UNIVERSITY
OF
JOHANNESBURG

PROGRAM	:	**NATIONAL DIPLOMA** ***TOWN AND REGIONAL PLANNING***
SUBJECT	:	**ECONOMICS FOR PLANNERS III**
CODE	:	**DPTA311**
DATE	:	EXAMINATION PAPER 05 JUNE 2018
DURATION	:	3 HOURS
WEIGHT	:	50:50
TOTAL MARKS	:	100

EXAMINER	:	MR. GEORGE ONATU
MODERATOR	:	DR CHARLES NTUI
NUMBER OF PAGES	:	7 (Seven)

INSTRUCTIONS	:	This paper is divided into two parts (A) and (B). Part A consists of multiple-choice questions and Part B 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 (20 Marks – Answer all Questions)

1 Sole Proprietor is good for South African economy because

(a) High tax rates that discourages all work efforts
(b) Simplest type of Business Organisation
(c) It comprises of 2-20 people to form
(d) Profit is shared among the family members only
(e) None of the above

2 An increase in which of the following would cause the aggregate demand curve to

(a) Consumer Optimisms
(b) Population
(c) Cost of Resources
(d) Income Taxes
(e) Net exports

3 Partnership as a Business Organization can be Profitable because

(a) Access to Resources and Funds are broaden
(b) They do contribute ideas and resources together
(c) It is enable two – twenty people to form a business
(d) They file Annual Returns
(e) All of the above

4 The amount of money that the consumers of goods and services wants to hold in the form of cash will

(a) Be unaffected by any change in interest rates or the price level
(b) Increase if interest rates increase
(c) Decrease if interest rate increase
(d) Increase if the price level decrease
(e) Decrease if the price level remains constant.

5 Unemployment can be defined in Economics as

(a) All the people who are looking for job
(b) Those who need job but are not willing to apply for it
(c) People who are able, qualified and prepared to work but cannot find job
(d) Students who graduated and are out of school
(e) All of the above.

6 The School of thought or Philosophers that believed in "Capitalist System" is

(a) Marginalist School of thought
(b) Institutional School of thought
(c) Marxist School of thought
(d) Keynesian School of thought
(e) Classical School of thought

7 Which of the following individuals is considered officially unemployed??

(a) Chris- who has not worked for more than three years and has given up looking for job
(b) Kenneth- who is studying at the University of Johannesburg full time and waiting until he graduates before looking for job.
(c) Elizabeth- who recently got angry and left a job to look for a different job in another town
(d) Leslie- who retired after turning 65 years only in six months ago
(e) Morena – who is working 20 hours per week and is seeking full time employment.

8 The reward for Land as a Factor of Production is

(a) Profit
(b) Rent
(c) Wages and Salaries
(d) Interest that it yields to owners
(e) A & B

9 One of the examples of Indirect Tax in South Africa is called

(a) Income tax.
(b) Corporate tax
(c) Fines and Levies
(d) Import Tax
(e) VAT

10 In National Income Accounting, the GDP is defined as?

(a) All goods and services supplied to other countries in a given period usually a year
(b) All goods and services produced by all the people in South Africa
(c) All final goods and services produced in a given country at a particular period usually a year
(d) All foreign goods supplied to South Africa from other countries in a year calculated by Statistics South Africa.
(e) B and D

11 What is Production Possibilities Curve?

(a) The best combination of resources to achieve optimal output
(b) The Law of Supply and Demand
(c) Production at X is both attainable
(d) Decreasing Opportunity Cost
(e) Opportunity Cost that considers all factors.

12 Seasonable Unemployment is most felt in

(a) Government Departments
(b) Mining and Agriculture Sector
(c) Banking Sector
(d) Housing and Property Development
(e) Universities

13 GDP = C+I+G (X-M) What is the value of the GDP if C=60,000; G=54,000; I=150,000; X=20,000 and M=30,000

(a) R2,640,000,000:00
(b) R2,740,000,000.00
(c) R265,000,000.00
(d) –R2, 640,000,000.00
(e) -R2,740,000,000.00

14 The cost of Unemployment to South Africa is

(a) Decrease in Government Spending
(b) Increase in Government Spending
(c) Decrease in crime rate
(d) Increase in crime rate
(e) B & D

15 One of the approaches that most international organizations such as United Nations and World Bank adopts in the provision of Roads and other infrastructures is

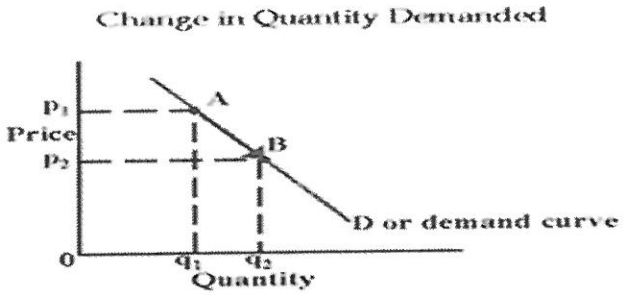
(a) Free market approach
(b) Dependency approach
(c) Transformation approach
(d) Basic need approach
(e) B and C

16 Partnership has the major disadvantage in that

(a) Members are made up of 2-20
(b) The company is independent and can be sued as well as can sue
(c) All the members are liable to whatever happen to the company
(d) The directors oversee the day to day running without shareholders
(e) All of the above

17 Interpret the correct meaning of the graph below?

CHANGE IN QUANTITY DEMANDED



(a) P1 to P2 is an increase in Price
(b) Q2 to Q1 is an increase in Quantity
(c) Q1 to Q2 is an increase in the Quantity Demanded
(d) B& C are the same
(e) None of the above

18 Economics can be defined as

(a) Cooperatives strive to provide services and not profit
(b) It is the use of resources in a careless way
(c) It is the problem of Demand and Supply ONLY
(d) The Social Science that is concerned with the use of scarce resources to satisfy human wants that are unlimited.
(e) The problem of Opportunity Cost ONLY.

19 National Income Accounting is one of the barometers 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) Aggregate level of production and distribution
(e) B and D

20 Demand is a situation where

(a) As the price of a good or service increase, the supplier will be willing to supply more into the market, ceteris paribus
(b) As the price rises the quantity demanded will fall
(c) The Demand and the Supply interlock
(d) There is a direct relationship between the price and the quantity supplied

SECTION B (80 Marks - Answer all Questions)

1. Explain the Meaning of the Subject Economics and why is the subject of particular interest to the Town and Regional Planners [12 Marks]

2. Differentiate between Demand and Supply using appropriate Diagrams. [8 Marks]

3. Discuss the Problems associated with the high rate of Unemployment in South Africa [12 Marks]

4. Write an Essay about Two School of Economic Thought you know [8 Marks]

5. What is GDP? Explain thoroughly the Benefits associated with GDP Accounting in [20 Marks]

6. With the aid of an annotated diagram, describe the Production Possibility Curve [20 Marks]

TOTAL MARKS **[100]**