 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF- STUDY WORKSHEET**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | **ECONOMICS** | **GRADE** | 12 | **DATE** | **16/04/2020** |
| **TOPIC** | **MICROECONOMICS** | **TERM 1**  **REVISION** |  | **TERM 2 CONTENT** | **X** |
| **TIME ALLOCATION** | **1 HOUR MARKS: 70** | **TIPS TO KEEP HEALTHY**  1. **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%.  2. **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people.  3. **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use.  4. **TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick.  5. **STAY AT HOME.** | | | |
| **INSTRUCTIONS** | INSTRUCTIONS AND INFORMATION   1. Answer ALL questions in the ANSWER BOOK 2. Number the answers correctly according to the numbering system used in this question paper. 3. Write the question number above each answer. 4. Leave 2–3 lines between subsections of questions 5. Write neatly and legibly. |

**SECTION A (COMPULSORY)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SECTION A (COMPULSORY)** | | | |  |
|  | | | |  |
| **QUESTION 1 20 MARKS – 10 MINUTES** | | | |  |
|  | | | |  |
| 1.1 | Various options are provided as possible answers to the following questions.  Choose the answer and write only the letter (A–D) next to the question  number (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 D. | | |  |
|  |  | | |  |
|  | 1.1.1 | A close example of a perfect market in South Africa is … | |  |
|  |  |  | |  |
|  |  | A | oil companies. |  |
|  |  | B | the Johannesburg Securities Exchange. |  |
|  |  | C | Eskom |  |
|  |  | D | the retail industry. |  |
|  |  |  | |  |
|  | 1.1.2 | A monopolist will maximise his revenue where his marginal revenue is equal to … | |  |
|  |  |  | |  |
|  |  | A | one |  |
|  |  | B | marginal cost |  |
|  |  | C | zero |  |
|  |  | D | the market price |  |
|  |  |  | |  |
|  | 1.1.3 | Products of a monopolistic market are … | |  |
|  |  |  | |  |
|  |  | A | differentiated |  |
|  |  | B | homogeneous. |  |
|  |  | C | unique |  |
|  |  | D | identical |  |
|  |  |  | |  |
|  | 1.1.4 | The gap between the average cost (AC) curve and the average variable cost (AVC) curve … as production increases. | |  |
|  |  |  | |  |
|  |  | A | increases |  |
|  |  | B | stays the same |  |
|  |  | C | expands |  |
|  |  | D | decreases |  |
|  |  |  | |  |
|  | 1.1.5 | The average revenue of a firm in a perfectly competitive market is equal to its… | |  |
|  |  |  | |  |
|  |  | A | selling price |  |
|  |  | B | total cost |  |
|  |  | C | marginal cost |  |
|  |  | D | economic profit |  |
|  |  |  |  |  |
|  | 1.1.6 | The supply curve for a firm in a perfectly competitive market has a … slope. | |  |
|  |  |  | |  |
|  |  | A | negative |  |
|  |  | B | horizontal |  |
|  |  | C | positive |  |
|  |  | D | convex |  |
|  |  |  |  |  |
|  | 1.1.7 | Differentiated products are … | |  |
|  |  |  | |  |
|  |  | A | identical |  |
|  |  | B | heterogeneous. |  |
|  |  | C | homogeneous. |  |
|  |  | D | unique |  |
|  |  |  |  |  |
|  | 1.1.8 | The demand curve that explains oligopolistic behaviour is described by some theorists as … | |  |
|  |  |  | |  |
|  |  | A | kinked. |  |
|  |  | B | vertical. |  |
|  |  | C | horizontal |  |
|  |  | D | circular. |  |
|  |  |  | (8x2) | (16) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | | | |  |
| 1.2 | Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–I) next to the question number (1.2.1–1.2.8) in the ANSWER BOOK. | | | |  |
|  |  | | | |  |
|  | **COLUMN A** | | **COLUMN B** | |  |
| 1.2.1 | Perfect competition | A | the holder is the only one who can produce the product |  |
|  |  |  |  |  |
| 1.2.2 | Fixed costs | B | makes super-normal profit in both the short and long term |  |
|  |  |  |  |  |
| 1.2.3 | Patent rights | C | is an example of a negative externality |  |
|  |  |  |  |  |
| 1.2.4 | Sunk costs | D | used in making the decision whether to accept/reject the project |  |
|  |  |  |  |  |
| 1.2.5 | Monopoly | E | buyers and sellers do not have market power |  |
|  |  |  |  |  |
| 1.2.6 | Common property | F | cannot be recovered should the firm leave the industry |  |
|  |  |  |  |  |
| 1.2.7 | Pollution | G | do not change as output change |  |
|  |  |  |  |  |  |
|  | 1.2.8 | Cost Benefit Ratio | H | there are few businesses |  |
|  |  |  |  |  |  |
|  |  |  | I | often exploited due to absence of ownership |  |
|  | (8x 1) | | | | (8) |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.3 | Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1–1.3.6) in the ANSWER BOOK. | |  |
|  |  | |  |
|  | 1.3.1 | A type of monopoly that uses patents to manufacture their product |  |
|  |  |  |  |
|  | 1.3.2 | A situation where one firm fixes a price and other firms accept it as the market price |  |
|  |  |  |  |
|  | 1.3.3 | A market structure where only a few sellers operate |  |
|  |  |  |  |
|  | 1.3.4 | The selling of a good or service to different buyers at different prices |  |
|  |  |  |  |
|  | 1.3.5 | All businesses that supply the same product in the market |  |
|  |  |  |  |
|  | 1.3.6 | The additional unit of output which is produced as one more unit of the variable input is combined with the fixed input |  |
|  |  | (6x1) | (6) |
|  |  | | **[30]** |

|  |  |  |  |
| --- | --- | --- | --- |
| Your answer in this question will be assessed as follows. | | |  |
|  | | |  |
| **STRUCTURE OF ESSAY** | **MARK ALLOCATION** | |
| **Introduction**  The introduction is a lower-order response.   * A good starting point would be to define the main concept related to the question topic. * Do not include any part of the question in your introduction. * Do not repeat any part of the introduction in the body. * Avoid saying in the introduction what you are going to discuss in the body. | Max. 2 | |
| **Body**  **Main part:** Discuss in detail/In-depth discussion/Examine/Critically discuss/  Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain  **Additional part:** Give own opinion/Critically discuss/Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/ Complete the given graph/Calculate/Deduce/Compare/Explain/Distinguish/ Interpret/Briefly debate/How/Suggest | Max. 26 | |
| Max. 10 | |
| **Conclusion**  Any higher-order conclusion should include:   * A brief summary of what has been discussed without repeating facts already mentioned * Any opinion or value 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** | |
|  | | | | |
| **QUESTION 2: MICROECONOMICS 40 MARKS – 40 MINUTES** | | | |  |
| **SCE DBE/2017** | | | |  |
| Markets are the backbone of economic activities in any country. | | | |  |
| * Compare the market structure of a monopolistic competitor to that of a perfect market. (26) | | | |  |
| * Explain, with the aid of a graph, how economic profit is achieved for a perfect competitor (10) | | | | [40] |
|  | | | |  |
| **TOTAL:** | | | | **[70]** |