

ECONOMICS

GRADE 11

Olympiad Paper

Round One

Marks: 30

Time: 1 hour

Date: 11 May 2022



Instructions

1. Complete questions on the ANSWER SHEET provided.
2. Complete all information on the ANSWER SHEET.
3. The ANSWER SHEET consist of 4 sections. Please select the correct section/subject.
4. There are 4 possible answers per question (A B C D)
Only one answer is correct.
Colour a circle completely.
5. Good luck!

THE FACTORS OF PRODUCTION

Abel started a business. He employs 6 workers who clean the gardens of people in his community. Answer questions 1 and 2 related to this.

1. Abel bought two lawn mowers to use in his business. Which factor of production would you classify the lawn mowers as?
 - A Land
 - B Labour
 - C Capital
 - D Entrepreneurship

2. What would the remuneration that Abel receives be called?
 - A Rent
 - B Wages
 - C Interest
 - D Profit

3. The following relates to resources used in the production of goods and services. Which one of these is not of paramount importance in economics?
 - A The way in which resources are used.
 - B The place where resources are used.
 - C The reason why resources are being used.
 - D Who will benefit from the resources used.

4. The demand for natural resources depends on the:
 - A price of the natural resource plus the wage of the labour used.
 - B output that can be produced with the natural resource.
 - C supply of the natural resource.
 - D equilibrium price paid for the natural resource.

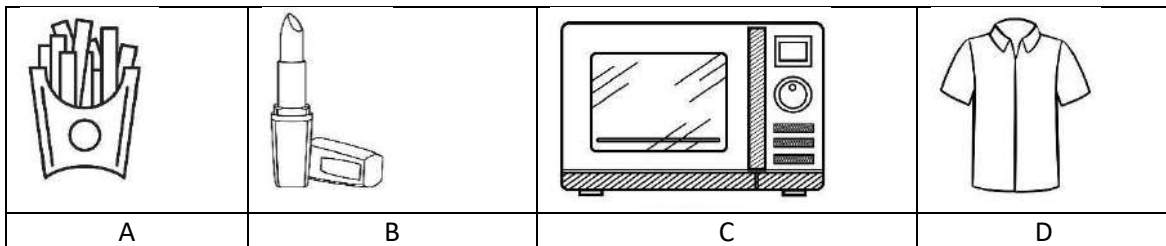
5. Country Z is experiencing an increase in the demand for oranges. Which one of the following will not be a result of this?
 - A A decrease in the number of orange pickers employed.
 - B An increase in the value of the marginal product of orange pickers.
 - C An increase in the price of oranges.
 - D An increase in the wage of orange pickers.

6. An increase in the price of motor vehicles shifts the demand curve for factory workers in the automobile sector to the:
 - A left and decreases the wage.
 - B right and decreases the wage.
 - C right and increases the wage.
 - D left and increases the wage.

7. Economists make provision for the *consumption of capital goods* by means of:
- A trade-offs.
 - B depreciation.
 - C capital deepening.
 - D capital widening.
8. Which factors of production are inherently owned by humans?
- A Land and labour.
 - B Labour and capital.
 - C Capital and entrepreneurship.
 - D Labour and entrepreneurship.
9. The production process refers to steps involved in the transformation of factor inputs into:
- A goods and services.
 - B factor remuneration.
 - C factors of production.
 - D resources.

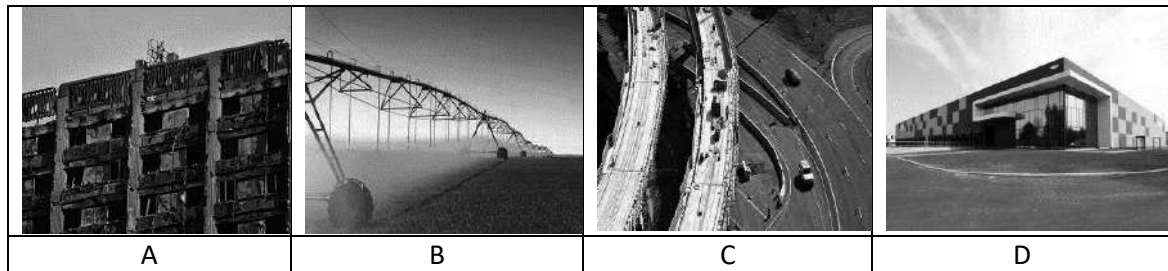
THE USES OF ECONOMIC GOODS AND SERVICES

10. Final consumption by households refers to spending by individuals on:
- A final and intermediate goods and services for use.
 - B final goods and services for use as opposed to provision for the future.
 - C final goods and services for use as well as provision for the future.
 - D intermediate goods and services for use.
11. Which one of the following is an example of non-durable consumer goods?



12. Final consumption expenditure by households classified by type of activity is calculated as the total consumption on/by:
- A the primary sector, plus the secondary sector, plus the tertiary sector.
 - B durable goods, plus semi-durable goods, plus non-durable goods plus services.
 - C the primary sector, plus the secondary sector, plus the tertiary sector minus the foreign sector.
 - D durable goods, plus semi-durable goods, plus non-durable goods less services.

13. Gross fixed capital formation includes all but one of the following:



14. Final consumption expenditure by households at NOMINAL prices indicates spending by households on final goods and services at:

- A current volumes multiplied by base prices.
- B constant volumes multiplied by base prices.
- C current volumes multiplied by current prices.
- D constant volumes multiplied by current prices.

15. The difference between gross capital formation and net capital formation is due to:

- A depreciation.
- B appreciation.
- C revaluation.
- D devaluation.

16. GDP is calculated as:

- A $C + I + G$
- B $C + I + G + (X + M)$
- C $C + I + G + (X - M)$
- D $C + I + G + (M - X)$

17. The government spends money on administering the COVID-19 vaccination free of charge to all citizens. This would be classified as:

- A general public services.
- B protection services.
- C social services.
- D economic services.

18. Which one of the following is incorrect?

- A $GDP > GDE$ then $X > M$
- B $GDP < GDE$ then $X < M$
- C $GDP = GDE$ then $X = M$
- D $GDP \geq GDE$ then $X \leq M$

19. Basic prices are converted to market prices by:

- A adding taxes on products and subtracting subsidies on products.
- B subtracting taxes on products and adding subsidies on products.
- C adding taxes on products and adding subsidies on products.
- D subtracting taxes on products and subtracting subsidies on products.

ECONOMIC SYSTEMS

20. In Country Y individuals may own businesses. Some businesses are owned by the state and most social services are delivered by the state. The economic system of Country Y can best be described as a:

- A command economy.
- B communist economy.
- C mixed economy.
- D market economy.

21. The so-called invisible hand determines prices in a _____ economy.

- A command
- B communist
- C mixed
- D market

22. The citizens of Country Y receive free medical services at public hospitals. They can, however, choose to go to private hospitals and pay for these services. The economic system of Country Y can best be described as a:

- A command economy.
- B communist economy.
- C mixed economy.
- D market economy.

23. Which one of the following would most likely have an effect on the price and quality of goods in a market economy?

- A Government regulations and the volume of international trade.
- B Competition as well as demand and supply.
- C Production possibility and budget constraints.
- D Tariffs and trade barriers.

24. Which questions are asked when studying the different economic systems?

- A What to produce, why to produce, and when to produce.
- B What is produced, how is it produced, and for whom is it produced.
- C What is your opportunity cost, what economic resources are needed and why should these resources be used.
- D What is your opportunity cost, why are economic resources needed and when should these resources be used.

25. There are 100 televisions for sale and 150 people want to buy these. This is a typical problem of the:
- A market system where market forces will determine who can buy these televisions.
 - B command system where the government will indicate who will be permitted to buy these televisions.
 - C mixed system where a game of chance will decide who gets televisions.
 - D market system as televisions are scarce goods and the demand for it is greater than the supply.
26. The number of goods and services a household can buy in a free-market system depends upon the household's:
- A income.
 - B income and prosperity.
 - C wealth.
 - D wage and interest income.

THE ECONOMIC STRUCTURE OF SOUTH AFRICA

27. The economic structure refers to:
- A how the questions of what, how and for whom to produce are answered.
 - B the organisation of the economy in regards to the primary, secondary and tertiary sectors.
 - C the inclusion of the international sector relating to imports and exports.
 - D the number of goods and services produced by formal and informal businesses.
28. The tertiary sector includes:
- A policing and mining.
 - B education and farming.
 - C fishing and construction.
 - D bankers and accountants.
29. I&J catches fish in the deep sea on trailers specially built for them. These trailers use a navigation system that is controlled from harbours across South Africa. The economic sectors described in this scenario, in order, are:
- A primary, secondary and tertiary.
 - B primary, tertiary and secondary.
 - C secondary, tertiary and tertiary.
 - D secondary, primary and tertiary.

30. The following information was taken from www.StatsSA.co.za. Answer question 30.



What does the heading *Q/Q growth in Q1: 2019* mean?

- A Q1 of 2019 is compared with Q1 of 2018.
- B Q1 of 2018 is subtracted from Q1 of 2019.
- C The figures of Q1 of 2018 is adjusted to the figures of Q1 of 2019.
- D The figures of Q1 of 2019 is adjusted to the figures of Q1 of 2018.