



## ECONOMIC PURSUITS & CONTEMPORARY ECONOMIC ISSUES

26 SEPTEMBER 2013

16:00 – 17:00

### Questions

#### Question 1

*(Adapted from Feb 2013, Question 4.1)*

Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number

- 1.1 The institution that determines monetary policy in South Africa is the (South African Reserve Bank/JSE Securities Exchange Ltd).
- 1.2 Government policies relating to manufacturing are often called (industrial/development) policies.
- 1.3 An advantage of import substitution is that the domestic economy becomes more (specialised/diversified).
- 1.4 The international organisation that requires standardisation of indicators from its members is the (World Trade Organisation/ International Monetary Fund).

(4 x 2) (8)

#### Question 2

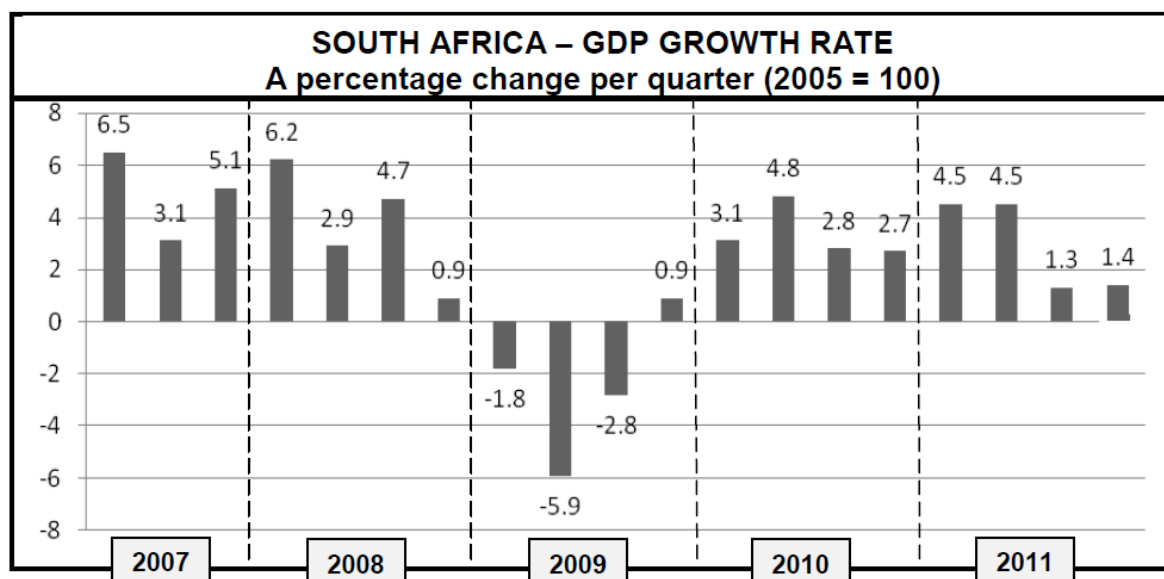
*(Adapted from Feb 2013, Question 4.2)*

List any THREE advantages of export promotion. (3 x 2) (6)

#### Question 3

*(Adapted from Feb 2013, Question 4.3)*

Study the table below and answer the questions that follow.





[www.learnxtra.co.za](http://www.learnxtra.co.za)

- 3.1 From what source was the data above obtained? (2)
- 3.2 What year does the South African Reserve Bank use as the base year? (2)
- 3.3 Give a reason for the negative growth rate in 2009. (2)
- 3.4 Give TWO reasons for the positive growth rate in 2010. (4)

#### Question 4

*(Adapted from Feb 2013, Question 4.5)*

Discuss employment as an economic indicator and suggest solutions for the unemployment problem in South Africa. (4 x 2) (8)

#### Question 5

*(Adapted from Feb 2013, Question 5.1)*

Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number

- 5.1 Barter may take place where communities experience (hyperinflation/stagflation).
- 5.2 The single most important cause of cost-push inflation is an increase in (salaries and wages/leisure time).
- 5.3 Outbound tourists have a (positive/negative) effect on the balance of payments.
- 5.4 Electricity forms part of (energy/communication) infrastructure. (4 x 2) (8)

#### Question 6

*(Adapted from Feb 2013, Question 5.2)*

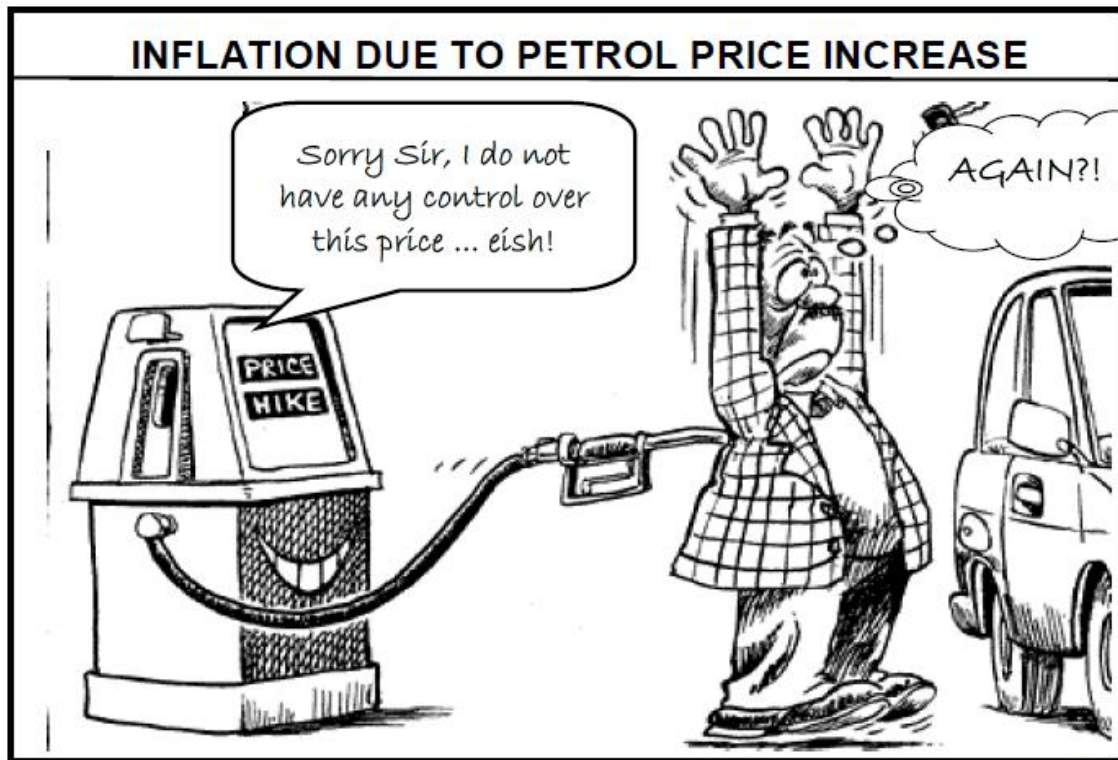
List any THREE causes of demand-pull inflation. (3 x 2) (6)

#### Question 7

*(Adapted from Feb 2013, Question 5.4)*

Study the cartoon on the next page and answer the questions below:

- 7.1 Define the concept *inflation*. (2)
- 7.2 Who regulates the petrol price in South Africa? (2)
- 7.3 Give the economic term for prices of goods and services set by government. (2)
- 7.4 Explain the effect of an unfavourable rand/dollar exchange rate on the petrol price. (4)



[Source: *Mail & Guardian*, January, 2012]

### Question 8

(Adapted from Feb 2013, Question 5.6)

Distinguish between *consumer price index (CPI)* and *producer price index (PPI)*.

(2 x 4)

(8)