



UNIVERSITY
OF
JOHANNESBURG

PROGRAM : NATIONAL DIPLOMA
TOWN AND REGIONAL PLANNING

SUBJECT : ECONOMICS FOR PLANNERS III

CODE : DPTA311

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15 JULY 2015

DURATION : (SESSION 2) 11:30 - 14:30

WEIGHT : 50:50

TOTAL MARKS : 100

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MODERATOR : MS MAKHOMO MACHELI

NUMBER OF PAGES : 10 (TEN)

INSTRUCTIONS : This paper is divided into two parts (A) and (B). Part A is a multiple-choice questions. Part B is essay questions. Candidates are expected to answer all the questions in both Part A and B.

REQUIRED : Use ruler, pencil, calculator and graphs where necessary.

Section A (40 Marks – Answer all Questions)

1. Which of these describe the branch of Economics called micro-economics
 - (a) It focuses on national income, inflation and unemployment.
 - (b) It discusses about national production facilities.
 - (c) It is the discussion on general level of expenditure.
 - (d) It is concerned with household and individual decisions.
2. Which of these is a luxury good?
 - (a) Pencil
 - (b) Hi-fi system
 - (c) Books
 - (d) School bag
3. Opportunity cost is best described as
 - (a) That part of our choice that is left out
 - (b) The choice that is satisfied
 - (c) Both the one that is satisfied and the one left out
 - (d) None of the above
4. South African economy is presently experiencing inflation because of
 - (a) General increase in producers goods
 - (b) The equilibrium of demand and supply
 - (c) General rise in the price of goods and services
 - (d) All of the above
 - (e) Factor resources
5. Select which of these is a limitation of National Income
 - (a) Cooperatives strive to provide services and non profit
 - (b) It is used to indicate different sectors in the economy
 - (c) The problem of unlawful and undeclared income
 - (d) The calculation of prosperity level of people in different countries
 - (e) None of the above
6. Which of these statements is correct for supply
 - (a) Increase in price result to increase in Demand.
 - (b) Increase in Quantity results to lowering in price
 - (c) Both increase in price and quantity are stationery.
 - (d) As the price increases more quantity will be supplied
 - (e) A and D.

7. National Income Accounting is one of the tools that is used to calculate
- (a) The increase in demand in a country
 - (b) The general economic activity and prosperity
 - (c) The total population of the country
 - (d) Aggregate level of production and distribution
8. When the price is below the equilibrium price we have
- (a) Excess demand
 - (b) Excess supply
 - (c) Excess demand and supply
 - (d) None of the above
 - (e) B and C
9. When a person loses his job, what type of unemployment is this
- (a) Cyclical unemployment
 - (b) Frictional unemployment
 - (c) Structural unemployment
 - (d) All of the above
 - (e) A and B.
10. Which of these statement is true
- (a) Supply is inversely related to Demand (Positive slope)
 - (b) Demand is inversely related to quantity(Negative slope)
 - (c) Demand and Supply have the same slope.
 - (d) The higher the price the more the supply
 - (e) B and D
11. Abnormal and continuous rise in the general price of goods and services is called
- (a) Slow inflation
 - (b) Hyper inflation
 - (c) Stag inflation
 - (d) Moderate inflation
 - (e) None of the above

12. Write down from the list of these options the letter indicating the correct answer
Economics is a

- (a) Social science
- (b) Physical science
- (c) Combination of (a) and (b)
- (d) None of the above
- (e) All are correct

13. Choice is fundamental to economic behaviors because

- (a) People find it difficult to choose what they want
- (b) Resources are scarce in relation to people's want
- (c) Choosing makes people act rational
- (d) Prices depend on people making a choice
- (e) None of the above

14. Production can be defined as the

- (a) Creation of utilities
- (b) Consumption of nice products
- (c) Capital goods
- (d) Distribution of shares
- (e) All of the above

15. Who is the father of Economics

- (a) Ronald Reagan
- (b) Adam Smith
- (c) Karl Marx
- (d) Alfred Marshal
- (e) None of the above

16. Which of these is a participant in the economy?

- (a) Household
- (b) Demand and supply
- (c) Want of goods and services
- (d) Opportunity cost
- (e) All of the above are correct

17. The simplest and most common type of business is called

- (a) Partnership
- (b) Limited liability company
- (c) Sole proprietor
- (d) Cooperatives
- (e) C and D

18. A group of people eating from the same pot or plate living under one roof is

- (a) Household
- (b) Economics
- (c) Suppliers
- (d) Factor resources
- (e) All are correct

19. When two or more people up to 20 get together and form a business it is known as

- (a) Limited liability company
- (b) Sole proprietorship
- (c) Public limited company
- (d) Partnership
- (e) A and D

20. Thomas Robert Malthus advocated that

- (a) Population increases arithmetically and food production geometrically
- (b) Distribution of income among land owners
- (c) Rapid increase in population against limited land resources
- (d) Population increases geometrically against food production arithmetically
- (e) C and D only

21. The problem of scarcity of food may be overcome by

- (a) Increasing consumption
- (b) Increasing production
- (c) Decrease savings
- (d) Decrease price

22. In order to be able to function as a market the following must be present

- (a) Buyers and sellers
- (b) Enough money
- (c) Different kinds of goods
- (d) Enough buyers

23. The supply of cement is not dependent on one of the following

- (a) Cost of production
- (b) Market conditions
- (c) Climate
- (d) Political conditions

24. Solvency indicates

- (a) The ability of the firm to meet its liability in the short run
- (b) The ability of the firm to meet its liability in the long term
- (c) The excess of total assets over total liabilities
- (d) The credit standing and financial risk of the firm

25. The income that the factor of production known as capital earns is

- (a) Rent
- (b) Wages and salary
- (c) Capital goods
- (d) Interest

26. Inflation can be described as

- (a) General increase in supply to producers
- (b) The equilibrium of demand and supply
- (c) General rise in the price of goods and services
- (d) Factor resources

27. The document that highlights government spending plans for a given period is called

- (a) Tender
- (b) Capital goods
- (c) Budget
- (d) Money

28. When does current account deficit occur in any given economy
- (a) Export is greater than import
 - (b) Import is greater than export
 - (c) Both export and import are the same
 - (d) Export is not valued at all
29. Macro-economics is a branch of economics that studies
- (a) The determination of the unit of economic activity
 - (b) The behavior of individual decision making units in the economy
 - (c) Decision by firm regarding the most efficient use of resources
 - (d) The effects and consequences of the aggregate behavior of all decision-making units
30. Secondary production can be described as
- (a) Extractive industries that extracts raw material from nature
 - (b) Those industries that change the basic materials extracted
 - (c) The type of industries that engage in commercial and personnel services
 - (d) All of the above
31. Which of these statement is true
- (a) Cooperatives strive to provide services and not profit
 - (b) All the partners in partnership are not liable to liquidation
 - (c) Sole proprietor does not bear the risk alone
 - (d) Limited company do not allocate profit according to shares
32. The sloping of demand curve from left to right shows that
- (a) Increase in price result to increase in demand
 - (b) Increase in quantity results to increase in price
 - (c) Both increase in price and quantity are stationary
 - (d) As the price increases less quantity will be demanded
33. Which of these regional bodies does South Africa belong to
- (a) ECOWAS
 - (b) SADIC
 - (c) ECM
 - (d) EU

34. Which of these statement is true
- (a) Economic goods are not scarce
 - (b) Free goods are scarce
 - (c) Both economic goods and free goods are scarce
 - (d) Free goods are not scarce
35. To maintain stable and favorable balance of payment and ensure an equitable distribution of national income is the function of
- (a) Business Enterprises
 - (b) Government
 - (c) Gross National Product at factor price
 - (d) Limited liability company
36. The function of modern government can be described as
- (a) The establishment and maintenance of transport system and administration
 - (b) Keynesian theory of growth
 - (c) Commercial income
 - (d) Capital expenditure spending
37. As a Town planner one of the following is not a source of government revenue
- (a) Taxes and fines
 - (b) Loans and donations
 - (c) Commercial income
 - (d) Capital expenditure spending
38. National Income Accounting is one of the tools that is used to calculate
- (a) The increase in demand in the country
 - (b) The general economic activity and prosperity
 - (c) The total population of the country
 - (d) The decrease in the level of savings
39. Based on class discussion when the price is above the equilibrium price we have what
- (a) Excess demand
 - (b) Excess supply
 - (c) Excess demand and supply
 - (d) None of the above

40. When one development in one sector brings a chain reaction to the development of other sectors, this is called

- (a) Trickle-down effect
- (b) None spatial growth
- (c) Regional development
- (d) None of the above

SECTION B (60 Marks - Answer all Questions)

1. As a Town Planner write an essay about the factors that affect both the Demand and Supply for goods and services in South Africa [10 Marks]
2. Define GDP and calculate the GDP based on the Expenditure Approach if the Consumer Spending is R30, 000; Investment Spending R15, 000.00; Government Spending R8, 000.00; Import R20, 000.00; Export is R25, 000.00 [10 Marks]
3. Define development and discuss the three approaches to development you have learnt [10 Marks].
4. Compare and contrast as a Professional Town Planner the development objectives of Reconstruction and Development Programme (RDP) and Growth, Employment and Redistribution (GEAR) as strategies for rebuilding and restructuring the economy of South Africa [10 Marks]
5. Discuss the three types of unemployment that characterize South Africa as a country [10 Marks]
6. With the aid of an annotated diagram explain the concept Production Possibility Curve in relation to Opportunity cost, Scarcity and choice and maximization of output and inefficient production boundaries [10 Marks]

TOTAL MARKS

[100]