



# education

---

Department:  
Education  
**REPUBLIC OF SOUTH AFRICA**

## **ECONOMICS**

### **EXAMINATION GUIDELINES**

## **GRADE 12**

## **2009**

**This document consists of 23 pages.**

**ECONOMICS GRADE 12 NSC EXAMINATION GUIDELINE****INTRODUCTION**

This is a supporting document to assist teachers in preparing learners for the Grade 12 National Senior Certificate (NSC) Economics examination of 2009.

This guideline document must be read in conjunction with the Subject Assessment Guidelines (SAGs): Economics – January 2008 and the Learning Programme Guidelines (LPGs) for Economics – January 2008. However, some material from the Subject Assessment Guidelines has been included in this document for easy reference.

**STRUCTURE OF THE ECONOMICS PAPER**

The Economics examination consists of one 3 hour paper of 300 marks.

The question paper comprises of TEN questions divided into three sections. Question ONE is COMPULSORY and there are NINE other questions from which FIVE must be answered. The detailed requirements for each section are indicated below.

**SECTION A (COMPULSORY)****QUESTION 1 (TO BE ANSWERED IN THE ANSWER BOOK)****1.1 Multiple-choice items (lower order)**

- 3 items per LO = 12 items (2 marks per item)
- 6 marks per LO

**(12 x 2) (24)****1.2 Choose from the list (lower order)**

- 1 question per LO (x4)
- 8 marks per LO
- 1 general Economics knowledge item (x 2 marks)

**(5 x 2) (10)****1.3 Matching (lower order)**

- 2 questions per LO
- 8 questions X 2 marks per LO

**(8 x 2) (16)  
[50]**

**SECTION B**

Answer any **THREE** questions from **FIVE**.

Questions 2 – 6: One question per LO and one question combining 2 LOs, which rotate from year to year.

2.1.1 – 2.1.4: Answer the following questions appropriately ...

**(4 x 2) (8)**

2.1.5 List any **THREE** ...

**(3 x 2) [6]**

2.2 Data response (middle order): Study the following graph/cartoon/table/text, etc. and answer the questions that follow:

**(20)**

2.3 One single item (middle order): See Bloom's taxonomy, levels 3 & 4

**(16)**

**[50]**

**SECTION C**

Answer any **TWO** questions from **FOUR**.

**QUESTION 7** (LO1 – Macro-economics)

**QUESTION 8** (LO2 – Micro-economics)

**QUESTION 9** (LO3 – Economic pursuits)

**QUESTION 10** (LO4 – Contemporary economic issues)

- Questions in this section are of a higher cognitive level. Integration between LOs and ASs may take place in this section.
- May include: Formal letters; reports; minutes; memoranda; essays; critical analyses; evaluations; own opinions, etc.

**(2 x 50)**

**[100]**

4. INFORMATION GRID INCLUDED IN PAPER (EXAMPLE)GRADE 12  
ECONOMICS

MARKS: 300

MINUTES: 180

| SECTION A: COMPULSORY                                                              |                                                         |
|------------------------------------------------------------------------------------|---------------------------------------------------------|
| QUESTION 1: 50 MARKS – 25 MINUTES                                                  |                                                         |
| Topic of this question:<br>SHORT ITEMS                                             | Learning outcomes covered are:<br>LO1 – LO4 (AS1 – AS4) |
| SECTION B: ANSWER ANY THREE QUESTIONS FROM THIS SECTION                            |                                                         |
| QUESTION 2: 50 MARKS – 25 MINUTES                                                  |                                                         |
| Topic of this question:<br>MACRO-ECONOMICS                                         | Learning outcome covered is:<br>LO1 (AS1 – AS4)         |
| QUESTION 3: 50 MARKS – 25 MINUTES                                                  |                                                         |
| Topic of this question:<br>MICRO-ECONOMICS                                         | Learning outcome covered is:<br>LO2 (AS1 – AS3)         |
| QUESTION 4: 50 MARKS – 25 MINUTES                                                  |                                                         |
| Topic of this question:<br>ECONOMIC PURSUITS                                       | Learning outcome covered is:<br>LO3 (AS1 – AS4)         |
| QUESTION 5: 50 MARKS – 25 MINUTES                                                  |                                                         |
| Topic of this question:<br>CONTEMPORARY ECONOMIC ISSUES                            | Learning outcome covered is:<br>LO4 (AS1 – AS4)         |
| QUESTION 6: 50 MARKS – 25 MINUTES                                                  |                                                         |
| THE TWO TOPICS USED IN THIS QUESTION ROTATE ANNUALLY.                              |                                                         |
| Learning outcomes covered are chosen from <b>TWO</b> LOs:<br>LO1 / LO2 / LO3 / LO4 |                                                         |
| SECTION C: ANSWER ANY <u>TWO</u> QUESTIONS FROM THIS SECTION                       |                                                         |
| QUESTION 7: 50 MARKS – 40 MINUTES                                                  |                                                         |
| Topic of this question:<br>MACRO-ECONOMICS                                         | Learning outcome covered is:<br>LO1 – Any AS            |
| QUESTION 8: 50 MARKS – 40 MINUTES                                                  |                                                         |
| Topic of this question:<br>MICRO-ECONOMICS                                         | Learning outcome covered is:<br>LO2 – Any AS            |
| QUESTION 9: 50 MARKS – 40 MINUTES                                                  |                                                         |
| Topic of this question:<br>ECONOMIC PURSUITS                                       | Learning outcome covered is:<br>LO3 – Any AS            |
| QUESTION 10: 50 MARKS – 40 MINUTES                                                 |                                                         |
| Topic of this question:<br>CONTEMPORARY ECONOMIC ISSUES                            | Learning outcome covered is:<br>LO4 – Any AS            |

**CONTENT AND CONTEXT GUIDELINES**

The following table provides an elaboration of the content and contexts to be included in the assessment of the Learning Outcomes for Economics for 2009.

| <b>LOs</b>                                                                                                                                                                                | <b>ASs</b>                                                                                                                                                      | <b>Core knowledge and concepts for 2009 (content)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Details for Study</b>                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>LO1: MACRO-ECONOMICS</b><br><br><b>The learner is able to demonstrate knowledge, critical understanding and application of the principles, processes and practices of the economy.</b> | <b>AS1: Present the circular flow model as a macro-economic model, deduce and analyse the national account aggregates, and derive and apply the multiplier.</b> | <b>LO1AS1</b><br>1. Present open economy circular flow model<br>1.1 Concepts<br>1.2 Participants: <ul style="list-style-type: none"> <li>households</li> <li>business sector</li> <li>government</li> <li>foreign sector</li> </ul> 1.3 Four-sector circular flow diagram.<br><br>1.4 Real flows and money flows<br>1.5 Leakages ( $L = S + T + M$ ) and injections ( $J = I + G + X$ )<br>1.6 Equations e.g. $Y = C + I + G + (X - M)$ (SA-quantities)<br>2. Markets (in circular flow context) <ul style="list-style-type: none"> <li>Product and factor</li> <li>Financial (money and capital)</li> <li>Foreign exchange</li> <li>Flows through different markets (production, income, spending).</li> </ul><br>3. Deduce/derive and analyse national account aggregates and conversions<br><br>3.1 Concepts: GDP and GNP, GDE, GDI | 1. Detailed discussion.<br>1.1 Definitions.<br><br>1.3 Include role of the financial sector.<br><br>2. Include detailed discussion of markets in the 4-sector model.<br><br>3. Calculate and interpret national account aggregates. |

|  |                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                      |
|--|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |                                                                                                    | <p>3.2 Methods to derive aggregates:</p> <ul style="list-style-type: none"> <li>• production (GDP)</li> <li>• expenditure (GDE)</li> <li>• and income (GDI)</li> </ul> <p>3.3 Deduce and analyse national account aggregates (e.g. GDP, GDE &amp; GDI)</p> <p>3.4 National account conversions:</p> <ul style="list-style-type: none"> <li>• basic prices</li> <li>• factor cost</li> <li>• market prices</li> <li>• net figures</li> <li>• national and domestic figures</li> </ul> <p>4. Multiplier</p> <p>4.1 Concept</p> <p>4.2 Derivation</p> <p>4.3 Application</p> | <p>4.1 Definition.</p> <p>4.2 Formula, calculation and graph.</p> <p>4.3 Relate to all sectors of the economy.</p>                                                   |
|  | <p><b>AS2: Analyse the explanations of business cycles and discuss how business cycles are</b></p> | <p>LO1AS2</p> <p>1. Analyse the composition and features of business cycles</p> <p>1.1 Nature</p> <p>1.2 Demonstration</p> <p>1.3 Interpretation</p> <p>1.4 Actual business cycles</p>                                                                                                                                                                                                                                                                                                                                                                                    | <p>1. Analyse and discuss</p> <ul style="list-style-type: none"> <li>• Definition</li> <li>• Diagram</li> <li>• Tables</li> <li>• Relate to South African</li> </ul> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                           |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>used in forecasting.</b></p> <p>2. Explanations</p> <p>2.1 Causes of business cycles:</p> <ul style="list-style-type: none"> <li>• Endogenous</li> <li>• Exogenous</li> </ul> <p>2.2 Kinds of business cycles:</p> <ul style="list-style-type: none"> <li>• Kitchin</li> <li>• Juglar</li> <li>• Kuznets</li> <li>• Kondratieff</li> </ul> <p>3. Government policy</p> <ul style="list-style-type: none"> <li>• Aim</li> <li>• Fiscal and monetary policy regarding business cycles</li> </ul> <p>4. New economic paradigm (smoothing of cycles)</p> <ul style="list-style-type: none"> <li>• Concept</li> <li>• Measures to smooth cycles</li> </ul> <p>5. Analyse features underpinning forecasting regarding business cycles</p> <ul style="list-style-type: none"> <li>• Leading indicators</li> <li>• Co-incident indicators</li> <li>• Lagging indicators</li> <li>• Length of business cycles</li> <li>• Amplitude</li> <li>• Trend</li> <li>• Extrapolation</li> <li>• Moving averages</li> </ul> <p><b>AS3:</b><br/><b>Evaluate the role of the public sector in the economy with special reference to</b></p> | <p>2.1 Causes of business cycles:</p> <ul style="list-style-type: none"> <li>• Endogenous</li> <li>• Exogenous</li> </ul> <p>2.2 Kinds of business cycles:</p> <ul style="list-style-type: none"> <li>• Kitchin</li> <li>• Juglar</li> <li>• Kuznets</li> <li>• Kondratieff</li> </ul> <p>3. Government policy</p> <ul style="list-style-type: none"> <li>• Aim</li> <li>• Fiscal and monetary policy regarding business cycles</li> </ul> <p>4. New economic paradigm (smoothing of cycles)</p> <ul style="list-style-type: none"> <li>• Concept</li> <li>• Measures to smooth cycles</li> </ul> <p>5. Analyse features underpinning forecasting regarding business cycles</p> <ul style="list-style-type: none"> <li>• Leading indicators</li> <li>• Co-incident indicators</li> <li>• Lagging indicators</li> <li>• Length of business cycles</li> <li>• Amplitude</li> <li>• Trend</li> <li>• Extrapolation</li> <li>• Moving averages</li> </ul> <p>LO1AS3</p> <p>1. Composition of public sector</p> <p>1.1 Elements</p> <p>2. Necessity of public sector</p> | <p><b>conditions</b></p> <p>2. Analyse and discuss</p> <p>2.1 Explain in detail.</p> <p>2.2 Broad outline only.</p> <p>3. Broad outline only.</p> <p>4. Emphasise the application of fiscal and monetary policy in detail.</p> <p>5. Deal in detail with this aspect.</p> <p>1.1 Brief description.</p> <p>2. Broad outline required.</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                       |
|--|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>its socio-economic responsibility in the South African context.</b></p> | <p>3. Objectives of public sector and its budgets</p> <p>3.1 Objectives:</p> <ul style="list-style-type: none"> <li>• Price stability</li> <li>• Economic growth</li> <li>• Full employment</li> <li>• Exchange rate stability</li> <li>• Economic equity.</li> </ul> <p>3.2 Budget:</p> <ul style="list-style-type: none"> <li>• Types</li> <li>• Features and composition</li> </ul> <p>4. Problems of public sector provisioning</p> <ul style="list-style-type: none"> <li>• Accountability</li> <li>• Assessing needs</li> <li>• Efficiency</li> <li>• Pricing policy</li> <li>• Parastatals</li> <li>• Privatisation</li> </ul> <p>5. Fiscal policy including Laffer curve</p> <p>5.1 Features and composition</p> <p>5.2 Effects (including the Laffer curve)</p> <p>6. Reasons for public sector failure</p> <p>6.1 Features</p> <p>6.2 Reasons for public sector failure</p> <p>6.3 Effects</p> <p>Infuse where appropriate:</p> <ul style="list-style-type: none"> <li>• National macro-economic policy</li> <li>• Service delivery with regard to</li> </ul> | <p>3.1 Detailed discussion.</p> <p>3.2 Discuss in detail in relation to public sector provisioning.</p> <p>4. Evaluate within a South African context.</p> <p>5.1 A broad outline only.</p> <p>5.2 A detailed discussion is required.</p> <p>6. A detailed discussion is required.</p> <p>6.3 Broad outline only.</p> |
|--|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



|  |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                 |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |                                                                                                                                                           | socio-economic rights <ul style="list-style-type: none"> <li>• Education</li> <li>• Health</li> <li>• The environment</li> <li>• Social security</li> <li>• Convention of the rights of the child</li> <li>• Taxation</li> <li>• Compensation for human rights abuses</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                 |
|  | <b>AS4:</b><br><b>Examine the foreign exchange market and establish-ment of exchange rates, and show how the Balance of Payments account is affected.</b> | LO1AS4<br>1. Examine main reasons for international trade <ul style="list-style-type: none"> <li>• Demand reasons</li> <li>• Supply reasons</li> <li>• Interaction of demand and supply</li> </ul> 2. Balance of payments account <ul style="list-style-type: none"> <li>• Concept</li> <li>• Composition:             <ul style="list-style-type: none"> <li>❖ Current account</li> <li>❖ Capital transfer account</li> <li>❖ Financial account</li> <li>❖ Reserves account</li> </ul> </li> </ul> 3. Foreign exchange markets <ul style="list-style-type: none"> <li>• Concepts:             <ul style="list-style-type: none"> <li>❖ Foreign exchange</li> <li>❖ Exchange rate</li> <li>❖ Revaluation</li> <li>❖ Devaluation</li> <li>❖ Appreciation</li> <li>❖ Depreciation</li> <li>❖ Exchange rate systems e.g. free floating, fixed rate system and managed float system</li> <li>❖ Exchange control</li> </ul> </li> </ul> 3.1 Differences in currencies<br>3.2 Factors influencing supply and demand of foreign exchange<br>3.3 Establishment of exchange rates (price formation)<br>3.4 Interventions in the markets | 1. Detailed discussion.<br><br>2. Analysis and calculation of BOP.<br><br>3. Detailed discussion.<br><br>3.1 – 3.3<br>Compilation and interpretation of graphs. |

|  |  |                                                                                                                                                                                                              |                                |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
|  |  | <p>4. Corrections of balance of payments disequilibria:</p> <ul style="list-style-type: none"><li>• Lending and borrowing (supply)</li><li>• Changes in demand</li><li>• Changes in exchange rates</li></ul> | <p>4. Detailed discussion.</p> |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|

|                                                                                                                                                                 |                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>LO2: MICRO-ECONOMICS</b></p> <p>The learner is able to demonstrate knowledge, understanding and the appropriate skills in the dynamics of the market.</p> | <p><b>AS1:</b><br/><b>Examine the dynamics of perfect markets with the aid of cost and revenue curves.</b></p> | <p><b>LO2AS1</b></p> <ol style="list-style-type: none"> <li>1. Examine perfect competition               <ol style="list-style-type: none"> <li>1.1 Concept</li> <li>1.2 Conditions</li> </ol> </li> <li>2. Market structure</li> <li>3. Individual businesses:               <ul style="list-style-type: none"> <li>• Output</li> <li>• Profits</li> <li>• Losses and supply</li> <li>• Short-term equilibrium:                   <ul style="list-style-type: none"> <li>❖ economic losses</li> <li>❖ economic profits</li> <li>❖ normal profits.</li> </ul> </li> <li>• Long term equilibrium</li> </ul> </li> <li>4. Industry:               <ul style="list-style-type: none"> <li>• Output</li> <li>• Profits</li> <li>• Losses and supply</li> <li>• Short-term equilibrium:                   <ul style="list-style-type: none"> <li>❖ profit and losses</li> </ul> </li> <li>• Long-term equilibrium</li> </ul> </li> <li>5. Competition policies               <ul style="list-style-type: none"> <li>• Aims</li> <li>• Instruments of competition policy in South Africa</li> </ul> </li> </ol> | <ol style="list-style-type: none"> <li>1. In-depth discussion.</li> <li>2. Detailed discussion of the different market structures.</li> <li>3 – 4: Use cost and revenue curves to illustrate and explain the dynamics (working) of markets. A comparison should be drawn between the individual businesses and industry. Detailed discussion.</li> <li>5. Detailed discussion.</li> </ol> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                          |
|--|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>AS2: Explain the reasons for and consequences of market failures and reflect on cost-benefit analysis.</b></p> | <p><b>LO2AS2</b></p> <p>1. Explain causes of market failures.</p> <ul style="list-style-type: none"> <li>• Concept of market failure</li> <li>• Causes: <ul style="list-style-type: none"> <li>❖ Externalities</li> <li>❖ Public goods</li> <li>❖ Merit and demerit goods</li> <li>❖ Incomplete information</li> <li>❖ Immobility of factors of production</li> <li>❖ Imperfect distribution of income and wealth</li> <li>❖ Imperfect competition</li> </ul> </li> </ul> <p>2. Consequences of market failures</p> <p>2.1 Inefficiencies (refer to Pareto efficiency)</p> <p>2.2 Externalities</p> <p>2.3 <b>Government intervention</b></p> <ul style="list-style-type: none"> <li>• Preventing the misallocation</li> <li>• Improving income distribution</li> <li>• Enhancing macroeconomic stability</li> </ul> <p>3. <b>Cost-benefit analysis</b></p> <ul style="list-style-type: none"> <li>• Rationale</li> <li>• Price mechanism</li> <li>• Application</li> <li>• Uses</li> </ul> | <p>1. Discuss in detail.</p> <p>2. Detailed discussion.</p> <p>2.1 Explain the allocation of resources and production.</p> <p>2.2 Explain the effect of positive and negative externalities by using graphs.</p> <p>2.3 Explain in detail.</p> <p>3. A brief discussion is required.</p> |
|--|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                    |
|--|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>AS3: Examine the dynamics of imperfect markets with the aid of cost and revenue curves.</b></p> | <p>LO2AS3</p> <p>1. Dynamics of imperfect markets with aid of cost and revenue curves</p> <p>1.2 Monopolies:</p> <ul style="list-style-type: none"> <li>• Concept</li> <li>• Characteristics</li> <li>• Revenue</li> <li>• Short-term equilibrium: profit and loss</li> <li>• Long-term: profit and loss</li> <li>• Comparison with perfect markets</li> </ul> <p>1.3 Oligopolies</p> <ul style="list-style-type: none"> <li>• Concept</li> <li>• Characteristics</li> <li>• Non-price competition</li> <li>• Collusion</li> <li>• Price and production levels</li> <li>• Comparison with perfect markets</li> </ul> <p>1.4 Monopolistic competition</p> <ul style="list-style-type: none"> <li>• Characteristics</li> <li>• Non-price competition</li> <li>• Collusion</li> <li>• Price and production levels</li> <li>• Comparison with perfect markets</li> </ul> | <p>1. Interpretation of graphical presentations and explanation of the shape of graphs, e.g. why U-shaped?</p> <p>1.2 Detailed discussion.</p> <p>1.3 Brief outline.</p> <p>1.4 Brief outline.</p> |
|--|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                        |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>LO3: ECONOMIC PURSUITS</b></p> <p>The learner is able to demonstrate knowledge, understanding and critical awareness underpinning the improvement of the standard of living.</p> | <p><b>AS 1: Compare and evaluate South African growth and development policies in terms of international benchmarks, and highlight the North/South divide.</b></p> | <p><b>LO3AS1</b></p> <p>1. South African growth and development policies in terms of international benchmarks</p> <ul style="list-style-type: none"> <li>• Concepts: <ul style="list-style-type: none"> <li>❖ Economic growth</li> <li>❖ Economic development</li> </ul> </li> <li>• Growth and development policies</li> <li>• E.g. RDP, GEAR, Asgi-SA, BEE, SMMEs, etc.</li> <li>• Demand-side approach</li> <li>• South African approach</li> <li>• Supply-side approach</li> <li>• South African approach</li> <li>• Evaluation of approaches used in South Africa</li> <li>• The North/South divide</li> </ul> | <p>1. A comparison, evaluation and <u>detailed discussion</u> in terms of international benchmarks e.g. exchange rates should be free; budget deficits should not exceed 3% of GDP; gender equality should prevail, etc.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                         |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>AS2: Discuss South Africa's industrial development policies and assess their suitability in terms of international best practice.</b>         | <b>LO3AS2</b><br>1. South Africa's industrial development policies <ul style="list-style-type: none"> <li>Regional industrial development: <ul style="list-style-type: none"> <li>Rationale</li> <li>Best practice principles</li> </ul> </li> </ul> 1.1 Policies:<br>SDIs and related policies<br>IDZ, Asgi-SA, etc.<br><br>Latest government initiatives<br>The appropriateness of the SA strategies.                                                                                                                                                                                                                                         | 1. Discuss in detail and assess their suitability in terms of international best practice (relying on markets, etc.)<br><br>(Integrate with AS 1 – 1.1) |
|  | <b>AS3: Discuss protectionism and free trade, and evaluate South African international trade policies and major protocols in terms of these.</b> | <b>LO3AS3</b><br>1. Discuss protectionism and free trade <ul style="list-style-type: none"> <li>Export promotion <ul style="list-style-type: none"> <li>Concept</li> <li>Reasons</li> <li>Methods</li> <li>Advantages</li> <li>Disadvantages</li> </ul> </li> <li>Import substitution <ul style="list-style-type: none"> <li>Concept</li> <li>Reasons</li> <li>Methods</li> <li>Advantages</li> <li>Disadvantages</li> </ul> </li> <li>Protectionism <ul style="list-style-type: none"> <li>Concept</li> <li>Arguments</li> </ul> </li> <li>Free trade <ul style="list-style-type: none"> <li>Concept</li> <li>Arguments</li> </ul> </li> </ul> | 1. Detailed discussion required.                                                                                                                        |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                          |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|  |  | <ul style="list-style-type: none"> <li>• Desirable mix</li> <li>• Import substitution and</li> <li>• Export promotion</li> <li>• Protection and free trade</li> <li>• Globalisation (WTO, AGOA)</li> </ul> <p>2. Evaluate South African international trade policies</p> <ul style="list-style-type: none"> <li>• Import substitution and export promotion</li> <li>• Protectionism and free trade</li> <li>• Trade liberalization</li> </ul> | <p>2. Discuss major protocols and evaluate in terms of protectionism and free trade.</p> |
|--|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|

|  |                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                            |
|--|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>AS4: Analyse and discuss the South African economic and social performance indicators and their uses.</b></p> | <p>LO3AS4</p> <p>1. Assessing the performance of an economy</p> <p>2. Economic indicators</p> <ul style="list-style-type: none"> <li>• Production</li> <li>• Inflation rate</li> <li>• Foreign trade</li> <li>• Employment</li> <li>• Productivity</li> <li>• Interest rates</li> <li>• Money supply</li> </ul> <p>3. Social indicators</p> <ul style="list-style-type: none"> <li>• Health and nutrition</li> <li>• Education</li> <li>• Services</li> <li>• Housing and urbanization</li> </ul> <p>4. International comparisons</p> | <p>1. A brief overview.</p> <p>2-3: In-depth discussion is necessary.</p> <p>Learners should be able to analyse and discuss SA <u>economic</u> and <u>social</u> performance indicators.</p> <p>4. Detailed discussion</p> |
|--|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



|                                                                                                                                                                                                                      |                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <p><b>LO4: CONTEMPORARY ECONOMIC ISSUES</b></p> <p>The learner is able to demonstrate knowledge, understanding and critical awareness, and apply a range of skills in dealing with contemporary economic issues.</p> | <p><b>AS1: Analyse and investigate inflation, and explain the policies that are used to combat it.</b></p> | <p><b>LO4AS1</b></p> <p>1. Inflation:</p> <ul style="list-style-type: none"> <li>• Concepts</li> <li>• Kinds and characteristics <ul style="list-style-type: none"> <li>❖ Consumer</li> <li>❖ Producer</li> <li>❖ All-inclusive</li> <li>❖ Hyperinflation</li> <li>❖ Stagflation</li> </ul> </li> <li>• Causes of demand-pull and cost-push</li> <li>• Consequences</li> <li>• Inflation problem in South Africa <ul style="list-style-type: none"> <li>❖ Historical perspective</li> <li>❖ Short-term problems</li> <li>❖ Long-term problems</li> <li>❖ Measurement</li> </ul> </li> </ul> <p>2. Explain policies used to combat inflation</p> <ul style="list-style-type: none"> <li>• Fiscal</li> <li>• Monetary</li> <li>• Other</li> </ul> | <p>1. Analyse and investigate in detail.</p> <p>2. Analyse and investigate in detail.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

|  |                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                         |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p><b>AS2: Debate the economic importance of tourism to South Africa and suggest policies to promote it, referring to the importance of indigenous knowledge systems.</b></p> | <p><b>LO4AS2:</b></p> <p>1. Tourism</p> <ul style="list-style-type: none"> <li>• Concept</li> <li>• Reasons for growth <ul style="list-style-type: none"> <li>❖ Domestic</li> <li>❖ Foreign</li> </ul> </li> <li>• Effects <ul style="list-style-type: none"> <li>❖ GDP</li> <li>❖ Employment</li> <li>❖ Poverty</li> <li>❖ Externalities</li> <li>❖ Environment</li> <li>❖ Infrastructure</li> </ul> </li> <li>• Benefits <ul style="list-style-type: none"> <li>❖ Households</li> <li>❖ Businesses</li> <li>❖ Government</li> <li>❖ Infrastructure</li> </ul> </li> </ul> <p>2. South Africa's profile</p> <ul style="list-style-type: none"> <li>• Countries originated from</li> <li>• Purpose</li> <li>• Destination</li> <li>• Indigenous knowledge systems</li> </ul> <p>3. Policies to promote tourism</p> <ul style="list-style-type: none"> <li>• Marketing</li> <li>• Directing/Spatial</li> <li>• Taxing</li> <li>• Infrastructure</li> </ul> | <p>1. Detailed discussion required.</p> <p>2. Explain with the aid of examples how indigenous systems can strengthen South Africa's tourism profile.</p> <p>3. Detailed discussion.</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|  |                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                       |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
|  | <b>AS3: Analyse the environmental sustainability and investigate recent international agreements in this regard (e.g. Rio de Janeiro and Johannesburg Summits).</b> | <p>LO4AS3</p> <p>1. The state of the environment:</p> <ul style="list-style-type: none"> <li>• Pollution</li> <li>• Conservation</li> <li>• Preservation</li> <li>• Externalities</li> </ul> <p>2. Measures to ensure sustainability:</p> <ul style="list-style-type: none"> <li>• Market-related policies</li> <li>• Public sector intervention</li> <li>• Public sector control</li> <li>• International measures</li> </ul> <p>3. International agreements:</p> <ul style="list-style-type: none"> <li>• Rio de Janeiro Summit</li> <li>• Kyoto Protocol on climate change (1997)</li> <li>• World Summit on Sustainable Development (2002)</li> </ul> | 1-3 Broad discussion needed in order to be able to analyse and investigate environmental sustainability and international agreements. |
|  | <b>AS4: Engage in, evaluate and communicate economic issues of the day, quantitative elements of Economics and other essentials.</b>                                | <p>LO4AS4</p> <p>1. Engage in, evaluate and communicate economic issues of the day</p> <p>Short presentation of relevant economic issue of the day required</p> <p>2. Quantitative elements of Economics</p> <ul style="list-style-type: none"> <li>• Mathematical expressions</li> <li>• Coefficients</li> <li>• Tables and graphs</li> </ul> <p>3. Other essentials</p> <ul style="list-style-type: none"> <li>• Engage in citizenship and life skills essentials (completing forms)</li> <li>• Participate in subject-related competitions and other practical activities.</li> </ul>                                                                  | 2. Derivation, application, calculation and interpretation. Link to other ASs where appropriate                                       |

**THE FOLLOWING COMMAND VERBS/WORDS ARE INCLUDED  
TO ILLUMINATE BLOOM'S TAXONOMY**

**(Note:** the definitions below are mainly from Hornby, AS. (1995) *Oxford: Advanced learner's dictionary*; Oxford University Press. Oxford. The list includes verbs used most frequently in the 'competence descriptions'. Teachers may wish to consult this, or other dictionaries, to find proper definitions of other verbs.)

- **Analyse** – to break down into constituent parts (creating headings, sub-headings etc. that reflect a clear structure) in order to be able to understand an issue or problem. Analysis involves recognising what is important, and identifying relationships, e.g. *Analyse the reasons for the establishment of NEPAD.* (Requires 'knowledge', 'understanding' and 'application'.)
- **Apply** – to make use of something as relevant or appropriate; (a) use knowledge and understanding of Economics to understand a situation, issue or problem, e.g. *Apply the theory of perfect competition to the market for potatoes,* or (b) use knowledge of some other subject, e.g. statistics and mathematics to solve economic problems, e.g. *draw a graph demonstrating the demand and supply of potatoes.*
- **Appraise** – a judgment of, or the action of judging – in order to judge the criteria underpinning the judgment need first to be identified and explained. The judgment should be properly justified. (Cognitively, it is slightly less taxing than 'interrogate'.)
- **Assess** – to estimate the nature, quality or value of something; judgment, i.e. benchmarks or criteria, is implicitly involved, e.g. *assess the sustainability of the government's environmental policy.* (It often involves analysing an economic issue or problem, then to weigh up the relative importance of different strands and draw a conclusion e.g. *Assess the impact of high interest rates on the economy.*)
- **Calculate** – use mathematics (numbers) to work out an answer, e.g. *Calculate the price elasticity of demand if price increases from R3 to R4.* When assigning consider the arithmetic, the method and accuracy.
- **Comment on** – a written or spoken remark giving an opinion on, explaining or criticising an event, a person or a situation. Prior knowledge is essential and learners are invited to make a judgment based upon the evidence they can relate to their knowledge. *Comment on the appropriateness of the Reserve Bank increasing interest rates now.*
- **Compare** – to examine things to see how they are alike and how they are different e.g. *compare the South African and Botswana economies;* to judge one thing and see how it measures up against another, e.g. *How is Gauteng's economy performing and how does it compare with the performance of the Western Cape's economy?*
- **Construct** – to put or fit something together, e.g. a table – also known as a 'schedule'. (When assessing check for appropriateness and accuracy).
- **Contrast** – to examine things to see or understand how they differ, e.g. *in contrasting the Coega development with the Saldanha development major differences are found.*

(**Note:** Learners are often required to ‘compare’ and ‘contrast’, requiring them to focus on similarities and differences, and make judgment with regard to preferability).

- Critically – expressing approval or disapproval, or finding faults or virtues, e.g. *Critically analyse (or discuss etc) the problems facing the agricultural industry today.*
- Define – to give the exact meaning of a term or concept using words or mathematical symbols whose meaning is already understood by the reader, e.g. *Define what is meant by economies of scale.*
- Describe – to give an account of something (recall knowledge or state what is observed), e.g. *Describe the remuneration of the factors of production, or Describe the business activities you see in the main street.*
- Discuss – to talk or write about something; compare a number of possible views about an issue or problem and to weigh up their relative importance. A conclusion is essential, e.g. *Discuss the desirability of fixing rents in the housing market* (‘application’ of knowledge and ‘analysis’ are involved).
- Distinguish between – identify the characteristics that make two or more ideas, concepts, issues, etc. different, e.g. *Distinguish between price elasticity of demand and income elasticity of demand* (‘analysis’ is involved).
- Do you think – invites learners to put forward their own opinions about an issue or problem. However, marks will always be awarded for the quality of the arguments put forward and not for any individual opinions, e.g. *Do you think the government should have introduced minimum wages?* (‘application’ is involved).
- Draw – a picture (graph or other kind of illustration) made with a pen or pencil, e.g. *draw a graph depicting supply and demand.* (‘Application’ is involved. When assessing, consider the position and slope of the curves, the construction of the graph, neatness of presentation, accuracy and deduced mathematical expressions.)
- Evaluate – to form an idea of the amount, quality or value of something; or, to compare a number of possible views about an issue or problem and weigh up their relative importance; to make judgments on account of general criteria. A final judgment is essential, e.g. *Evaluate the policies available to government to reduce unemployment.*
- Examine – to look at something carefully and in detail in order to learn something about it; break down an issue or problem (as in ‘analyse’) to understand it – state what has been learnt e.g. *Examine the problems facing the RSA economy today.* (It goes beyond ‘analyse’.)
- Explain – to make something plain or clear, to simplify; to describe something in detail so that it can be understood. Mentioning examples is essential. It is often useful to define terms and give examples in an explanation, e.g. *Explain how prices are formed in a free market.* (It requires more than mere knowledge and understanding.)
- Identify – to single out from other information; to apply information to single out, e.g. *Identify three factors that cause inflation.*

- Illustrate – to explain or make something clear by using examples, charts, pictures and drawings; e.g. *Illustrate the way in which monopolists keep out competitors from their markets.* Or, *Illustrate the change in price when demand increases.* (When assessing an illustration such as a graph, note the position of curves, appropriateness of curves [linear, concave] and accuracy [e.g. position, slope].)
- Interrogate – to question aggressively – ask questions and supply answers. Ask questions to ‘make a point’ (like a lawyer) and supply answers and ask counter-questions. The alternation of questions and answers should provoke a clear and unbiased judgment, e.g. *Interrogate South Africa’s growth and development policies.* (Cognitively, the highest form of ‘evaluation’.)
- Investigate – to try to discover facts, information, evidence etc. by study or research; consider, analyse, interpret and explain, e.g. *Investigate why the government chose to increase/not to increase interest rates in May.*
- List – to state in the briefest form, e.g. *List three factors that affect the demand for a product.*
- Mention – to write or speak of something briefly, without explaining, e.g. *Mention the reasons why the exchange rate deteriorated.* (Merely recalling knowledge.)
- Name – similar to ‘mention’, e.g. name two reasons for poverty.
- Outline – to give a short description of the main aspects or features, e.g. *Outline the scope of Economics.* (Recall knowledge without demonstrating understanding.)
- Quantify – express in numbers, e.g. *Quantify the supply of tomatoes at Tuesday’s market.* (When assessing focus on the arithmetic, appropriateness and accuracy.)
- State – to express in spoken or written words, especially carefully, fully and clearly (almost as in ‘define’), e.g. *State three factors that affect elasticity of supply.* (Relies on the recall and reproduction of knowledge.)
- Suggest – give possible reasons or ideas. These must be plausible but not necessarily correct. ‘Suggest’ may require learners to analyse a problem and not merely to formulate an economic problem, e.g. *Suggest reasons why the enterprise did not put up its prices.*
- Summarise – to bring out the main points from a more complex set of data or text e.g. *Summarise the main arguments in favour of government intervention.* (Demonstrate comprehension.)
- To what extent – invites learners to explain and analyse and then comment upon the relative importance of arguments, e.g. *To what extent should the government rely upon monetary policy to control inflation?* (Demonstrate application.)
- What – to clarify a point, e.g. *What are the main characteristics of a perfectly competitive industry?* (Demonstrate application.)

**CLOSING REMARKS**

- **Textbooks**

Teachers are encouraged to use the DoE approved textbooks that comply with the requirements of the NCS guidelines for Economics.

- **Contemporary Economics**

Teachers should infuse contemporary Economic issues, statistics, newsprint articles, etc. in the teaching of the subject.