



**PROGRAM** : **BACHELOR OF URBAN AND REGIONAL (BURP)**

**SUBJECT** : **ECONOMICS FOR TOWN PLANNERS 2A**

**CODE** : **ECPTRA2**

**DATE** : **EXAMINATION PAPER (MAIN)**  
**25<sup>TH</sup> MAY 2019**

**DURATION** : **3 HOURS**

**WEIGHT** : **50:50**

**TOTAL MARKS** : **100**

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**EXAMINER** : **MR. GEORGE ONATU**

**MODERATOR** : **DR CHARLES NTUI**

**NUMBER OF PAGES** : **7 (Seven)**

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**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 (20 Marks – Answer all Questions)

- 1 Partnership is different from Sole Proprietor because
  - (a) Access to Resources and Funds are broaden
  - (b) They do contribute ideas and resources together
  - (c) It enables two – twenty people to form a business
  - (d) They file Annual Returns
  - (e) All of the above
- 2 Which is False: Savings and money the students use to purchase goods and services can
  - (a) Be unaffected by any change in interest rates or the price level
  - (b) Be affected by any change in interest rates or the price level
  - (c) Price of goods and services will go up due to increase in interest rate.
  - (d) None of the above
  - (e) All of the above.
4. Frictional Unemployment can be defined in Economics as
  - (a) A result of Recession
  - (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) Seasonal type of employment
  - (e) When people have left one employment and are looking for another.
- 5 The School of thought or Philosophers that believed in “Investment, Money & Unemployment” 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
- 6 The limited Liability Company is governed by?
  - (a) The Company Act, 1983
  - (b) The Company Act, 1963
  - (c) The Company Act, 1973
  - (d) The Company Act, 1995
  - (e) The Company Act, 2002
- 6 The reward for Capital as a Factor of Production is
  - (a) Profit
  - (b) Rent
  - (c) Wages and Salaries

- (d) Interest that it yields to owners
- (e) A & B

7 One of the examples of Direct Tax in South Africa is called

- (a) Income tax.
- (b) Corporate tax
- (c) Fines and Levies
- (d) VAT
- (e) All of the above

8 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

9 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.

10 In which type of Business Organisation is the owner known as Jack of all trade.

- (a) Private Sector
- (b) Both the Private and Public Sector
- (c) Partners
- (d) Sole Proprietorship
- (e) Government

11  $GDP = C + I + G (X - M)$  What is the value of the GDP if  $C=120,000$ ;  $G=75,000$ ;  $I=150,000$ ;  $X=45,000$  and  $M=35,000$

- (a) R3,550,000,000.00
- (b) R3,405,000,000.00
- (c) R265,000,000.00
- (d) R3, 450,000,000.00
- (e) -R2,740,000,000.00

- 12 Which of this is the most common type of Unemployment in South Africa
- (a) Structural
  - (b) Frictional
  - (c) Cyclical
  - (d) Seasonal
  - (e) All of the above
- 13 The Demand Curve in a simple mathematical logic is:
- (a) Directly Proportional
  - (b) Equilibrium Situation
  - (c) Is Concave
  - (d) Inversely Proportional
  - (e) All of the above
- 14 Partnership has the major disadvantage in that
- (a) All the members are liable to whatever happen to the company
  - (b) Members are made up of 2-20
  - (c) The company is independent and can be sued as well as can sue
  - (d) The directors oversee the day to day running without shareholders
  - (e) All of the above
- 15 Differentiate between Micro-Economics and Macro-Economics?
- (a) Micro Economics discusses Unemployment
  - (b) Macro Economics discusses household
  - (c) Both discusses Inflation
  - (d) Micro Economics discusses aggregate
  - (e) None of the above
- 16 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.
- 17 Inflation can be described as
- (a) The small increase in demand in the country
  - (b) The general economic activity and prosperity
  - (c) The total population of the country
  - (d) Aggregate increase in the overall prices of goods and services.

(e) B and D

18 The Law of Supply states that

- (a) As the price of a good or service increase, the supplier will be willing to supply more into the market, ceteris paribus
- (b) Price and quantity supplied of a good or services are directly proportional
- (c) The gradient is positive
- (d) There is a direct relationship between the price and the quantity supplied
- (e) All of the above.

19 The Agency that is in charge of collecting Tax returns is what

- (a) NYDA
- (b) Treasury Department
- (c) Reserve Bank Governor Tito Mboweni
- (d) SARS
- (e) All of the above

20 South Africa has one of the best Tax regime system due to

- (a) The tax is regressive
- (b) The Department tax the poor more than the rich
- (c) The tax system is progressive
- (d) It is based on PAYE
- (e) C and D

## **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. [20 Marks]
2. Write an Essay about Income Approach and Expenditure Approach as a means of measuring the National Income of South Africa. [10 Marks]
3. Discuss the Problems associated with the high rate of Unemployment in South Africa and as a Planner how this impact negatively to the economy. [20 Marks]
4. With the aid of a diagram Discuss the concept Equilibrium Situation. [10 Marks]
5. Explain briefly what you understand by the concept GDP? Illustrate clearly the advantages of Taxation in any given Economy. [20 Marks]
6. Write an essay about Capitalism, Socialism and Mixed-Economic System [20 Marks]

**TOTAL MARKS**

**[100]**