</p> <ul style="list-style-type: none"> • Economic systems <ul style="list-style-type: none"> - Market economy <ul style="list-style-type: none"> ➤ economic characteristics- ➤ advantages ➤ disadvantages - Centrally planned economy <ul style="list-style-type: none"> ➤ economic characteristics- ➤ advantages ➤ disadvantages - Mixed economy <ul style="list-style-type: none"> ➤ economic characteristics- ➤ advantages ➤ disadvantages • Efficiency in delivering socioeconomic services 	<ul style="list-style-type: none"> • Briefly describe and explain the relevant concepts • Briefly discuss the efficiency in delivering socio economic services • Discuss the economic characteristics, advantages disadvantages of a market economy • Discuss the economic characteristics, advantages disadvantages of a centrally planned economy • Discuss the economic characteristics, advantages disadvantages of a mixed economy. <p><u>Compare and contrast the South African mixed economy with a centrally planned economic system</u></p> <p>Evaluate South Africa’s current position in social service delivery focussing on the provisioning of social and economic services</p>

TOPIC 4: ECONOMIC STRUCTURE OF SOUTH AFRICA	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Analysis of the economic structure of South Africa</p> <ul style="list-style-type: none"> • Primary Sector <ul style="list-style-type: none"> - Descriptions - Composition - Importance • Secondary Sector <ul style="list-style-type: none"> - Descriptions - Composition - Importance • Tertiary Sector <ul style="list-style-type: none"> - Descriptions - Composition - Importance • South Africa's infrastructure <ul style="list-style-type: none"> - Description - Communication - Transport - Energy - Exclusion <p>Note: Infuse in the analysis:</p> <p>Exclusion and discrimination in service provision and access to economic opportunity</p>	<ul style="list-style-type: none"> • Briefly describe and explain the relevant concepts • Distinguish between the TWO different operations in the primary sector • Distinguish between the THREE different industries in the primary sector • Discuss the economic importance of the primary sector <ul style="list-style-type: none"> • Briefly describe and explain the relevant concepts • Discuss the composition of the secondary sector • Discuss the economic importance of the secondary sector <ul style="list-style-type: none"> • Briefly describe and explain the relevant concepts • Discuss the composition of the tertiary sector • Discuss the economic importance of the tertiary sector • <u>Discussion in detail the economic importance of the tertiary sector</u> <ul style="list-style-type: none"> • Briefly discuss communication as part of SA infrastructure • Briefly discuss transport as part of SA infrastructure • Briefly discuss energy as part of SA infrastructure • Briefly discuss exclusion as part of SA infrastructure • Discuss South Africa's infrastructure <ul style="list-style-type: none"> • <u>Discuss in detail South Africa's infrastructure and its <i>economic importance</i></u>

MAIN TOPIC: MICROECONOMICS	
TOPIC 5: RELATIONSHIP BETWEEN MARKETS	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Analysis of the relationships between markets illuminates them with the aid of graphs</p> <ul style="list-style-type: none"> • Relative prices • Demand and supply relationships <ul style="list-style-type: none"> - substitutes - compliments <p>Relationships between product and factor markets</p> <ul style="list-style-type: none"> • Market structure - perfect and imperfect markets: • Four basic market structure models • Characteristics and differences between the basic market structure models <ul style="list-style-type: none"> ➤ Number of businesses ➤ Nature of product ➤ Entrance ➤ Control over prices ➤ Information ➤ Examples ➤ Demand curve • Classification of market structure models into perfect and imperfect markets. 	<ul style="list-style-type: none"> • Briefly explain relative prices • Briefly discuss the relationships between product and factor markets • <u>Discuss in detail the demand and supply relationships with the aid of graphs (substitutes and compliments)</u> • Discuss the four basic market structures with the aid of graphs • <u>Discuss in detail the characteristics of perfect markets and monopoly</u> • Tabulate differences between any two market structures

TOPIC 6: EFFECTS OF COST & REVENUE	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Explain and illustrate by means of graphs the effects of cost and revenue on prices and the levels of production.</p> <ul style="list-style-type: none"> • Objectives of businesses <ul style="list-style-type: none"> - SMART <ul style="list-style-type: none"> ➤ Specific ➤ Measurable ➤ Acceptable ➤ Realistic ➤ Time specific - Different objectives <ul style="list-style-type: none"> ➤ Survival ➤ Profit maximizing ➤ Revenue maximizing ➤ Sales maximizing • Short-run costs: <ul style="list-style-type: none"> ➤ FC, VC, TC, AC, MC ➤ formulae ➤ cost schedules / tables ➤ curves ➤ Costs • Long-run costs <ul style="list-style-type: none"> ➤ LAC/ LMC • Revenue calculations <ul style="list-style-type: none"> ➤ TR/ AR/ MR ➤ changes in revenue ➤ profits and losses (Profit / Losses; Short-run / Long-run; Cost and Revenue analysis (Graphical illustrations)) <p>Note: Application of revenue and costs analysis should include production and the pricing of factors.</p>	<ul style="list-style-type: none"> • Briefly discuss the objectives of a business. Use the SMART principle • Distinguish between the different types of objectives in business • Describe the concepts • Explain the trend or pattern of the MC curve • Determine the missing values from the table • With the aid of graphs, explain the short-run cost of a business • Describe the concepts • Discuss the economies and diseconomies of scale • With the aid of graphs explain how a firm can determine its profit maximisation level with the use of TR-TC & MR-MC approach • Calculate the profit or loss of a business using: $\text{Profit or loss} = \text{TR} - \text{TC}$ OR $\text{Profit or loss} = \text{AR} - \text{AC}$ <p style="text-align: center;">THE ABOVE TOPIC HAS NO ESSAYS</p>

TOPIC 7: PRICE ELASTICITY	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Explanation of price elasticity's and calculating their values. Use graphs in presentation for illustration.</p> <ul style="list-style-type: none"> • Price elasticity of demand (PED) <ul style="list-style-type: none"> - Description - Formula - Types of PED - Factors determining PED • Factors determining the elasticity of demand • Price elasticity of supply (PES) <ul style="list-style-type: none"> - Description - Formula - Types/degrees of PES 	<ul style="list-style-type: none"> • <u>Discuss in detail the price elasticity of demand (PED) (with / without the aid of graphs)</u> • Examine the factors determining elasticity of demand • Briefly explain the types/degrees of price elasticity of supply (PES)

MAIN TOPIC: ECONOMIC PURSUITS

TOPIC 8: ECONOMIC GROWTH	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Wealth creation process and patterns of distribution</p> <ul style="list-style-type: none"> • Wealth creation process <ul style="list-style-type: none"> - Description of wealth - Difference between wealth and income - The sources of wealth - Methods to create wealth (Focus on the wealth creation through saving) 	<ul style="list-style-type: none"> • Briefly describe and explain the relevant concepts • Differentiate between wealth and income • Briefly explain the different sources of wealth • Explain the methods to create wealth through savings

- **Distribution**

- Income distribution
- Wealth distribution
- How much inequality?
- The uses of the Gini Coefficient and the Lorenz Curve

- **Redistribution methods**

Domestic & International Measures:

- Taxes
- Cash grants
- Natura benefits/ benefits in kind
- Labour market policy
- Macroeconomic policy

South African approach:

- Affirmative action
- Broad based black economic empowerment Act. (BBBEE)
- Land restitution and land redistribution
- Property subsidies

- **Economic growth**

- Meaning *and calculation*
- Importance
- Methods
- Constraints on growth
- South Africa's recent growth experience

- **Standard of living**

- Description
- Population size
- Per Capita income (show calculations)

- Briefly describe the relevant concepts
- Briefly explain income distribution
- Briefly explain wealth distribution
- Briefly explain the use of the Gini Coefficient to measure income inequalities
- Discuss the different methods uses to redistribute income and wealth
- With the aid of the Lorenz-curve discuss the unequal distribution of income in South Africa

- **Discuss in detail the different methods used to redistribute income and wealth**

- Evaluate the South African government's efforts to redress economic inequality

- Briefly describe the relevant concepts
- Discuss Economic growth
- Explain the importance of economic growth figures
- Evaluate South Africa's economic growth performance

- Briefly describe the relevant concepts
- Briefly discuss the standard of living
- Discuss per capita income, with the aid of calculations

TOPIC 9 : ECONOMIC DEVELOPMENT	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Economic development.</p> <ul style="list-style-type: none"> • Compare: Economic growth and Economic Development • Methods of development • Common characteristics of developing countries: <ul style="list-style-type: none"> - Low standard of living - Low levels of productivity - High population growth and dependency burdens - High levels of unemployment - Dependence on the primary sector - Deficient infrastructure • Developing strategies • South Africa's endeavours <ul style="list-style-type: none"> - Reconstruction and development (RDP) - Growth, Employment and Redistribution programme (GEAR) - The joint initiative on priority skills acquisition (JIPSA) - The accelerated and shared growth initiative for South Africa (AsgiSA) - National Skills Development Strategy (NSDS) - Financing Entrepreneurship Promotion Programmes • Indigenous knowledge systems 	<ul style="list-style-type: none"> • Briefly describe the relevant concepts • Compare economic growth and economic development • Briefly discuss the strategies to increase economic development • Discuss the characteristics of developing countries <p><u>Discuss in detail the characteristics of developing countries</u></p> <ul style="list-style-type: none"> • Identify some of South Africa's strategies to development • Evaluate South Africa's endeavours • Briefly discuss the importance of indigenous knowledge systems

TOPIC 10: MONEY AND BANKING	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>The composition of South Africa's money and its Banking</p> <ul style="list-style-type: none"> • Money <ul style="list-style-type: none"> - Technical functions of money - Modern money - Money-associated instruments - The monetary system - The value of money - Stabilising the value of money • Banking <ul style="list-style-type: none"> - The basic principles of credit creation - Interest rates • Micro-lending activities • Central banking <ul style="list-style-type: none"> - Basic functions <ul style="list-style-type: none"> ➤ Bank of issue ➤ Act as banker to the government ➤ Custodian of foreign reserves ➤ Act as bankers' bank - Monetary policy <ul style="list-style-type: none"> ➤ Description ➤ Aims ➤ Monetary policy instruments: <ul style="list-style-type: none"> ❑ Interest rates ❑ Cash reserve requirements ❑ Open market transactions ❑ Moral suasion 	<ul style="list-style-type: none"> • Briefly describe the relevant concept • Briefly explain the technical functions of money • Briefly discuss modern money • Briefly discuss money related instruments • Briefly discuss the value of money • Briefly discuss the stabilising of the value of money <ul style="list-style-type: none"> • Briefly discuss credit creation • Discuss factors that determine the interest rates <ul style="list-style-type: none"> • Briefly discuss micro-lending activities <ul style="list-style-type: none"> • Briefly discuss the aims of monetary policy • Briefly discuss the monetary policy instruments <ul style="list-style-type: none"> • <u>Discuss in detail the functions of the South Africa's Reserve Bank as a Central bank</u> <ul style="list-style-type: none"> • Explain the aim of the SARB monetary policy • Examine the central bank monetary policy by focusing on the instruments used by the SARB • Evaluate the inflation targeting policy of the SARB

- **Bank failures and consequences**

Reasons

- Foreign exchange risks
- Too much exposure to real estate
- Poor credit evaluation
- Huge operating costs
- Fraudulent operations
- Poor management
- Inadequate reserve requirements

Consequences

- Lack of confidence in the banking sector
- Depositors may lose their deposits
- Banking panic
- Banking run
- Negative perception
- Unemployment

- Briefly discuss reasons for bank failures
- Explain the consequences of bank failures

MAIN TOPIC: CONTEMPORARY ECONOMIC ISSUES	
TOPIC 11: GLOBALISATION	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>Examination and debating of globalisation, its relevance to the North/South divide, and its effects (negative and positive) on South Africa.</p> <ul style="list-style-type: none"> • Meaning <ul style="list-style-type: none"> - Description - Structures e.g. MNE's, IMF, World Bank and WTO • Causes <ul style="list-style-type: none"> Changes in communication technology and global information systems - Development of technology - Trade liberalization - Capital liberalization - Multi-national Enterprises - Standardisation - Foreign Direct Investment - Free Trade Zone • Consequences <ul style="list-style-type: none"> - Structural changes - Economic growth - Change in trade patens - Change in employment conditions - Environmental deterioration - Cultural changes - International cooperation has increased - Increase in interdependence between countries - North/South divide Compare in terms of the following characteristics <ul style="list-style-type: none"> - Standard of living / Development - Globalisation inequalities - Environment - Sustainable development 	<ul style="list-style-type: none"> • Briefly describe the relevant concepts • Discuss the World Trade Organisation (WTO) under the following headings: <ul style="list-style-type: none"> - Description - Objectives • Briefly explain the main objectives with the Millennium Development Goals (MDGs) • Briefly describe a free trade zone (FTZ) • Briefly debate the effects of economic integration, use examples to motivate your arguments • <u>Examine in detail the causes and consequences of globalisation</u> • Analyse the consequences of globalisation • <u>Debate the positive and negative consequences of globalisation</u> • Compare the characteristics of rich (North) and poor (South) countries

TOPIC 12: ENVIRONMENTAL DETERIORATION	CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES
<p>The environment</p> <ul style="list-style-type: none"> • Description • Relationship between environment and the economy • The problem <ul style="list-style-type: none"> - Description - Causes <ul style="list-style-type: none"> ➤ Natural environmental degradation ➤ Human-induced environmental degradation ➤ Poverty and environmental degradation ➤ Agricultural development and deforestation ➤ Land degradation ➤ Industrial development, mining and environmental degradation ➤ Human settlement, urbanization and environmental degradation • Protecting the environment <ul style="list-style-type: none"> - The importance of protection - Methods of protection: <ul style="list-style-type: none"> ➤ Price based method ➤ Market based method ➤ Use of laws and regulations • Approaches to sustainability <ul style="list-style-type: none"> - Description of sustainable development - Approaches / measures to ensure sustainable development: <ul style="list-style-type: none"> ➤ Public sector intervention by granting property rights, charging for the use of the environment, environmental taxes, environmental subsidies and marketable permits ➤ Public sector control through command and control, voluntary agreements and education. 	<ul style="list-style-type: none"> • Briefly describe the relevant concepts • Evaluate the impact of the economy on the environment • <u>Examine in detail the state of environment / problems threatening the environment</u> • Explain the importance of protecting the environment • Analyse the measures / methods used to protect the environment • What is sustainable development? • Discuss public sector interventions as measures to ensure sustainable development • Discuss public sector control as measure to ensure sustainable development

TOPICS COVERED ACROSS THE GRADES

TOPICS : CAPS PAPERS GR.10-12					
GR.10		GR.11		GR.12	
PAPER 1	PAPER 2	PAPER 1	PAPER 2	PAPER 1	PAPER 2
MACROECONOMICS	MICROECONOMICS	MACROECONOMICS	MICROECONOMICS	MACROECONOMICS	MICROECONOMICS
<ul style="list-style-type: none"> • Basic concepts • Basic economic problem • Circular flow & Quantitative elements: • Business cycles 	<ul style="list-style-type: none"> • Dynamics of markets (Price formation) • Production possibility curve • Public sector intervention 	<ul style="list-style-type: none"> • Factors of production and its remuneration • Circular flow & quantitative elements: Economic goods and services • Economic systems • South Africa's economic structures 	<ul style="list-style-type: none"> • Relationships between markets • Effects of cost & revenue on price and quantities • Price elasticity 	<ul style="list-style-type: none"> • Circular flow • Business cycles • Public sector • Foreign exchange markets 	<ul style="list-style-type: none"> • Perfect markets • Imperfect markets • Market failures
ONLY THE ABOVE TOPICS ARE APPLICABLE FOR THE MID-YEAR EXAMINATION					
ECONOMIC PURSUITS	ECONOMIC ISSUES	ECONOMIC PURSUITS	ECONOMIC ISSUES	ECONOMIC PURSUITS	ECONOMIC ISSUES
<ul style="list-style-type: none"> • Economic growth and development and globalisation • Population & labour force 	<ul style="list-style-type: none"> • Unemployment • Labour relations • Economic redress 	<ul style="list-style-type: none"> • Economic growth • Economic development • Money & banking 	<ul style="list-style-type: none"> • Globalisation • Environmental deterioration 	<ul style="list-style-type: none"> • Protectionism and Free Trade • Growth & Development • Industrial development policies • Economic and social performance indicators 	<ul style="list-style-type: none"> • Inflation • Tourism • Environmental sustainability
ALL TOPICS MENTIONED ARE APPLICABLE FOR THE FINAL EXAMINATION					

4. CONCLUSION

This Examination Guidelines document is meant to articulate the assessment aspirations espoused in the CAPS document. It is therefore not a substitute for the CAPS document which educators should teach to.

Qualitative curriculum coverage as enunciated in the CAPS cannot be over-emphasised.

NOTE: The structure of the NSC Economics question papers (pp. 4–7) replaces the ANNEXURE included in the CAPS (pp. 45-46)