

PROVERTO

Educational Publishers • Opvoedkundige Uitgewers

2022

www.proverto.co.za

Guiding the leaders of tomorrow

High School Olympiad PREPARATION STUDY GUIDE

ECONOMICS

PAST PAPER AND MEMO ROUND ONE AND TWO

GRADE 12



FREE COPY



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Denkleiers • Leading Minds • Dikgopolo tša Dihlalefi



FASSET

Make the future count



UNIVERSITY
OF
JOHANNESBURG



DURBAN UNIVERSITY OF TECHNOLOGY
INYUVESI YASETHEKWINI YEZOBUCHWEPHESHE

Creative. Distinctive. Impactful.



NELSON MANDELA

UNIVERSITY

YOUR FUTURE WILL BE...

BRILLIANT
INNOVATIVE
creative
ADAPTIVE
VISIONARY
BRIGHT

APPLY THROUGH THE CENTRAL APPLICATIONS
OFFICE (CAO) TODAY VIA WWW.CAO.AC.ZA

FOR MORE INFORMATION VISIT
WWW.DUT.AC.ZA

PROVERTO



**OLYMPIAD
CALENDAR**

www.proverto.co.za

GR 10, 11, 12

**OLIMPIADE
KALENDER**

NATIONAL HIGH SCHOOL OLYMPIAD
Accounting, Business Studies, Economics

NASIONALE HOËRSKOOL OLIMPIADE
Rekeningkunde, Besigheidstudies, Ekonomie

2022

January							February							March							April								
M	T	W	T	F	S		S	M	T	W	T	F	S		S	M	T	W	T	F	S		S	M	T	W	T	F	S
27	28	29	30	31	1		30	31	1	2	3	4	5		27	28	1	2	3	4	5		27	28	29	30	31	1	2
3	4	5	6	7	8		6	7	8	9	10	11	12		6	7	8	9	10	11	12		3	4	5	6	7	8	9
10	11	12	13	14	15		13	14	15	16	17	18	19		13	14	15	16	17	18	19		10	11	12	13	14	15	16
17	18	19	20	21	22		20	21	22	23	24	25	26		20	21	22	23	24	25	26		17	18	19	20	21	22	23
24	25	26	27	28	29		27	28	1	2	3	4	5		27	28	29	30	31	1	2		24	25	26	27	28	29	30
31	1	2	3	4	5																								
May							June							July							August								
M	T	W	T	F	S		S	M	T	W	T	F	S		S	M	T	W	T	F	S		S	M	T	W	T	F	S
							29	30	31	1	2	3	4		26	27	28	29	30	1	2		31	1	2	3	4	5	6
2	3	4	5	6	7		5	6	7	8	9	10	11		3	4	5	6	7	8	9		7	8	9	10	11	12	13
9	10	11	12	13	14		12	13	14	15	16	17	18		10	11	12	13	14	15	16		14	15	16	17	18	19	20
16	17	18	19	20	21		19	20	21	22	23	24	25		17	18	19	20	21	22	23		21	22	23	24	25	26	27
23	24	25	26	27	28		26	27	28	29	30	1	2		24	25	26	27	28	29	30		28	29	30	31	1	2	3
30	31	1	2	3	4										31	1	2	3	4	5	6								
September							October							November							December								
M	T	W	T	F	S		S	M	T	W	T	F	S		S	M	T	W	T	F	S		S	M	T	W	T	F	S
							25	26	27	28	29	30	1		30	31	1	2	3	4	5		27	28	29	30	1	2	3
29	30	31	1	2	3		2	3	4	5	6	7	8		6	7	8	9	10	11	12		4	5	6	7	8	9	10
5	6	7	8	9	10		9	10	11	12	13	14	15		13	14	15	16	17	18	19		11	12	13	14	15	16	17
12	13	14	15	16	17		16	17	18	19	20	21	22		20	21	22	23	24	25	26		18	19	20	21	22	23	24
19	20	21	22	23	24		23	24	25	26	27	28	29		27	28	29	30	1	2	3		25	26	27	28	29	30	31
26	27	28	29	30	1		30	31	1	2	3	4	5																

First Round: 11 MAY
Second Round: 3 AUGUST

Eerste Ronde: 11 MEI
Tweede Ronde: 3 AUGUSTUS

Online self assessment test available

Aanlyn self assesering toetse beskikbaar

www.proverto.co.za

Link: <https://www.proverto.co.za/olympiad/onlineAssess.html>

NELSON MANDELA UNIVERSITY



Change the World by applying for a qualification in one of the following study field:

Accounting • Advertising • Afrikaans • Agricultural Management • Analytical Chemistry • Anthropology • Applied Design • Applied Mathematics • Architectural Technology • Architecture • Art • Auditing • Biochemistry • Biokinetics • Botany • Broadcasting • Building • Business Management • Business Studies • Ceramic Design • Chemistry • Criminal Justice • Civil Engineering • Clinical Psychology • Computer Science • Communication Networks (IT) • Conservation Biology • Construction Economics • Construction Management • Construction Studies • Counselling Psychology • Chemical Process Technology • Development Studies • Dietetics • Economics • Ecology • Education • Electrical Engineering • English • Environmental Health • Environmental Management • Emergency Medical Care (Paramedic) • Fashion • Financial Accounting • Financial Planning • Fine Art • Foundation Phase Teaching • Forestry • French • FET Teaching • Game Ranch Management • Geography • Geology • Graphic Design • History • Hospitality Management • Human Movement Science • Human Resource Management • Human Settlement Development • Industrial Psychology • Industrial Engineering • Information Systems • Information Technology • Inorganic Chemistry • Interior Design • Internal Auditing • Inventory Management • Intermediate Phase Teaching • isiXhosa • Journalism • Language & Literature • Law • Logistics • Management • Marine Biology • Marine Engineering • Marketing • Mathematics • Mechanical Engineering • Mechatronics • Media, Communication & Culture • Microbiology • Music • Music Education • Medical Laboratory Science • Medicine & Surgery • Nature Conservation • Nursing • Operations Management • Painting • Pharmacy • Philosophy • Physiology • Photography • Physics • Political Studies • Polymer Technology • Psychology • Public Administration • Public Management • Public Relations Management • Quality Management • Quantity Surveying • Radiography (Diagnostic) • Restoration Ecology • Renewable Energy • Sculpture • Senior Phase Teaching • Social Work • Sociology • Software Development • Sport Management • Sport Science • Statistics • Support Services (IT) • Taxation • Textile Design & Technology • Tourism • Transport Economics • User Support Services (IT) • Veldfire Management • Visual Arts • Wood Technology • Youth Work • Zoology

Change the World

T 041 504 1111
E info@mandela.ac.za

myfuture.mandela.ac.za



PROVERTO

NATIONAL HIGH SCHOOL OLYMPIAD

ANSWER SHEET ROUND ONE

TODAY'S DATE DAY MONTH YEAR GRADE

SCHOOL NAME

LEARNER SURNAME

FIRST NAME INITIALS DATE OF BIRTH Female Male

LEARNER EMAIL (if available)

LEARNER Mobile Number

SELECT THE SUBJECT/SUBJECTS (Mark a block with a X)

ACCOUNTING/REKENINGKUNDE BUSINESS STUDIES/BESIGHEIDSTUDIES ECONOMICS/EKONOMIE

ACCOUNTING / REKENINGKUNDE

1 A B C D	6 A B C D	11 A B C D	16 A B C D	21 A B C D	26 A B C D
2 A B C D	7 A B C D	12 A B C D	17 A B C D	22 A B C D	27 A B C D
3 A B C D	8 A B C D	13 A B C D	18 A B C D	23 A B C D	28 A B C D
4 A B C D	9 A B C D	14 A B C D	19 A B C D	24 A B C D	29 A B C D
5 A B C D	10 A B C D	15 A B C D	20 A B C D	25 A B C D	30 A B C D

TOTAL ____/30

BUSINESS STUDIES / BESIGHEIDSTUDIES

1 A B C D	6 A B C D	11 A B C D	16 A B C D	21 A B C D	26 A B C D
2 A B C D	7 A B C D	12 A B C D	17 A B C D	22 A B C D	27 A B C D
3 A B C D	8 A B C D	13 A B C D	18 A B C D	23 A B C D	28 A B C D
4 A B C D	9 A B C D	14 A B C D	19 A B C D	24 A B C D	29 A B C D
5 A B C D	10 A B C D	15 A B C D	20 A B C D	25 A B C D	30 A B C D

TOTAL ____/30

ECONOMICS / EKONOMIE

1 A B C D	6 A B C D	11 A B C D	16 A B C D	21 A B C D	26 A B C D
2 A B C D	7 A B C D	12 A B C D	17 A B C D	22 A B C D	27 A B C D
3 A B C D	8 A B C D	13 A B C D	18 A B C D	23 A B C D	28 A B C D
4 A B C D	9 A B C D	14 A B C D	19 A B C D	24 A B C D	29 A B C D
5 A B C D	10 A B C D	15 A B C D	20 A B C D	25 A B C D	30 A B C D

TOTAL ____/30

INSTRUCTIONS: Please complete all required information
Colour a circle completely ● CORRECT MARK
Erase any faulty marks completely
Do not fold, tear or damage this form

ECONOMICS

GRADE 12

Olympiad Paper

Round One

Marks: 30

Time: 1 hour

Date: 12 May 2021



Instructions

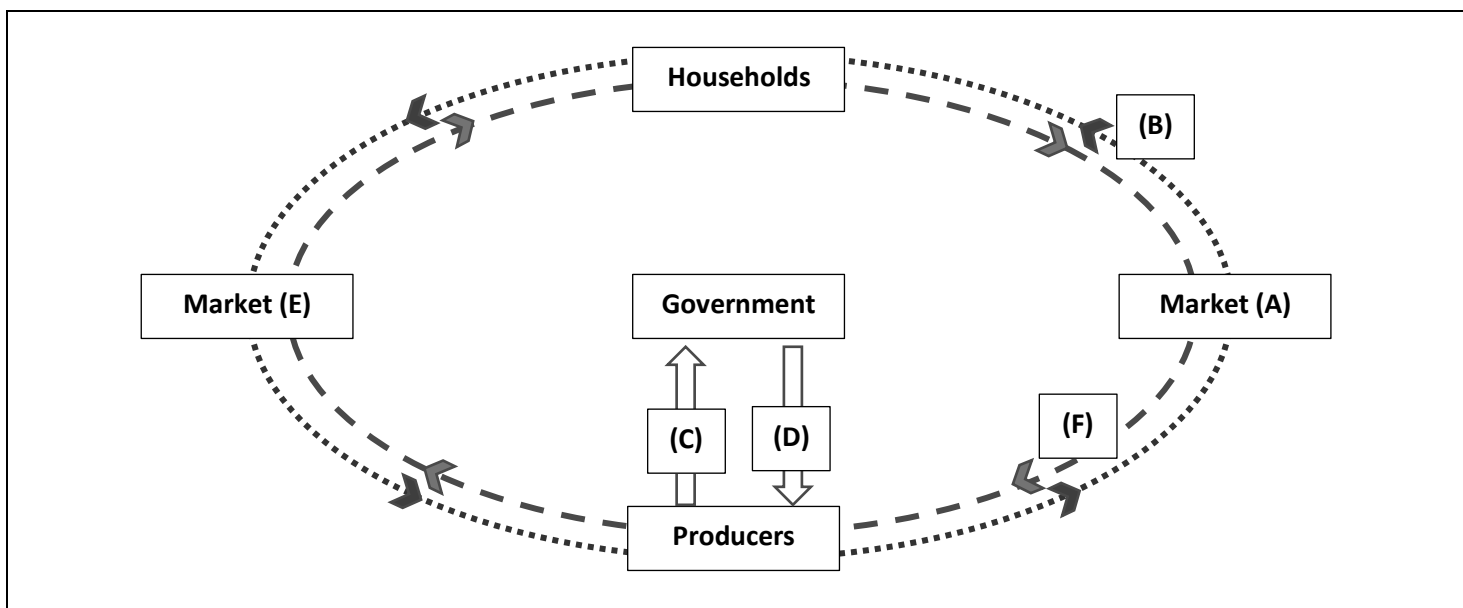
1. Complete questions on the ANSWER SHEET provided.
2. Complete all information on the ANSWER SHEET.
3. The ANSWER SHEET consist of 4 sections. Please select the correct section/subject.
4. There are 4 possible answers per question (A B C D)
Only one answer is correct.
Colour a circle completely.
5.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



PROVERTO EMS OLYMPIAD 2021 – GRADE 12 ECONOMICS

ROUND 1

THE CIRCULAR FLOW

Study the following economic model and answer questions 1 to 5



	Money flow
	Real flow

- This type of representation in economics is called a _____.
 - model
 - graph
 - law
 - relation
- The market represented by (E) is the market for:
 - factors of production.
 - goods and services.
 - labour and entrepreneurship.
 - international trade.
- The flow indicated as (F) from Market (A) to Producers indicates the flow of:
 - factors of production.
 - the remuneration of factors of production.
 - goods and services.
 - the remuneration for goods and services.

4. If we assume that this representation is of an economy that is in equilibrium, which one of the following is true?
- A NI < NP > NE
 B NI = NP = NE
 C NI > NP > NE
 D NI < NP < NE
5. If Flow (C) represents the flow of goods and services, then Flow (D) most likely represents:
- A public goods and subsidies.
 B subsidies and taxes.
 C public goods and taxes.
 D transfer payments and private goods.
6. The following was taken from the SARB Quarterly Bulletin (December 2020).

R million	2015	2016	2017	2018	2019
Compensation of employees	1 912 083	2 072 859	2 225 800	2 320 179	2 418 544
Net operating surplus	1 079 222	1 123 567	1 226 323	1 249 182	1 296 696
Consumption of fixed capital	560 416	617 969	638 782	1 249 182	713 078
Taxes on production	81 169	85 519	92 072	101 936	105 061
Subsidies on production	7 983	8 356	9 653	6 492	9 796
Taxes on products	440 102	482 772	497 335	545 558	564 866
Subsidies on products	15 126	15 270	17 084	12 951	10 821
Extract from KB601					

The value of the GDP at market prices for 2019 is:

- A R 5 451 124 million
 B R 3 782 008 million
 C R 5 077 628 million
 D R 3 651 472 million
7. What will the change in consumption be in a closed economy with no government if there is an increase in investment of R4 000 000, and the marginal propensity to consume (mpc) is 0,75?
- A -R16 000 000
 B -R1 600 000
 C R1 600 000
 D R16 000 000
8. What can the government do if the economy starts to show signs of inflation and they want to curb growth in the economy?
- A Increase both taxes and imports.
 B Decrease government expenditure and increase taxes.
 C Increase both imports and the consumption of goods and services.
 D Decrease taxes and increase government expenditure.

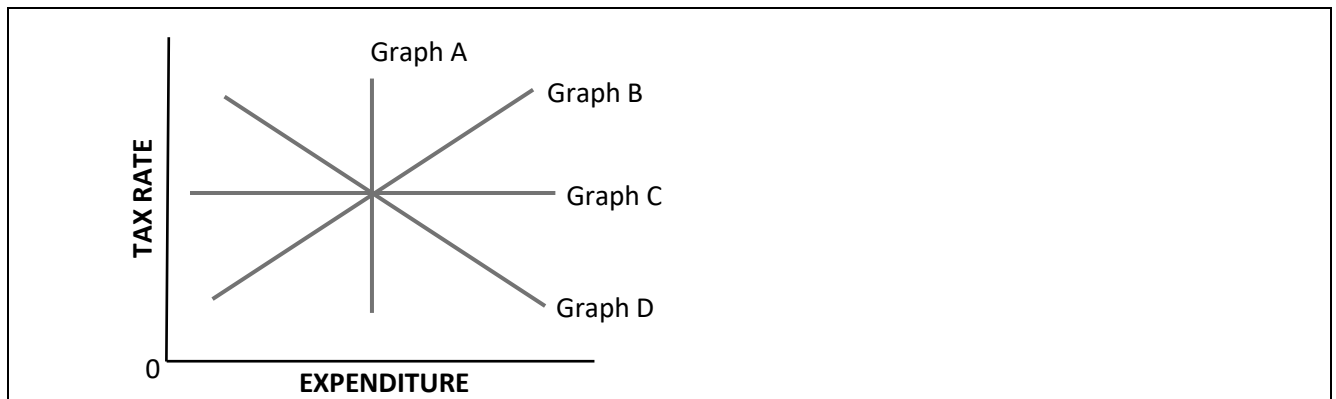
BUSINESS CYCLES

9. The opposite of a trough is the point on a business cycle where:
- A inflation is at its lowest.
 - B aggregate demand and cost leads to a decrease in investment.
 - C aggregate economic activity is decreasing.
 - D the unemployment rate is at its lowest.
10. The phase between a peak and a trough on a business cycle can best be described as:
- A a recovery point.
 - B an expansion phase.
 - C a contraction phase.
 - D an optimal output point.
11. During the growth phase, the economic growth rate on a year-to-year basis is:
- A negative, at an increasing rate.
 - B negative, at a decreasing rate.
 - C positive, at an increasing rate.
 - D positive, at a decreasing rate.
12. Professor Jan van Heerden writes in the article *SA's economic slowdown is structural* (<https://www.iol.co.za/business-report/opinion/opinion-sas-economic-slowdown-is-structural-29d10f0d-fb37-453d-88a7-a90e503eb6ef>) that there are various reasons why South Africa is experiencing a structural slowdown.
- Which one of the following will not be regarded as a structural problem?
- A The majority of labourers in South Africa have been educated poorly, because the primary and secondary education system is dysfunctional.
 - B The government system is not functioning optimally, as it suffers from corruption and basic services are not provided adequately.
 - C Manufacturing plants are not able to employ educated, committed, skilled workers who can perform whatever is required with a high degree of efficiency and reliability, and deliver what foreign firms require.
 - D An increase in the money supply in order to increase government expenditure and lowering the tax rate on both individuals and businesses.
13. The phase of a business cycle that occurs after a trough and when the growth rate is positive can be described as a _____ phase.
- A boom
 - B contraction
 - C recession
 - D depression
14. In an effort to adjust economic growth, the government announces an increase in taxes. This is an example of a/an:
- A expansionary fiscal policy.
 - B contractionary fiscal policy.
 - C expansionary monetary policy.
 - D contractionary monetary policy.

15. Which one of the following changes in aggregate demand and aggregate supply will lead to an increase in economic growth?
- A An increase in aggregate demand while aggregate supply remains constant.
 - B An increase in aggregate supply while aggregate demand remains constant.
 - C A decrease in aggregate demand and a decrease in aggregate supply.
 - D An increase in aggregate demand and an increase in aggregate supply.

THE PUBLIC SECTOR

16. The GDP of South Africa in current prices from 1985 to 2025 is published on the website <https://www.statista.com>. The statistics for 2022 – 2025 is calculated using:
- A historical models.
 - B econometric models.
 - C extrapolation.
 - D moving averages.
17. Which graph depicts VAT the best?



- A Graph A
 - B Graph B
 - C Graph C
 - D Graph D
18. A large number of fish species have gone extinct due to overfishing. As such, fish in the ocean can best be seen as a:
- A common good.
 - B public good.
 - C collective good.
 - D merit good.
19. The government decides to make the Covid-19 vaccine available to all members of the community free of charge. The vaccine can be seen as a:
- A common good.
 - B public good.
 - C collective good.
 - D merit good.

- 20.** Which one of the following is not a reason why government will provide merit goods and services?
- A** To encourage consumption so that positive externalities of merit goods can be achieved.
 - B** To overcome the information failures linked to merit goods.
 - C** Consumption of merit goods is believed often to generate positive externalities – where the private benefit from consumption exceeds the social benefit.
 - D** Because the government believes that consumption should not be based solely on the grounds of ability to pay for a good or service.
- 21.** Government decides to build more wind farms to generate electricity. Which one of the following will be classified as an external cost rather than a private cost?
- A** The price of the land the farm is built on.
 - B** The expenses incurred in installing the wind turbines.
 - C** Expenses related to the manufacturing of the wind turbines.
 - D** Lower property prices in the area.
- 22.** When the government acquires goods and services for future use, it is classified as:
- A** government spending.
 - B** government investment.
 - C** monetary policy.
 - D** fiscal policy.
- 23.** Which one of the following is not a reason for government spending?
- A** To supply goods and services that are not supplied by the private sector.
 - B** To achieve improvements in the demand-side of the macro-economy, such as spending on education and training to improve labour productivity.
 - C** To provide subsidies to industries that may need financial support for either their operation or expansion.
 - D** To help redistribute income and promote social welfare.

FOREIGN EXCHANGE MARKETS

- 24.** Which one of the following best describes an advantage of international trade?
- A** International trade encourages a country to specialise in producing those goods and services which it can produce at a higher cost, thus increasing the profit opportunity as a result of higher selling prices.
 - B** International trade lowers competition and increases world prices, which provides benefits to consumers by raising the purchasing power of their own income, and leads to a rise in producer surplus.
 - C** The quality of goods and services can increase as competition encourages innovation, design and the application of new technologies.
 - D** Local producers, who may supply a unique product tailored to meet the needs of the domestic market can sell their products at higher prices because consumers will not be interested in cheaper imports.

25. Country X and Country Y both produce two chocolates, FOMOs and YOLOs. Their potential production, using all their resources, is shown in the following table:

	COUNTRY X	COUNTRY Y
FOMO	300	350
YOLO	60	210

In this example, Country Y has:

- A an absolute advantage in both products and a comparative advantage in YOLOs.
 - B an absolute disadvantage in both products and a comparative advantage in YOLOs.
 - C an absolute advantage in both products and a comparative disadvantage in FOMOs.
 - D an absolute disadvantage in both products and a comparative advantage in FOMOs.
26. Possible reasons for a current account surplus are:
- (a) surplus of savings over investments.
 - (b) significant long-run competitive advantage.
 - (c) long-run rise in global prices of main exports.
 - (d) structural increase in net investment income.

Which of the possibilities are TRUE?

- A (a), (c) and (d)
- B (b) and (d)
- C only (c)
- D (a), (b), (c) and (d)

Answer questions 27 and 28 based on these figures.

<p>On 8 March 2021, ZAR1.000 = €0,054. On 11 March 2021, ZAR1.000 = €0,056.</p>

27. The Rand _____ against the Euro.
- A devaluated
 - B revaluated
 - C depreciated
 - D appreciated
28. On 11 March 2021, imports of €1 000 will:
- A cost R661,38 more.
 - B cost R661,38 less.
 - C cost the same.
 - D Impossible to say.

29. In order to reduce a current account deficit, the government needs to intervene.

- (a) Reduce consumer spending.
- (b) Increase consumer spending.
- (c) Supply side policies to improve competitiveness.
- (d) Demand side policies to improve competitiveness.
- (e) Devaluation of the exchange rate.
- (f) Revaluation of the exchange rate.

The best policies to attain the goal of reducing the current account deficit are:

- A** (a), (c) and (f)
- B** (b), (d) and (e)
- C** (b), (d) and (f)
- D** (a), (c) and (e)

30. Due to the implementation of new technology, Country H experiences an increase in productivity. This will cause the currency of Country H to _____ because goods are produced at a _____ price.

- A** appreciate; lower
- B** depreciate; lower
- C** appreciate; higher
- D** depreciate; higher

#ChooseUP

Imagine your future #ChooseUP



Our degrees are **internationally recognised**.



Our alumni are **highly sought after**.



We have **support programmes** to assist our students to succeed.



We help to **prepare you** for the **world of work**.

Your future matters.

Apply as soon as possible from **1 April 2022**
at www.up.ac.za/apply.

Selection programmes close on **30 June 2022**.

All other programmes (**non-selection programmes**)
close as soon as a programme is full.



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA

Make today matter

www.up.ac.za

ECONOMICS

GRADE 12

Olympiad Paper

Round Two

Marks: 30

Time: 1 hour

Date: 04 Aug 2021

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!



PERIODIC TABLE OF THE ELEMENTS



1 IA																		2 IIA																		13 IIIA										14 IVA								15 VA								16 VIA								17 VIIA								18 VIIIA																																																																																																																																																																																																																																			
1 H Hydrogen 1.008																		2 He Helium 4.0026																																																				3 Li Lithium 6.94		4 Be Beryllium 9.012		5 B Boron 10.81		6 C Carbon 12.011		7 N Nitrogen 14.007		8 O Oxygen 15.999		9 F Fluorine 18.998		10 Ne Neon 20.180		11 Na Sodium 22.98976928		12 Mg Magnesium 24.305		13 Al Aluminium 26.982		14 Si Silicon 28.086		15 P Phosphorus 30.974		16 S Sulfur 32.06		17 Cl Chlorine 35.45		18 Ar Argon 39.948		19 K Potassium 39.0983		20 Ca Calcium 40.078		21 Sc Scandium 44.955908		22 Ti Titanium 47.887		23 V Vanadium 50.9415		24 Cr Chromium 51.9961		25 Mn Manganese 54.938044		26 Fe Iron 55.845		27 Co Cobalt 58.933		28 Ni Nickel 58.693		29 Cu Copper 63.546		30 Zn Zinc 65.38		31 Ga Gallium 69.723		32 Ge Germanium 72.630		33 As Arsenic 74.922		34 Se Selenium 78.971		35 Br Bromine 79.904		36 Kr Krypton 83.798		37 Rb Rubidium 85.4678		38 Sr Strontium 87.62		39 Y Yttrium 88.90584		40 Zr Zirconium 91.224		41 Nb Niobium 92.90637		42 Mo Molybdenum 95.95		43 Tc Technetium (98)		44 Ru Ruthenium 101.07		45 Rh Rhodium 102.91		46 Pd Palladium 106.42		47 Ag Silver 107.87		48 Cd Cadmium 112.41		49 In Indium 114.82		50 Sn Tin 118.71		51 Sb Antimony 121.76		52 Te Tellurium 127.6		53 I Iodine 126.90		54 Xe Xenon 131.29		55 Cs Cesium 132.90545196		56 Ba Barium 137.327		57-71 Lanthanides		72 Hf Hafnium 178.49		73 Ta Tantalum 180.94788		74 W Tungsten 183.84		75 Re Rhenium 186.21		76 Os Osmium 190.23		77 Ir Iridium 192.22		78 Pt Platinum 195.08		79 Au Gold 196.97		80 Hg Mercury 200.59		81 Tl Thallium 204.38		82 Pb Lead 207.2		83 Bi Bismuth 208.98		84 Po Polonium (209)		85 At Astatine (210)		86 Rn Radon (222)		87 Fr Francium (223)		88 Ra Radium (226)		89-103 Actinides		104 Rf Rutherfordium (261)		105 Db Dubnium (268)		106 Sg Seaborgium (266)		107 Bh Bohrium (270)		108 Hs Hassium (277)		109 Mt Meitnerium (276)		110 Ds Darmstadtium (281)		111 Rg Roentgenium (282)		112 Cn Copernicium (285)		113 Nh Nihonium (286)		114 Fl Flerovium (289)		115 Mc Moscovium (290)		116 Lv Livermorium (293)		117 Ts Tennessine (294)		118 Og Oganesson (294)		57 La Lanthanum 138.91		58 Ce Cerium 140.12		59 Pr Praseodymium 140.91		60 Nd Neodymium 144.24		61 Pm Promethium (145)		62 Sm Samarium 150.36		63 Eu Europium 151.96		64 Gd Gadolinium 157.25		65 Tb Terbium 158.93		66 Dy Dysprosium 162.50		67 Ho Holmium 164.93		68 Er Erbium 167.26		69 Tm Thulium 168.93		70 Yb Ytterbium 173.05		71 Lu Lutetium 174.97		89 Ac Actinium (227)		90 Th Thorium (232)		91 Pa Protactinium (231)		92 U Uranium (238)		93 Np Neptunium (237)		94 Pu Plutonium (244)		95 Am Americium (243)		96 Cm Curium (247)		97 Bk Berkelium (247)		98 Cf Californium (251)		99 Es Einsteinium (252)		100 Fm Fermium (257)		101 Md Mendelevium (258)		102 No Nobelium (259)		103 Lr Lawrencium (260)	

A leader on our continent. UJ. Fourth in South Africa.

Fifth in Africa: Quacquarelli Symonds (QS) World University Rankings.

For more information, visit future.uj.mobi

The Future Reimagined

PROVERTO EMS OLYMPIAD 2021 – GRADE 12

ECONOMICS

ROUND 2

PROTECTIONISM AND FREE TRADE

1. On 30 April 2021, Halima Gikandi, wrote in an article on www.Pri.org that South Africa's resumption of COVID-19 vaccinations has coincided with an extra 1.1 million vaccine doses that were produced locally by South African company Aspen Pharmacare.

This is an example of:

- A regulating national trade.
 - B import substitution.
 - C protection.
 - D export promotion.
2. Which one of the following descriptions regarding trade agreements is correct?
- A A unilateral trade agreement occurs when two or more countries impose trade restrictions on a specific country and no other country reciprocates.
 - B Bilateral trade agreements occur where two countries agree to loosen trade restrictions to expand business opportunities between them by lowering tariffs and confer preferred trade status on each other.
 - C Multilateral trade agreements refer to agreements by more than one country and cover a larger geographic area, which confers a greater competitive advantage on the signatories.
 - D A non-lateral trade agreement standardises regulations, labour standards and environmental protections, thus reducing the regulations and giving the country's exporters a competitive advantage over its foreign competitors.
3. Quotas and tariffs are tools that can be used to protect domestic markets.

A tariff differs from a quota in the sense that a tariff refers to:

- A imports and quotas to exports.
- B exports and quotas to imports.
- C a surcharge levied on exports, where quotas limit the number of goods that can be exported.
- D a surcharge levied on imports, where quotas limit the number of goods that can be imported.

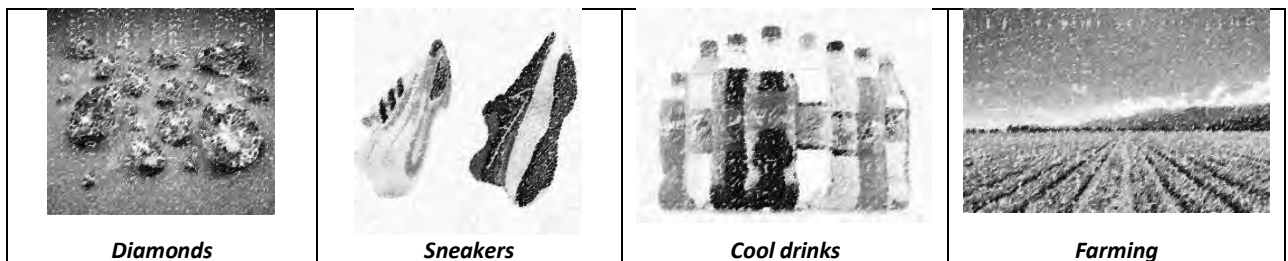
4. South Africa imposes an import quota or tariff on French wine. This leads to an increase in the price of wine overall.

What will most probably be the effect on both domestic wine consumers and domestic wineries?

- A Domestic wine consumers will be hurt by the increase in prices, and domestic wineries will benefit from the higher prices.
- B Both domestic wine consumers and domestic wineries will be negatively impacted, but this will be compensated for by a decline in deaths caused by motor vehicle accidents.
- C Both domestic wine consumers and domestic wine producers will be negatively impacted because of a reduction in competition from overseas.
- D Domestic wine consumers will be affected, but the domestic wine producers will lose business as a result of the higher prices.

THE DYNAMICS OF IMPERFECT MARKETS

5. Which ONE of the following is the best example of firms in a perfectly competitive market?



A

B

C

D

6. What is the maximum profit that the factory can make from production?

Quantity (Q)	Marginal Revenue (MR)	Marginal Cost (MC)	Marginal Profit (MP)	Total Profit (TP)
1	1200	500		
2	1000	275		
3	800	225		
4	600	250		
5	400	400		
6	200	850		
7	0	1500		
8	-200	2400		

- A R2 000 when he produces 4 units, as $MR > MC$.
- B R2 350 when he produces 5 units, as $MR > MC$.
- C R2 350 when he produces 5 units, as $MR = MC$.
- D R1 700 when he produces 6 units, as $MR < MC$.

7. Calculate the marginal cost (MC) and marginal revenue (MR) when the output increases from 3 to 4 units.

Quantity (Q)	Price (P)	Total Revenue (TR)	Total Cost (TC)
1	1 200	1 200	500
2	1 100	2 200	750
3	1 000	3 000	1 000
4	900	3 600	1 250
5	800	4 000	1 650
6	700	4 200	2 500
7	600	4 200	4 000
8	500	4 000	6 400

	MC	MR
A	400	400
B	250	600
C	200	850
D	350	900

8. If an input is owned and used by a firm, then its:
- A explicit cost is zero.
 - B implicit cost is zero.
 - C opportunity cost is zero.
 - D economic cost is zero.
9. Which of the following short-run cost curves declines continuously as production increases?
- A Average total cost
 - B Marginal cost
 - C Average fixed cost
 - D Average variable cost
10. Which of the following is correct?
- A Perfect competition is when a few firms produce homogeneous goods.
 - B Monopolistic competition is when many firms produce differentiated goods.
 - C Oligopoly is when many firms produce differentiated goods.
 - D Monopoly is when one firm produces homogenous goods.

MARKET FAILURES

11. Which one of the following circumstances does NOT depict market failure?
- A Sellers and buyers in the market have access to important information that would affect a buyer's decision-making.
 - B The market lacks competition because one or a few providers have a disproportionate amount of power within that market.
 - C An individual's consumption doesn't affect another's ability to access that good or service, and some individuals benefit from the good being provided.
 - D Costs and benefits are unbalanced for providers in the market.

- 12.** Which of the following will be regarded as market failures?
- (i) Air and noise pollution, as it imposes costs on third parties.
 - (ii) Public education, due to costs on tax payers.
 - (iii) Online shopping, due to limited internet access and information.
 - (iv) Public library where books can be borrowed at no cost.
- A** (i), (iii) and (iv)
B (i), (ii) and (iv)
C (ii) and (iii)
D (i), (ii), (iii) and (iv)
- 13.** Which of the following can be seen as ways that businesses and government respond to market failures?
- (i) Designated smoking areas in restaurants.
 - (ii) Nutritional information is indicated on food labels.
 - (iii) Advertising time is sold on radio.
 - (iv) Paid parking at the airport.
- A** (i), (ii) and (iii)
B (ii) and (iv)
C (ii), (iii) and (iv)
D (iii) and (iv)
- 14.** Which of the following can be seen as the effects/results of market failures?
- (i) No business is willing to supply a good or service, despite there being a demand.
 - (ii) The business may be a monopoly and can restrict supply in order to keep prices high.
 - (iii) As a result of taxes, farmers significantly overproduce goods and as a result much of it must be thrown away.
 - (iv) Society gains a benefit that is not paid for directly by the consumer of the good.
- A** (i), (iii) and (iv)
B (i), (ii) and (iv)
C (ii) and (iii)
D (i), (ii), (iii) and (iv)

THE DYNAMICS OF PERFECT MARKETS

- 15.** Perfect competition is an industry with:
- A** many buyers and many sellers.
B only one or two buyers, but many sellers.
C many buyers, but only one or two sellers.
D only one or two buyers and one or two sellers.

16. Clear Water Ltd. is a perfectly competitive firm.

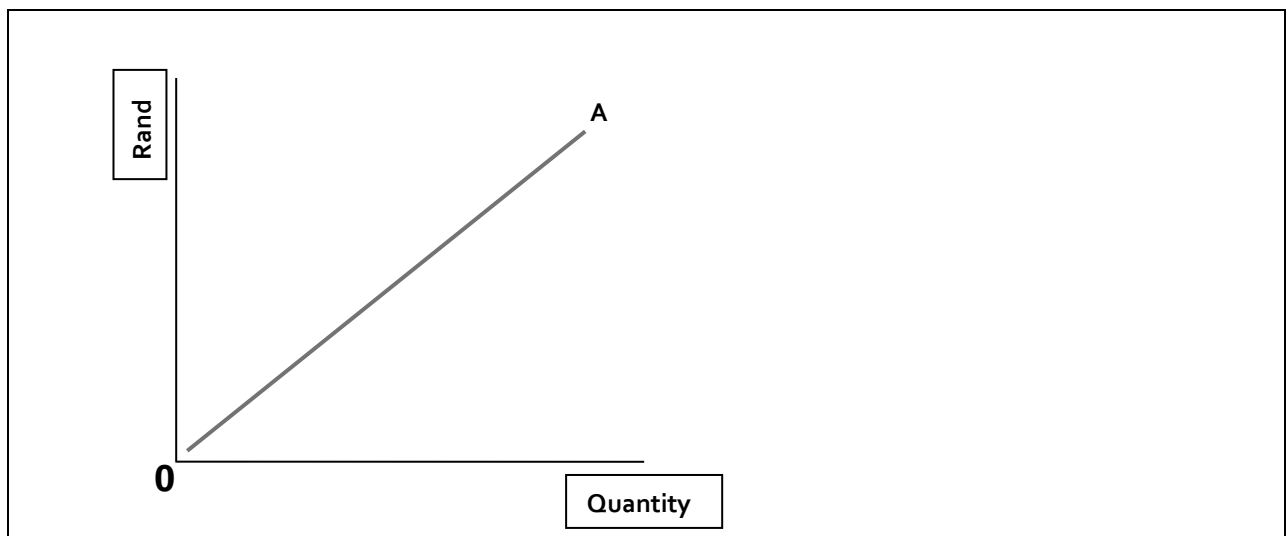
The demand for water from Clear Water Ltd. has:

- A elasticity equal to the price of water.
- B unitary elasticity.
- C infinite elasticity.
- D zero elasticity.

17. Flipper Good sells fried fish and operates in a perfectly competitive environment. In order to maximise their economic profit, they will sell their fried fish:

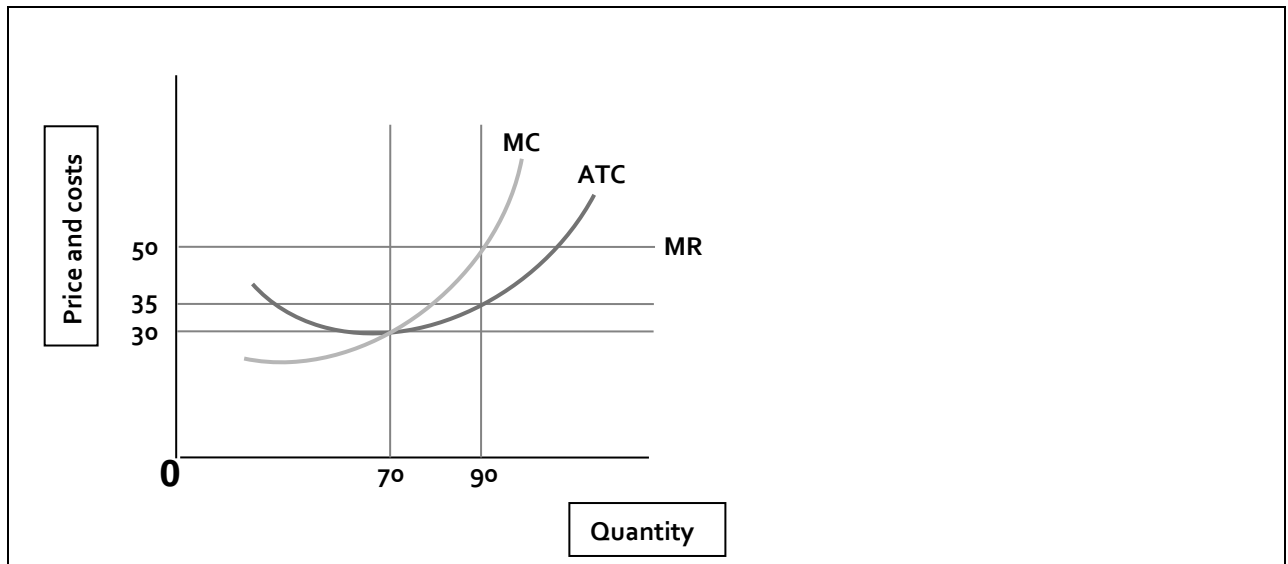
- A at market price.
- B above market price.
- C below market price.
- D at total market price.

18. The following graph shows the total revenue line of Charlie's Chocolates. Charlie's Chocolates operates in a ____ market.



- A monopolistic competition
- B monopoly
- C oligopoly
- D perfect competition

The following graph shows the marginal cost and the average total cost curves of Firm T.



19. In this graph, the firm is making a:

- A profit of $(90 \times 50) - (90 \times 35)$.
- B loss of $(90 \times 35) - (90 \times 50)$.
- C profit of $(90 \times 35) - (70 \times 35)$.
- D loss of $(70 \times 35) - (90 \times 35)$.

THE CIRCULAR FLOW, NATIONAL AGGREGATES AND BUSINESS CYCLES

20. During the _____ phase of the business cycle, both the velocity of money supply and investment is high.

- A expansion
- B recovery
- C recession
- D depression

21. Which one of the following best describes a complete business cycle?

- A Expansion, Peak, Recession, Depression, Trough, Recovery.
- B Expansion, Recession, Depression, Recovery.
- C Depression, Recession, Expansion, Recovery.
- D Depression, Trough, Recession, Expansion, Peak, Recovery.

22. Where can injections be found in the standard circular flow model of the macro economy of a country?

- A Households
- B Producers
- C Product market
- D Factors of production market

23. The level of economic activity in a country will:
- A change irrespective of changes in either injections or withdrawals.
 - B grow if the value of injections is greater than the value of withdrawals.
 - C increase if $S + T - M = I + G - X$.
 - D grow if there is no influence from the financial, foreign and government sectors.
24. South Africa sent doctors to Botswana to help with curbing the spread of COVID-19.
- The remuneration paid to them will:
- A have no influence on the national figures of South Africa.
 - B have no influence on the national figures of Botswana.
 - C be added to the GNP of South Africa.
 - D be added to the GNP of Botswana.

THE PUBLIC SECTOR, FOREIGN EXCHANGE MARKET, EXCHANGE RATES AND THE BALANCE OF PAYMENTS

25. Which of the following is not a typical macro economic issue?
- A A situation of constantly rising prices of commodities and factors of production.
 - B Periodic fluctuations in the levels of economic or business activities.
 - C The trend in the nation's total output over the short run.
 - D The rate at which a country's economy is exchanged for another currency.
26. Which one of the following can be seen as a way government can influence economic growth by means of supply-side policies?
- A Cutting taxes to increase disposable income and encourage spending.
 - B Lowering the repo-rate.
 - C Influencing the willingness to work.
 - D Privatisation and deregulation.
27. The Balance of Payments of Country C shows a trade surplus.
- This means that there is a:
- A net inflow of domestic currency from foreign markets.
 - B net inflow of foreign currency from foreign markets.
 - C a real outflow of domestic currency from foreign markets.
 - D a real outflow of foreign currency from foreign markets.
28. On 30 March 2021 Reuters wrote in an article that South Africa recorded foreign direct investment (FDI) inflows of 16.0 billion rand (www.reuters.com).
- Which one of the following is not seen as FDI?
- A A foreign investor purchases shares in a company in South Africa.
 - B A foreign investor sets up a new company in South Africa.
 - C A foreign investor expands the operation of an existing company in South Africa.
 - D A foreign investor borrows funds from a company in South Africa.

- 29.** An appreciation of the South African Rand against the Yen will lead to a/an:
- A** decrease in South Africa's exports to Japan, and worsen the South African current account balance.
 - B** decrease in South Africa's imports from Japan, and improve the South African current account balance.
 - C** increase in South Africa's exports to Japan, and improve the South African current account balance.
 - D** increase in Japan's imports from South Africa, and worsen the South African financial account.
- 30.** What would the effect of an appreciation of the Rand on the SA economy be?
- A** The foreign price of SA exports will increase.
 - B** Imported goods will be more expensive.
 - C** Lower economic growth as domestic aggregate demand will decrease.
 - D** Lower aggregate demand will lead to lower demand-pull inflation.

ROUND 1 RONDE

GR 12 MEMO

**MEMORANDUM
2021**



ECONOMICS / EKONOMIE

	A	B	C	D	
1.	ANSWER	LOWER LEVEL			
2.		ANSWER	LOWER LEVEL		
3.	ANSWER	LOWER LEVEL			
4.		ANSWER	HIGHER LEVEL		
5.	ANSWER	LOWER LEVEL			
6.			ANSWER	HIGHER LEVEL	
7.				ANSWER	HIGHER LEVEL
8.		ANSWER	LOWER LEVEL		
9.				ANSWER	MODERATE LEVEL
10.			ANSWER	LOWER LEVEL	
11.			ANSWER	LOWER LEVEL	
12.				ANSWER	HIGHER LEVEL
13.	ANSWER	MODERATE LEVEL			
14.		ANSWER	HIGHER LEVEL		
15.				ANSWER	HIGHER LEVEL

	A	B	C	D	
16.		ANSWER	MODERATE LEVEL		
17.			ANSWER	MODERATE LEVEL	
18.	ANSWER	MODERATE LEVEL			
19.				ANSWER	MODERATE LEVEL
20.			ANSWER	MODERATE LEVEL	
21.				ANSWER	MODERATE LEVEL
22.		ANSWER	LOWER LEVEL		
23.		ANSWER	MODERATE LEVEL		
24.			ANSWER	LOWER LEVEL	
25.	ANSWER	HIGHER LEVEL			
26.				ANSWER	HIGHER LEVEL
27.				ANSWER	MODERATE LEVEL
28.		ANSWER	MODERATE LEVEL		
29.				ANSWER	MODERATE LEVEL
30.	ANSWER	HIGHER LEVEL			

ROUND 2 RONDE

	A	B	C	D	
1.		ANSWER	LOWER LEVEL		
2.		ANSWER	MODERATE LEVEL		
3.				ANSWER	MODERATE LEVEL
4.	ANSWER	HIGHER LEVEL			
5.				ANSWER	MODERATE LEVEL
6.			ANSWER	HIGHER LEVEL	
7.		ANSWER	HIGHER LEVEL		
8.		ANSWER	MODERATE LEVEL		
9.			ANSWER	LOWER LEVEL	
10.		ANSWER	LOWER LEVEL		
11.	ANSWER	MODERATE LEVEL			
12.				ANSWER	HIGHER LEVEL
13.	ANSWER	HIGHER LEVEL			
14.		ANSWER	HIGHER LEVEL		
15.	ANSWER	LOWER LEVEL			

	A	B	C	D		
16.			ANSWER	MODERATE LEVEL		
17.	ANSWER	LOWER LEVEL				
18.	ANSWER	HIGHER LEVEL			ANSWER	HIGHER LEVEL
19.	ANSWER	HIGHER LEVEL				
20.	ANSWER	MODERATE LEVEL				
21.	ANSWER	LOWER LEVEL				
22.			ANSWER	MODERATE LEVEL		
23.		ANSWER	MODERATE LEVEL			
24.			ANSWER	HIGHER LEVEL		
25.			ANSWER	MODERATE LEVEL		
26.					ANSWER	HIGHER LEVEL
27.	ANSWER	MODERATE LEVEL				
28.					ANSWER	HIGHER LEVEL
29.	ANSWER	HIGHER LEVEL				
30.	ANSWER	MODERATE LEVEL				

DON'T JUST STRIVE FOR EXCELLENCE, BECOME IT.

Be a #YoungDifferenceMaker



AT NEDBANK WE BELIEVE IN USING OUR FINANCIAL EXPERTISE TO DO GOOD BY ASSISTING BRIGHT YOUNG LEADERS TO PURSUE THEIR ACADEMIC DREAMS.

The Nedbank External Bursary Programme aims to fund academically deserving students who do not have the financial means to study fulltime towards a first undergraduate degree or diploma at a South African public university or university of technology.

Bursaries are awarded to address scarce and future skill requirements in the financial sector with specific focus on **Green Economy** skills.

CRITERIA FOR SELECTION:

To be eligible for the Nedbank bursary, you must:

- be a South African citizen;
- have a proven financial need, as determined by your household income;
- have achieved:
 - a minimum academic average of 65% in the year that you are applying for the bursary; and
 - a minimum academic average of 65% for the required subjects aligned with the qualification you plan to study towards at university; and
- not have completed your grade 12 or senior certificate with mathematics literacy; and
- have successfully obtained admission approval to a South African public university or university of technology for the undergraduate qualification you plan to study towards.

THE APPLICATION PROCESS:

We screen bursary applications against our external bursary selection criteria and we award bursaries through the Nedbank Educational Trust, at the sole discretion of the trust.

IF YOU ARE SHORTLISTED, WE WILL ASK YOU TO:

- submit the relevant documents for financial review;
- participate in psychometric and other assessments; and
- attend an interview.

For the complete application process and a list of required documents, please visit our website at

www.nedbank.co.za/bursary.

There you can also find more information on opening dates and apply online.

All candidates will receive **feedback on the status** of their application at the completion of the recruitment and selection process (expected to be completed by the end of 2022).

Contact information

Email: Unlockyourambition@nedbank.co.za

Bursaries are granted at Nedbank's sole discretion.

see money differently

NEDBANK