



UNIVERSITY
OF
JOHANNESBURG

PROGRAM : NATIONAL DIPLOMA
TOWN AND REGIONAL PLANNING

SUBJECT : ECONOMICS FOR PLANNERS III

CODE : DPTA 311

DATE : EXAMINATION PAPER
7 JUNE 2016

DURATION : SESSION 2
12:30 – 15:30 HOURS

WEIGHT : 50:50

TOTAL MARKS : 100

EXAMINER : DR TRYNOS GUMBO AND MR. GEORGE ONATU

MODERATOR : MS MAKHOMO MACHELI

NUMBER OF PAGES : 7 (Seven)

INSTRUCTIONS : This paper is divided into two sections (A) and (B). Section A is composed of multiple-choice questions, whilst section B has essay questions. Candidates are required to answer all questions in both sections.

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

SECTION A (25 Marks – Answer ALL Questions)

1. Economics is a social science discipline that studies how to
 - (a) Ensure full employment of the working population
 - (b) Use the price mechanism to allocate resources
 - (c) Achieve maximum consumer satisfaction from limited resources
 - (d) Divide resources between the private and public sector
2. The foundation of Economics centres on one of the following
 - (a) Scarce resources
 - (b) Scale of preferences
 - (c) Opportunity cost
 - (d) Wants
3. Who is the regarded as the father of Economics
 - (a) Ronald Reagan
 - (b) Adam Smith
 - (c) Karl Marx
 - (d) Alfred Marshal
4. Which of these statements best describes 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
5. The scarcity problem in economics relates to
 - (a) The shortage of skilled labour
 - (b) Limited economic resources
 - (c) The absence of a central plan
 - (d) The underutilization of scarce resources
6. Choice is fundamental to economic behaviors because
 - (a) People find it difficult to choose what they want
 - (b) People's needs and wants are unlimited in relation to means
 - (c) Choosing makes people act rational
 - (d) Prices depend on people making a choice

7. Opportunity cost is best described as
- (a) That next best 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
8. When the price of a good is above the equilibrium price the economy experiences
- (a) Excess demand
 - (b) Excess supply
 - (c) Excess demand and supply
 - (d) None of the above
9. Which of these goods can be classified as a luxury?
- (a) Pencil
 - (b) Hi-fi system
 - (c) Books
 - (d) School bag
10. When development in one sector brings a chain reaction to developments in other sectors, it is known as,
- (a) Trickle-down effect
 - (b) Spatial planning and growth
 - (c) Regional development
 - (d) None of the above
11. The simplest and most common type of business is called
- (a) Partnership
 - (b) Limited liability company
 - (c) Sole proprietor
 - (d) Cooperatives
12. To maintain stable and favorable balance of payments 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

13. Choose a correct statement for closed and open economies
- (a) Both closed and open economies have three sectors
 - (b) The closed economy has only four sectors
 - (c) The open economy has only four sectors
 - (d) The closed economy has only three sectors
14. Which 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
15. The discipline that is concerned with organizing and managing resources in a defined scope , quality, time and cost is called
- (a) Project management
 - (b) Economics
 - (c) Opportunity cost analysis
 - (d) Balance of Payment Accounting system
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. 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
18. Which of these statements is true
- (a) Economic goods are not scarce
 - (b) Free goods are not scarce
 - (c) Both economic goods and free goods are scarce
 - (d) Free goods are scarce

19. National Income Accounting is one of the tools used to calculate

- (a) The increase in demand in the country
- (b) The general level of economic activity and prosperity
- (c) The total population of the country
- (d) The decrease in the level of savings

20. The father of Project Management is called

- (a) Karl Marx
- (b) Hans Lang
- (c) Henry Gantt
- (d) L. Robbins

21. South African economy is presently experiencing inflation because of

- (a) General decrease in the prices of factors of production
- (b) The equilibrium of demand and supply
- (c) General rise in the price of goods and services
- (d) All of the above

22. Which of these statements is correct for supply

- (a) Increase in prices result to increase in demand
- (b) Increase in quantity results to the increase in prices
- (c) Both increase in price and quantity are stationery
- (d) As the price increases more quantity will be supplied

23. When a person loses their job due to a shrinking economy, it is because of,

- (a) Cyclical unemployment
- (b) Frictional unemployment
- (c) Structural unemployment
- (d) All of the above

24. Production can be defined as the.....

- (a) Creation and addition of value
- (b) Consumption of products
- (c) Realisation of capital goods
- (d) All of the above

25. 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

SECTION B (75 Marks - Answer ALL Questions)

1. Describe and explain micro, macro and development economics, highlighting their characteristics and demonstrating their relationships, citing concrete South African examples [15]
2. With the aid of relevant examples in today's world, identify and discuss the four economic systems, highlighting the main scholars that have contributed to the understanding of their structures and operations [15]
3. With reference to the laws or principles of demand and supply, demonstrate the changes in quantity demanded and supply, the shifts in demand and supply as well as their point of equilibrium for a consumer [15]
4. Discuss the usefulness of the THREE methods of calculating the level of national economies, showing their formulas and demonstrating how they are computed using hypothetical figures as well as highlighting their weaknesses [15]
5. Identify any FOUR types of unemployment that are common in South Africa and describe their characteristics, suggesting how they can be resolved to reduce the levels of unemployment in the Republic [15]

TOTAL MARKS

[100]