



EFFINGHAM SECONDARY SCHOOL
WORKSHEET : 2020
ECONOMICS – Paper 2
REFER TO PAGES 95-157
Complete at the back of your notebook



QUESTION ONE

1.1 Each of the following statements / questions is accompanied by four options, only one of which is correct.

Study each statement carefully and select the correct answer.

1.1.1 When price elasticity is equal to one, it represents

- | | |
|----------------------|------------------------------|
| A price inelastic | B price elastic |
| C unitary elasticity | D perfectly inelastic demand |

1.1.2 The demand curve has a gradient

- | | |
|------------|--------------|
| A negative | B horizontal |
| C positive | D vertical |

1.1.3 In a/an, firms can collude by limiting competition in the market by setting prices

- | | |
|-------------|-----------------------------------|
| A monopoly | B factor |
| C oligopoly | D monopolistic Competitive Market |

1.1.4 The revenue per unit sold is known as ...

- | | |
|-------------------|--------------------|
| A average cost | B marginal cost |
| C average revenue | D marginal revenue |

1.1.5 The cross elasticity of complement goods is

- | | |
|-----------------|------------|
| A negative | B positive |
| C less than one | D zero |

1.1.6 Imperfect market supply goods.

- | | |
|-----------------|--------------|
| A heterogeneous | B identical |
| C expensive | D homogenous |

1.1.7 The firm will maximise its profit where ...

- | | |
|-------------|-------------|
| A $P > MC$ | B $MC = MR$ |
| C $AR = MR$ | D $MC > MR$ |

1.1.8 Eskom is regulated by ...

- | | | | |
|--------|--------|-------|----------|
| A SAPS | B SABS | C IMF | D NERSA. |
|--------|--------|-------|----------|

1.2.1 Choose an appropriate description from COLUMN B to match the concept in COLUMN A. Write only the letter of your correct choice

	COLUMN A		COLUMN B
1.2.1	Cartel	A	Used to measure inflation
1.2.2	Total Fixed Curve	B	The responsiveness of demand for good A to the change if price of good B changes
1.2.3	Artificial Monopoly	C	Businesses in the same industry come to an agreement to determine quantity and price
1.2.4	Cross elasticity of demand	D	Blocked due to legal and exclusive rights
1.2.5	Consumer Price index	E	An industry that consists of two firms
1.2.6	Monopolistic Competition	F	Graph is always horizontal
1.2.7	Duopoly	G	Does not require large amount of capital or scarce resources
1.2.8	Price elastic	H	Entry is free
		I	% change in quantity is greater than & change in price

1.3 Provide ONE term for each of the following descriptions. Write only the term next to each question number.

- 1.3.1 Actual expenditure that a business incurs for inputs in the production process
- 1.3.2 The government does not interfere in the market
- 1.3.3 A market structure that has no influence on price and takes price determined by market forces.
- 1.3.4 A curve that indicates a positive relationship between price of a good and its quantity.
- 1.3.5 Also referred to as differentiated product
- 1.3.6 Depends on the price of the product and the quantity sold

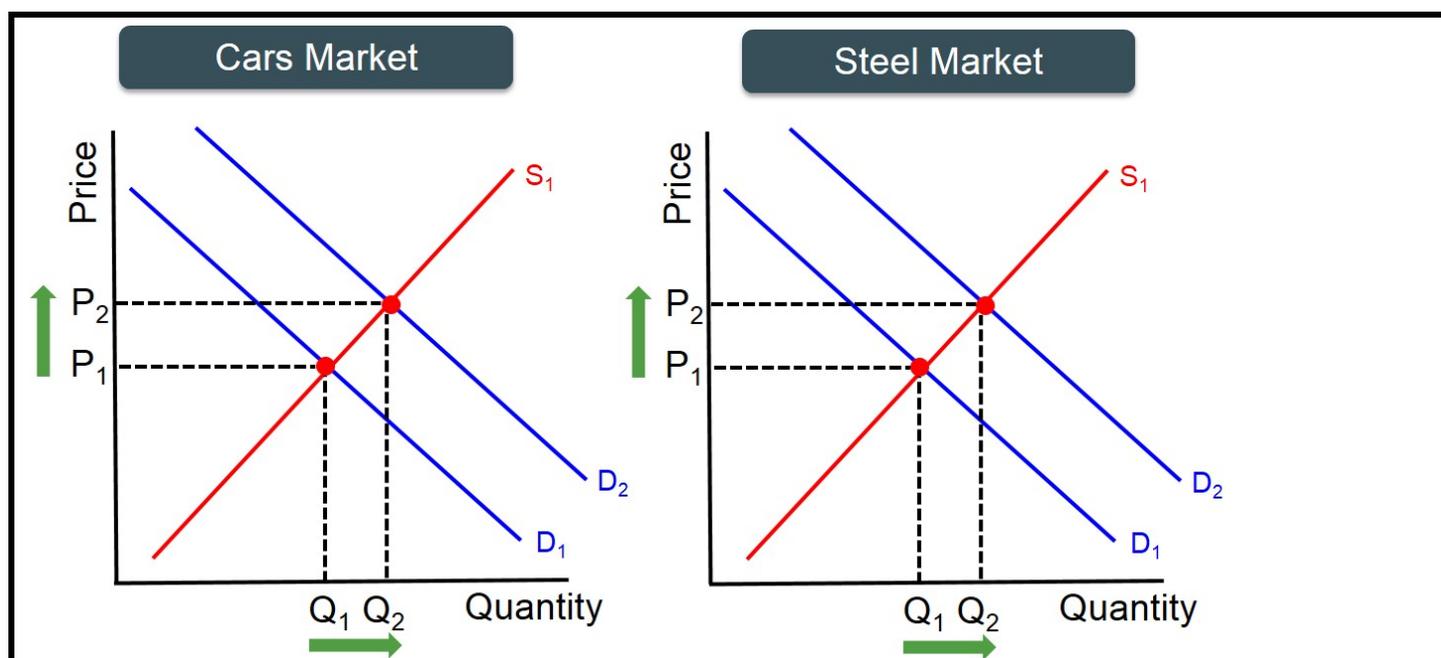
QUESTION TWO

2.1 Answer the following questions

2.1.1 What do you understand by the term law of supply? (2)

2.1.2 What is the main purpose of markets in an economy (2)

2.2 Study the diagram below and answer the questions that follow. Pg124



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- 2.2.1 Identify two markets involved above graphs. `
- 2.2.2 Describe the term *factor market*.
- 2.2.3 What caused a shift of D_1 to D_2 in the labour market?
- 2.2.4 What will the impact on the economy be, if the demand for cars increased?

2.3 Study the extract and answer the questions that follow: Pg 132

FAST-FOOD RESTAURANTS IN MONOPOLISTIC COMPETITIVE MARKET

South Africa's fast food market is extremely competitive, as many sellers fight it out for their share of the consumer market. The fast food industry accounts for about 40% of total consumer food-service sales in South Africa, e.g. Fishaways selling fish and Steers selling hamburgers. It is regarded as a hybrid structure

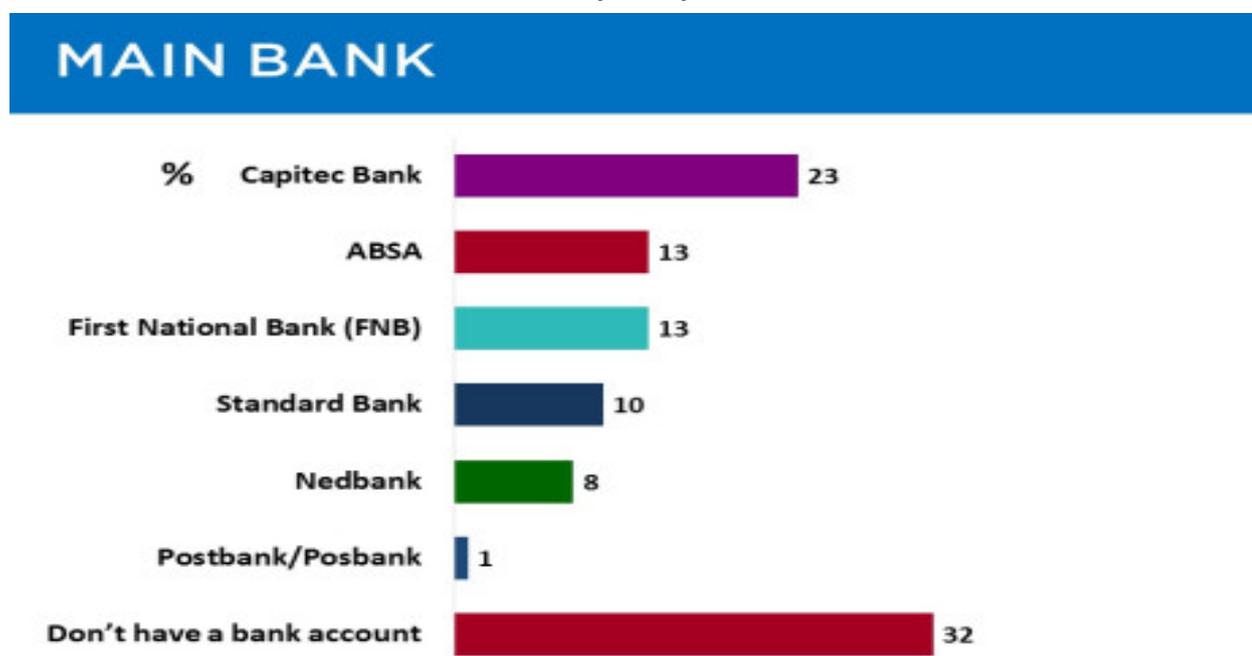
Adapted : City Press February 2017

- 2.3.1 Give one example of a monopolistic competitor that specialises only in chicken in South Africa.
- 2.3.2 Identify the concept that describes a combination of a perfect market and a monopoly
- 2.3.3 Explain the role of branding a monopolistic competition
- 2.3.4 Give one reason why business in the monopolistic competitive market prefer to compete on a non-price basis
- 2.3.5 Describe fully the type of product produced by a monopolistic competitive market

QUESTION THREE Page 133

Study the information and answer the questions that follow.

JOHANNESBURG – **Capitec Bank** is now the largest bank in South Africa in terms of the number of clients who use it as their main bank, according to the Publisher Audience Measure Survey (PAMS). PAMS compared South Africa's main banks; First National Bank (FNB), Standard Bank, ABSA and Nedbank.



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Eyewitness News : 2018/05/08

- 3.1 Name one product offered by the above business.
- 3.2 What market structure is depicted above?
- 3.3 Why do think Capitec Bank has gain popularity by the South Africa clients.
- 3.4 How is the economy negatively affected by oligopolistic tendencies?
- 3.5 Explain the non-price competition with regard to the above market structure