ATTENDANCE FORM

Surname	
Initials	
Student number	
Venue	

GENERAL INSTRUCTIONS

1. Do not remove the staple – hand this paper in as a whole.

2. Remove <u>only</u> the top page (this page), and hand it in together with this paper at the end of the session.

3. Make sure that your paper has all numbered pages.

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Course	:	**Economics 2B Diploma**	**Time: 2 Hours**
		ECO22B2	**Marks:100**
			Date: 12 November 2014

Assessors : **Mr EE Kodisang**

Moderator : **Dr. Mr Maleka**

Instructions:
1. The paper consists of **8** pages.
2. Noiseless calculators may be used.
3. Answer all the questions in the spaces provided on the script.
4. Write legibly.

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Question	Marks	Total
1	20	
2	14	
3	16	
4	8	
5	16	
6	10	
7	10	
8	6	
TOTAL	100	

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Question 1

[20]

1.1 Indicate which of the following statement(s) are true and which are false, by marking with an X on the block provided (**1X2**).

		True	False
1.1.1	An increase in the inflation rate from 5% to 6% is an increase in the inflation rate of one percentage point		
1.1.2	If GDE equals R280 billion and GDP equals R400 billion it follows that exports of goods and services were less than the imports of goods and services during the period in question.		
1.1.3	The production method, the income method and the expenditure method should, in principle, yield the same estimates of GDP during a particular period.		
1.1.4	When the terms of trade improves (i.e. increase) it means that the country can purchase fewer imports with a given volume of exports.		
1.1.5	During the process of economic development, both absolute employment in agriculture and the relative share of agricultural employment tend to increase		
1.1.6	An index with (fixed) based-period weights is called paasche index		
1.1.7	The living standard of a worker depends on his or her nominal wage.		
1.1.8	Unit labour cost is one of the best available indicators of competitiveness		
1.1.9	If a 12 months bill with a face value of R50 000 is sold for R48 000, the discount is 4%		
1.10	Expenditure on spending in goods and services is a stock variable		

Question 2

[14]

2.1 Explain the following concepts:

2.1.1 Trend (2)

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2.1.2   Production-link subsidies   (2)

2.1.3   Residual items   (2)

2.1.4   Minimum Living Level   (3)

2.2   List five (5) possible way of increasing productivity   (5)

2.2.1	
2.2.2	
2.2.3	
2.2.4	
2.2.5	

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Question 3 [16]

3.1 List three (3) national and three (3) international agencies which collect, publish and disseminate. (12)

Agencies	Web-side
National (South African) Agencies	
3.1.1	
3.1.2	
3.1.3	
International Agencies	
3.1.1	
3.1.2	
3.1.3	

Question 3.2 List four (4) types variation in a time series (4)

3.2.1	
3.2.3	
3.2.3	
3.2.4	

Question 4 [8]

4.1 Give 5 basic requirements and hints to keep in mind when interpreting economic data (5)

4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

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4.2   What are the three approaches to the measurement of GDP?   (3)

4.2.1	
4.2.2	
4.2.3	

Question 5   **[16]**

5.1   Use the following information to calculate percentage increase in the price of 750ml
        Canola cooking oil. The price of this oil increases from R23.00 to R27.00 (6)

5.2   Which fixed deposit would you choose: R20 000 invested at 15% simple interest for
        two (2) years or R20 000 invested for two (2) years at 14% per annum with the
        interest compounded each year? **Show your calculations to substantiate your
        answer**   (10)

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Question 6 [10]

Suppose GDP at current prices increased from R500 000 million in 2006 to R550 000 million in 2007 and that GDP at constant (2000) prices increased from R410 000 million in 2004 to R420 000 million in 2005. **Calculate the real growth rate and the approximate inflation rate for 2005.** (10)

Question 7 [10]

7.1 You are given the following information (for 2010) (in R million).

Formal employment	R 12 million
Economically active population	10 million
Informal sector employment	4 million
Persons involved in subsistence agriculture	2 million

Calculate the following (2010)

a) Job scarcity rate. (5)

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b) Unemployment rate. (5)

Question 8 [6]

Year	Quarter	GDP (constant price)
		R Million
2008	I	78 500
	II	86 000
	III	83 000
	IV	85 000
2009	I	82 000
	II	82 400
	III	83 000
	IV	84 000

Calculate the rate of growth between quarter 4 of 2008 and quarter 1 of 2009. (6)

End of the paper

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