



UNIVERSITY
OF
JOHANNESBURG

PROGRAM : NATIONAL DIPLOMA
TOWN AND REGIONAL PLANNING

SUBJECT : ECONOMICS FOR PLANNERS III

CODE : ECPTRA2

DATE : EXAMINATION PAPER
28 MAY 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.

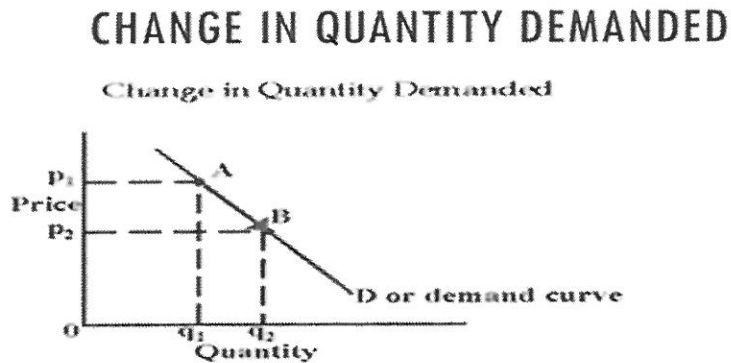
Section A (20 Marks – Answer all Questions)

- 1 Current Account Surplus or Favorable Balance of Payment results when
 - (a) Inflation is at highest level
 - (b) Export and Import are the same
 - (c) Import is less than Export
 - (d) Government intervene in Business
 - (e) None of the above
- 2 Which of these are factors that causes an increase in Demand
 - (a) Consumer Optimisms
 - (b) Population
 - (c) Cost of Resources
 - (d) Income Taxes
 - (e) Net exports
- 3 Limited Liability Company are Profitable because
 - (a) Access to Resources and Funds are broaden
 - (b) Shareholders are the owners
 - (c) Dividends are reported Annually
 - (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 “Mixed-Economic 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?



- (a) P_1 to P_2 is an increase in Price
- (b) Q_2 to Q_1 is an increase in Quantity
- (c) Q_1 to Q_2 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. List and explain briefly the factors that affects the Demand for Goods and Services. [8 Marks]
3. Discuss the Problems associated with the high rate of Unemployment in South Africa and what solution can you advise about it. [12 Marks]
4. Write an Essay about Capitalist System and Socialist System [8 Marks]
5. What is GDP? Explain thoroughly the Benefits associated with GDP Accounting to any Country, especially Developing countries. [20 Marks]
6. With the aid of an annotated diagram, describe the Production Possibility Curve [20 Marks]

TOTAL MARKS

[100]