



EFFINGHAM SECONDARY SCHOOL

SELF STUDY – APRIL 2022

ECONOMICS – GRADE 11



Refer to pages 94 to 156 - Textbook

QUESTION ONE

Choose an appropriate description from COLUMN B to match the concept in COLUMN A. Write only the letter of your correct choice

	COLUMN A		COLUMN B
1.1	Fixed costs	A	Total revenue exceeds total costs
1.2	Monopoly	B	Price maker and entry is free
1.3	Telkom	C	Actual payments for factors of production
1.4	Economic Profit	D	Remains the same irrespective of the production level
1.5	Monopolistic Competition	E	SAA, Mango, Khulula
1.6	Explicit Costs	F	Has a positive gradient
1.7	Consumer Price Index	G	Period in which one input is fixed
1.8	Supply Curve	H	Income elasticity is negative
1.9	Perfect Market	I	An oil Cartel
1.10	Profit Maximisation	J	Eskom
1.11	Short run	K	Used to measure inflation
1.12	Oligopoly	L	Car and petrol
1.13	Inferior goods	M	A state monopoly
1.14	Long run	N	No satisfaction at all – exhausted
1.15	Complement Goods	N	Marginal revenue is equal to marginal costs
1.16	AVC	P	Identical products
1.17	OPEC	Q	Large number of firms but fewer than a perfect market – can undermine collusion
1.18	Disutility	R	Firms can introduce new products
1.19	Homogenous product	S	No interference from the government
1.20	Unregulated markets	T	Variable costs divided by the no.of units

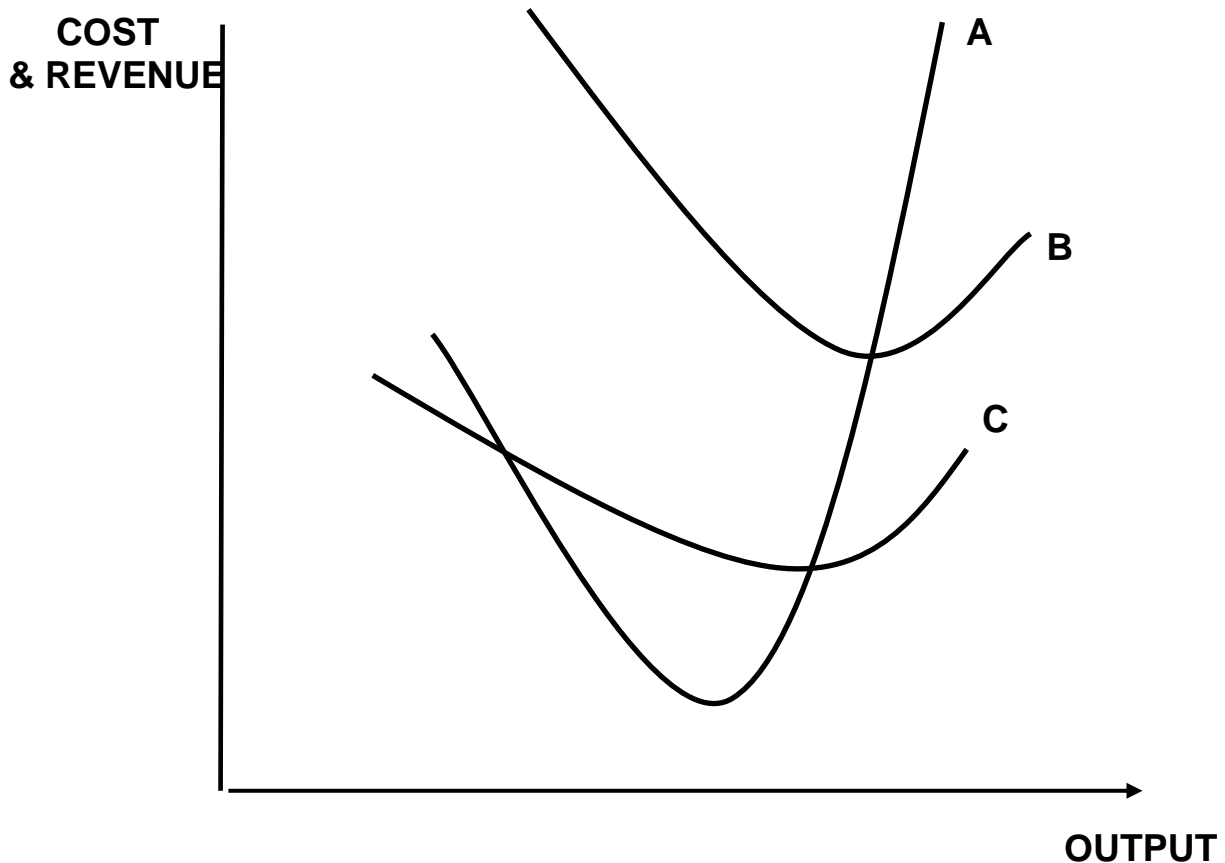
DEFINE THE FOLLOWING TERMS

Implicit costs	Homogenous product	Unique product
Explicit costs	Income elasticity	Break-even point
Demand curve	Complement goods	Factor market
Normal profit	Economic profit	AFC

marginal revenue	Average revenue	AVC
Duopoly	NERSA	Duopoly
Cartel - OPEC	Elasticity- PED =....	Profit maximisation point

QUESTION TWO

Study the given cost curves and answer the questions that follow:



- 1 Label graph - A B C
- 2 State the formula to calculate : ATC, AVC, AFC
- 3 Describe the shape of the of the MC curve
- 4 Differentiate between fixed costs and variable costs
- 5 Give the two terms that variable costs can be referred to as
- 6 Give the two terms that fixed costs can be referred to as

QUESTION THREE

Read the extract and answer the questions that follow:

ESKOM IN UPHILL BATTLE TO RECOVER R69bn

Power utility Eskom suffered a huge blow to its push for the recovery of misappropriated R69bn equity when NERSA won leave to appeal its bid for the recovery of the misappropriated R69bn of government equity.

The blow comes as the SA Reserve Bank (SARB) blamed Eskom for the country's stagnant economy.

The economy took the pain given rising unemployment, business closure and the GDP decline. The economy will take time to recover.

Adapted : Business Report October 8, 2020

- 1 Name the state owned enterprise that is reducing growth in South Africa.
1. What does NERSA stand for?
2. State the market structure of above firm
3. Describe the following wrt above
 - 4.1 entry
 - 4.2 number
 - 4.3 profit
5. What benefits does a monopoly enjoy?
6. How does the above situation affect the South African economy?
7. What is the main problem experienced by the state owned entity
8. How can the South African government improve service delivery?

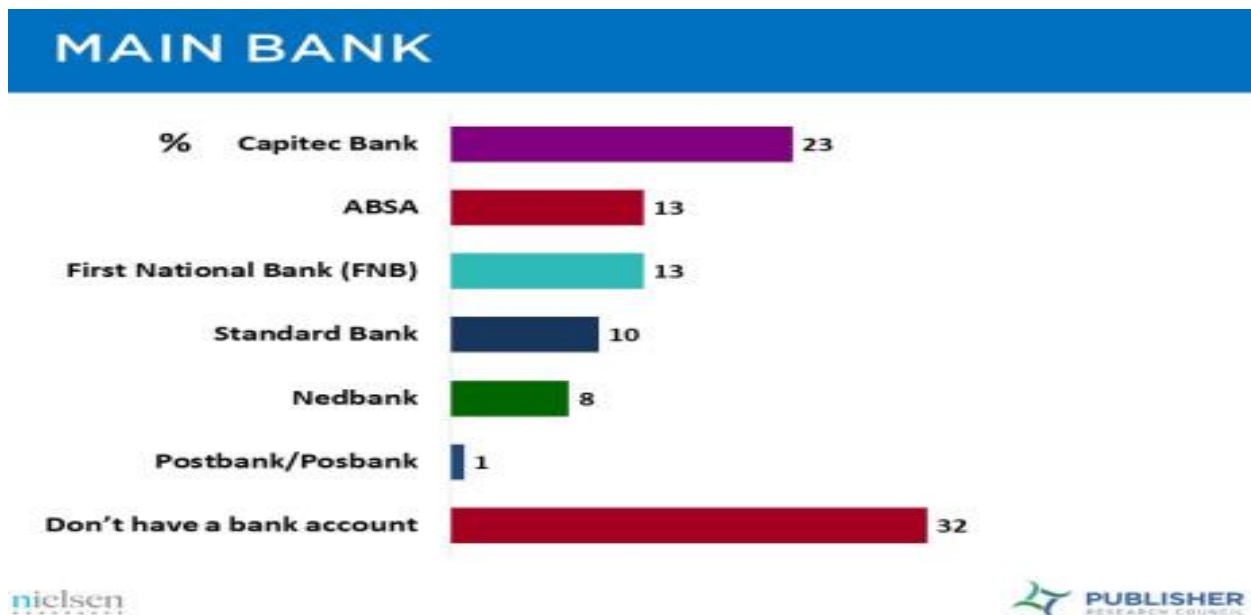
QUESTION FOUR**PRICE ELASTICITY**

1. What do you understand by price elasticity
2. State the formula to calculate the PED (price inelastic)
3. Discuss in detail the factors affecting PED
4. Use graphs to explain : Price elastic demand, perfectly elastic demand
Unitary elasticity
5. Explain luxury goods in terms of change in income
Use graphs to explain :
Substitute goods
Complement goods
Labour and goods market
6. Explain the objectives of a firm

QUESTION FIVE

Study the information and answer the questions that follow.

JOHANNESBURG – **Capitec Bank** is now the largest bank in South Africa in terms of the number of clients who use it as their main bank



Eyewitness News : 2018/05/08

- 1 Name one product offered by the above business.
- 2 What market structure is depicted above?
- 3 Why do think Capitec Bank has gain popularity by the South Africa clients.
- 4 How is the economy negatively affected by oligopolistic tendencies?
5. List two example of this market structure
6. Describe two characteristics of the above market structure
7. Explain three non-price competition with regard to the above market structure

QUESTION SIX

Study the information below and answer the questions that follow.

Chicken Licken	Nando's	Steers	Macdonald's
Jet	Truworths		Clicks
Spar	Woolworths	Pick n Pay	Makro

- 1 Which market structure do the above business enterprises represent?
- 2 Explain how brands are used by the above market.
- 3 What is the nature of this products offered in this market structure?
- 4 Explain profits in the long run with regard to the above market Structure
- 5 Why do they use non-price competition?
- 6 Explain the characteristics of a monopolistic competition