

# Tutorial Letter 101/3/2018

**Economics 1500**

**ECS1500**

**Semesters 1 and 2**

**Department of Economics**

**IMPORTANT INFORMATION**

**This tutorial letter contains your assignments and other important information about this module. Please read it immediately.**

BAR CODE

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**Please note/Important notes**

Read this tutorial letter in conjunction with the **Study @ Unisa** brochure.

It is strongly recommended that you register for and use **myUnisa** (see the *Study @ Unisa* brochure for details), as this will give you direct access to important information and allow you to perform tasks such as updating your personal information, submitting assignments, confirming receipt of assignments, obtaining assignment marks, obtaining examination time tables and results, joining online discussion forums, and many more.

Dear Student

## 1. INTRODUCTION AND WELCOME

We are pleased to welcome you to this Economics module and hope that you will find it both interesting and rewarding. We will do our best to make your study of the module successful, but you are the only one who can ensure your success. You will be well on your way to success if you start studying early in the semester and resolve to do all the activities and assignments properly.

Distance education is very tough on a student. It requires much self-discipline, sacrifice and hard work, but it can be done. Start early and work consistently throughout the semester. Do not leave studying for the last two weeks before the final examination. It is not possible to master the course in two weeks. You should spend at least eight (8) hours per week on this course. Do all the assignments and start early by answering the questions as you finish each study unit. Tell your family, friends and other students what you have learned in this course. Read the financial news and try to connect what you are learning to what you read. Discuss economics events with your fellow students, your colleagues and your friends. In this way, what you have read will become part of your frame of reference, and you will remember it forever.

You will receive a number of tutorial letters during the semester. A tutorial letter is our way of communicating with you about teaching, learning and assessment.

## 2. TUTORIAL MATTER

This module is presented as a mixed-mode module, which means that you can choose to study it using the hard copies of the study material that will be mailed to you, or you can choose to study it on the internet.

The Department of Despatch should supply you with the following study material for this module soon after registration:

- this tutorial letter (Tutorial Letter 101)
- study guide for ECS1500 that contains the learning units

Some of this tutorial matter may not be available when you register. Tutorial matter that is not available when you register will be posted to you as soon as possible, but is also available on myUnisa.

If you have access to the internet, you can study this course on the ECS1500 website on myUnisa, the University's online campus, which you can find at <http://www.unisa.ac.za/sites/myunisa/default/>. Click on **Learning Units** and you will be able to access the different learning units. You can also view and download the tutorial letters for the modules for which you are registered by clicking on the **Official Study Material** tab.

Please note that the 200 series tutorial letters (Tutorial Letters 201 and 202) contain the discussions of the assignments and they will therefore only be available after the closing date of all the assignments. Because the University may postpone the closing dates of assignments, it may happen that the final closing date of the assignments is close to the examination and that you may not receive the answers in

time to study them for the examination. Take note that we will put the discussion of the assignments on myUnisa (under **Additional Resources**) as soon as the assignment dates have closed.

As you progress through the study material, we will make available feedback on the activities in the learning units on the ECS1500 webpage (under **Additional Resources**).

This Tutorial Letter 101 contains important information about the method of work, resources and assignments for this module. We urge you to read it attentively and to keep it at hand when working through the study material, preparing the assignment(s), preparing for the examination, and addressing questions to your lecturers.

This tutorial letter also contains the assignments, assessment criteria, and instructions on the preparation and submission of the assignments.

We have also included certain general and administrative information about this module. Please study this section of the tutorial letter carefully.

Right from the start, we would like to point out that you must read all the tutorial letters that you will receive during the semester immediately and carefully, because they always contain important and, sometimes, urgent information.

We hope that you will enjoy this module and we wish you every success in your studies.

### **3. PURPOSE OF AND OUTCOMES**

#### **3.1. Purpose**

The purpose of this module is to prepare you for work in the field of business and accounting. It will allow you to reflect on the skills you have already acquired and the resources you will need to manage your own learning development. You will acquire a broader vision of the South African economy and understand how its markets function. Moreover, you will be able to identify your own position and role, and that of the workplace, within this broader economic environment.

#### **3.2. Outcomes**

The main outcomes of this module are as follow:

- You will have a basic understanding of the economic environment.
- You will have a fundamental knowledge of how market economies and price determination function.
- You will have a basic macroeconomic perspective of the South African economy.
- You will also be able to understand the role and contribution of the individual and the workplace in the overall economic performance of the country.

More detailed module outcomes can be found at the beginning of each learning unit in the study guide.

## 4. LECTURERS AND CONTACT DETAILS

### 4.1. Lecturers

Your lecturers for this course are as follows:

- Mrs Cecilia Van Zyl
- Ms Lorraine Nesongozhe

The lecturers allocated to this module may change. We will inform you about such a change on myUnisa.

We, as your lecturers, are responsible for compiling the study material, setting up assessment tests (assignments and examinations) and evaluating your performance in these tests. We are also responsible for overseeing your e-tutors.

You may contact us during weekdays between 08:00 and 16:00 as follows:

- *By e-mail*

Although we provide the e-mail addresses of the lecturers, take note that the lecturers for this module may still change. We will provide the latest contact details on myUnisa.

- Mrs CJ van Zyl – [vzylcj@unisa.ac.za](mailto:vzylcj@unisa.ac.za)
- Ms Lorraine Nesongozhe – [nesonlm@unisa.ac.za](mailto:nesonlm@unisa.ac.za)

- *By telephone*

- Mrs CJ van Zyl – 012 433 4635
- Ms Lorraine Nesongozhe – 012 433 4612
- If we are not available, contact the administrative manager at 012 433 4686.

- *By mail*

Letters to us should be addressed as follows:

- Mrs CJ van Zyl  
Department of Economics  
PO Box 392  
UNISA  
0003

- *Personal visits*

If you are in Pretoria, you are welcome to visit us at our offices. Make sure to contact us beforehand to make an appointment.

Please note that we expect Unisa personnel and you, as students, to communicate in a courteous manner with each other. In any communication with the University, always provide your student number, the relevant module code (in this case ECS1500) and the reason for your communication. If you write an e-mail or a letter, start with a proper salutation, for example *Dear Ms van Zyl*. If you are uncertain whom you are addressing, start with a neutral greeting such as *Good day*. Indicate the purpose of your e-mail or letter very clearly. Use a proper form of leave-taking, for example *Yours sincerely, Respectfully, Regards*, etc. When writing your name, you may use your first and last name, for example *Celia van Zyl* or your title and surname, for example *Mrs van Zyl*. This will ensure that we know how you prefer to be addressed when we reply to you. As we are in the business of education, we need to ensure that you become used to communicate in a proper manner at all times. Therefore, e-mails and letters that do not comply with these guidelines will not be answered, even if it is sent from a cell phone.

We will also communicate with you on myUnisa on the main ECS1500 website, and you will receive announcements from us delivered to your myLife e-mail address. Make sure you access your myLife e-mail address regularly.

All queries about the contents of the study material should be directed to your e-tutor, who will be assigned to you early in the semester. You will communicate with your e-tutor on the ECS1500 e-tutor website. Complaints about e-tutors should be directed to us. Until you have been allocated an e-tutor, you may contact us.

If you have administrative enquiries, contact the relevant administrative department. You will find their contact details in the *Study @ Unisa* brochure, which you have received with your study material. We also provide the e-mail addresses for some of these administrative departments in section 4.3.

## **4.2. Department**

The telephone number for the Department of Economics in Pretoria is 012 433 4661.

## **4.3. University**

If you need to contact the University about matters not related to the content of this module, consult the *Study @ Unisa* brochure, which you have received with your study material. This brochure contains information on how to contact the University (e.g. whom to write to for different queries, important telephone and fax numbers, addresses, and details of the times that certain facilities are open).

We provide some important e-mail addresses for the departments that you might liaise with in the table that follows:

Department	E-mail address
Despatch (study material)	<a href="mailto:despatch@unisa.ac.za">despatch@unisa.ac.za</a>
Enquiries about prescribed books	<a href="mailto:vospresc@unisa.ac.za">vospresc@unisa.ac.za</a>
Assignments	<a href="mailto:assign@unisa.ac.za">assign@unisa.ac.za</a>
Finances	<a href="mailto:finan@unisa.ac.za">finan@unisa.ac.za</a>
Examinations	<a href="mailto:exams@unisa.ac.za">exams@unisa.ac.za</a>
Aegrotat examinations	<a href="mailto:aegrotats@unisa.ac.za">aegrotats@unisa.ac.za</a>

Always have your student number at hand when you contact the University. If you have not received an acceptable response after a week, resend the communication. If, after another week, you have still not received an acceptable response, please contact one of us. When you contact us, provide evidence of your previous communication.

## 5. RESOURCES

### 5.1. Prescribed books

There are no prescribed books for this module. All your study material is contained in your study guide and additional resources will be supplied on myUnisa under **Additional Resources**.

### 5.2. Recommended books

There are no specific recommended books for this module. If you want to consult a textbook to find out more about a specific topic, you can use any introductory textbook for economics.

### 5.3. Electronic reserves (e-reserves)

There are no e-reserves for this module.

### 5.4. Library services and resources information

For detailed information, go to the Unisa website at <http://www.unisa.ac.za/> and click on *Library*.

Information on the services provided by the library can be found by clicking on *About the library* or visiting <http://www.unisa.ac.za/sites/corporate/default/Library/About-the-Library>.

## 6. STUDENT SUPPORT SERVICES

For information on the various student support systems and services available at Unisa (e.g. student counselling, tutorial support programmes and classes, or language support), consult *Study @ Unisa*.



## 6.1. E-tutor groups

Those of you who are registered for ECS1500 will be linked to an e-tutor during the course of the semester. The Department of Information and Communication Technology of Unisa will inform you if and when you have been allocated to an e-tutor group.

Follow the directions on myUnisa to your specific e-tutor website. Your e-tutor will be your first contact should you experience any problems with the **content of the module**. Your e-tutor will assist you in the understanding of sections with which you may experience problems.

If your e-tutor does not provide the service you expect from them, contact the Department of Economics or us (see contact details above).

Also, contact the relevant administrative department (as indicated in *Study @ Unisa*) for **administrative-related queries**, and NOT your e-tutor or lecturer.

## 6.2. Study groups

We advise you to have contact with your fellow students. One way to do this is to form study groups. You can use the **Discussion Forum** tool on the ECS1500 web page on myUnisa to invite other students in your area to form a study group. If you are allocated to an e-tutor group (see below), you should also use that group as an online study group on myUnisa. For further information, consult *Study @ Unisa*.

## 6.3. myUnisa

If you have access to a computer that is linked to the internet, you can quickly access resources and information at the University. The myUnisa learning management system is the Unisa online campus that will help you communicate with your lecturers, with other students and with the administrative departments of Unisa.

To go to the myUnisa website, start at the main Unisa website, <http://www.unisa.ac.za>, and then click on the **myUnisa**. This should take you to the myUnisa website. You can also go there directly by typing in <http://my.unisa.ac.za>.

On the myUnisa site, we will use the resources listed below to ensure effective communication between you and us and to ensure that you receive information on time, that is, information that will help you keep to your study programme and that will create an environment for effective learning.

You may consult the *Study @ Unisa* brochure for more information on myUnisa.

The resources that we use on the **ECS1500 website** are as follows:

### **6.3.1 Announcements**

Under **Announcements**, we may communicate general information about the module, such as a change in the assignment due date, release of assignment and examination results, and posting of tutorial letters, study guidelines and other important information.

### **6.3.2 Discussion forum**

Until all our students have been allocated to an e-tutor group, we will monitor the **Discussion Forum** on the ECS1500 webpage. However, once you have been linked to an e-tutor, start using the **Discussion Forum** on the e-tutor webpage. Take note that the purpose of the discussion forums is to for you to discuss academic issues with fellow students or with your e-tutor. If you experience any administrative problem, such as study material that has not been received, contact the relevant administrative department (see contact details above).

### **6.3.3 Official study material**

This resource is extremely helpful and you should visit this link often to ensure that your studies proceed smoothly. Unisa publishes the following documents under **Official Study Material**:

- all the tutorial letters
- the complete study guide for ECS1500
- previous years' examination papers

### **6.3.4 Additional resources**

We will publish *Discussions of the learning activities* in the learning units under **Additional Resources**.

If we suspect that you may have problems with a particular section of the work, we will provide additional resources to assist you. Therefore, it is important that you contact us and inform us if you have a problem mastering a certain section of the study material. You can do this under the **Discussion Forum**, or by sending us an e-mail or phoning us.

Towards the end of the semester, we will post mock examination papers under **Additional Resources**, as well as the answers to the questions in these papers.

### **6.3.5 Prescribed books**

There is no prescribed book for ECS1500. All your study content is contained in the study guide.

### **6.3.6 Learning units**

If you prefer to study online, you can use the **Learning Units** tool. The content is similar to the content of the learning units in the study guide.

## 6.4. Face-to-face tutorial support programme

Unisa offers face-to-face tutor services to you as additional academic support at the various Unisa regional learning centres throughout the country.

A tutorial is an organised session where you and tutor(s) can meet regularly at a common venue and at scheduled times to discuss course material. The main purpose of the tutorial services is to facilitate learning by developing your independent learning skills and helping you become motivated and independent learners. Tutorials will help you develop and improve your learning experience and academic performance by interacting with the tutor and your fellow students. Those of you who are interested in this programme are advised to consult a learning centre closest to you to enrol for tutorials. For further information on learning centres and tutorials, consult the brochure, *Study @ Unisa*.

Take note: To enrol for face-to-face tutorials, contact the Unisa regional learning centre nearest to you directly. The Department of Economics cannot assist you in this respect.

Note that tutors are not necessarily available for all modules and/or at all learning centres. An appropriate person should be available to appoint as a face-to-face tutor and an adequate number of students must be available to form a tutor group.

## 7. STUDY PLAN

### 7.1. Assignments and learning

Assignments are regarded as part of the learning material for this module. As you do the assignments, study the texts, consult other resources, discuss the work with fellow students or tutors, or do research, you are actively engaged in learning. Looking at the assessment criteria given for this module, the assignments will help you understand what is required of you more clearly.

Enquiries about assignments (e.g. whether or not the University has received your assignment or the date at which an assignment was returned to you) must be directed to the Unisa Assignment Section on 012 429 3812/2873/2587/8613. You might also find information on myUnisa.

You may submit your assignments, which you have completed on mark-reading sheets, by post or electronically via myUnisa, or using your cellular phone. If you submit the assignment on myUnisa, keep a copy of the submission report with the submitted answers, especially Assignment 01 that is compulsory for examination admission. If you submit the assignment by post, make a copy of the completed mark-reading sheet before submission and note the date at which you have submitted it. If the assignment is lost before it can be assessed, a copy will be your proof that you have completed the assignment. Note that Unisa cannot be held responsible for assignments that may get lost in the post.

For detailed information on and requirements for assignments, see *Study @ Unisa*.

Use the *Study @ Unisa* brochure for guidelines on general time-management and planning skills.

### 7.1.1 Feedback on assignments

You will receive the correct answers to the multiple-choice questions. Once the assignment has been marked, a discussion of the correct answers will be placed under **Additional Resources**. After the closing date of Assignments 03, you will receive Tutorial Letter 201 that will contain discussions of the answers to all the assignments. Tutorial Letter 201 will also be available under **Official Study Material** on myUnisa.

As soon as you have received the feedback, please check your answers. The assignments and the feedback on these assignments constitute an important part of your learning and both will help you be better prepared for the examination. Make sure you understand the correct answer to each question, and if you do not understand why that is the correct answer, please contact your lecturer or e-tutor to discuss it.

You should receive the following computer printout mark-sheet from the Assignment Section, which will show your marks for a specific assignment:

The **L ANS** indicates the lecturer's correct options.

The **S ANS** indicates the student's options.

Where the student's options are the same as the correct options, a 1 will appear in the MARK row. In this example, the student's marks add up to 12, in other words,  $12/20 \times 100/1 = 60\%$ .

AMPLE EX MISS (XXXX-XXX-X)		THESE ARE YOUR RESULTS FOR:																		
843 BIG ST		STUDY UNIT:										ECS1500								
CENTRAL PLACE		ASSIGNMENT NO:										01								
1809		UNIQUE NUMBER:										103526								
QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
L ANS	4	2	3	2	3	3	3	3	1	3	3	4	3	2	4	3	2	1	4	3
S ANS	4	2	2	1	3	4	3	3	1	3	3	1	3	3	5	3	2	2	4	2
MARK	1	1			1		1	1	1	1	1		1			1	1		1	
TOTAL SCORE: 12 = 60%																				

## 8. LEARNING STRATEGY AND PROPOSED STUDY PROGRAMME

To study this module, you will need the following material:

- The **study guide** that contains the learning units: The study guide can be accessed in print or on myUnisa. A PDF document similar to the printed version will be available under **Official Study Material** while a more interactive version of the study instructions is available under **Learning Units** on myUnisa.
- **Tutorial Letter 101** (this tutorial letter): It contains your assignments and explains administrative

arrangements.

- *Other tutorial matter:* This will become available on the main ECS1500 website on myUnisa and on your e-tutor website; it will also be mailed to you during the semester.

In this introductory course to Economics, we try to give you a better understanding of the economic environment in which we as South Africans must earn our living. It is important to note that the economic system in South Africa may best be described as a “mixed market economy”. It is an environment in which your success or failure to earn a decent living is largely dependent on your own efforts. Although the government of South Africa is involved in the economy in various ways, the driving force behind economic actions remains the market mechanism. The forces of demand and supply essentially drive this mechanism. Through these forces and the price signals they send out, market players make decisions on who to employ, what to produce, how much to spend, and on what to spend.

It is therefore important that you gain a thorough understanding of the market mechanism, demand and supply, and the overall economic environment in South Africa in order to gain a comprehensive picture of how the economy works. Towards the end of the module, this picture will become clearer and more logical.

Approach each learning unit in the study guide as follows:

- First, read the learning unit outcomes that will help you focus on the important aspects and issues in that unit. You can find them at the beginning of the study guide in the section "Specific learning themes for ECS1500". Have a look at the mind map at the beginning of each learning unit. This will provide an overview of the learning unit. In addition, look at the key concepts that you are expected to master in this learning unit.
- Work through each section of the learning unit. Make notes or summaries as you go along.
- Once you are sure that you have mastered the content of the learning unit, try to answer the questions in the "Learning activity". By the end of the week allocated to this learning unit in the proposed study programme (see next section), we will post the answers to the questions in the learning activities. Evaluate your answers to make sure you have answered the questions correctly. If your answers were not correct, go back to the learning material and try to identify the reason for your mistake.
- If you do not understand parts of the learning material or certain questions, it is time to seek help. Ask for help from your fellow students on myUnisa or in your study groups. If this does not solve your problems, consult your e-tutor or lecturer. It is your responsibility to make sure you understand *all* the study material.

To help you work through this module regularly and systematically, we provide a proposed study programme and three assignments (see section 8.6 of this tutorial letter). The proposed study programme is based on the assumption that first-semester students will commence their studies before or during the last week of January and second-semester students before or during the third week of July. In each semester, the period from the last day of registration to the start of the examination consists of 15 weeks only. Hence, it is critical that you start working as soon as possible and continue working regularly and systematically throughout the semester.

## 8.1. Proposed study programme – first semester

To help you work through this module regularly and systematically, we provide a proposed study programme below and four assignments. Try to keep to this study programme as far as possible.

<b>STUDY WEEK</b>	<b>Week starting</b>	<b>LEARNING UNIT or study instruction</b>
1	29 January	1
2	5 February	2
3	12 February	3
4	20 February	4
5	26 February	Complete and submit compulsory Assignment 01. Closing date: 7 March 2018
6	5 March	5
7	12 March	6
8	19 March	7
9	26 March	Complete and submit Assignment 02. Closing date: 4 April 2018
10	2 April	8
11	9 April	9
12	16 April	10
13	23 April	Complete and submit Assignment 03. Closing date: 26 April 2018
14	30 April	Prepare for examination
15	7 May	Prepare for examination

## 8.2. Proposed study programme – second semester

To help you work through this module regularly and systematically, we provide a proposed study programme below and four assignments. Try to keep to this study programme as far as possible.

STUDY WEEK	Week starting	LEARNING UNIT or study instruction
1	2 July	1
2	9 July	2
3	16 July	3
4	23 July	4
5	30 July	Complete and submit compulsory Assignment 01. Closing date: 8 August 2018
6	6 August	5
7	13 August	6
8	20 August	7
9	27 August	Complete and submit Assignment 02. Closing date: 5 September 2018
10	4 September	8
11	10 September	9
12	17 September	10
13	24 September	Complete and submit Assignment 03. Closing date: 3 October 2018
14	1 October	Prepare for examination
15	8 October	Prepare for examination

## 9. PRACTICAL WORK AND WORK-INTEGRATED LEARNING

There are no practical sessions for this module.

## 10. ASSESSMENT

### 10.1. Assessment plan

Assessment will be done by the module leader and, where applicable, the module team and/or the examiner(s). The name(s) of examiner(s) will be indicated on the examination question papers.

### 10.2. Assessment of assignments

The multiple-choice questions in Assignments 01, 02 and 03 will be marked electronically in accordance with mark-reading masters that the module leader provides to the Assignment Section. One mark will be awarded for each correct answer. No marks will be deducted for incorrect answers.

Note that Assignments 01, 02 and 03 are compulsory. The assignments will contribute as follows to your semester mark:

- Assignment 01: 40%
- Assignment 02: 30%
- Assignment 03: 30%

**Please note:** Although you may work together when preparing assignments, each of you must submit his or her own individual assignment. In other words, you must submit your own ideas. It is unacceptable for students to submit identical assignments on the basis that they worked together. This is copying (a form of plagiarism). Furthermore, you may be penalised or subjected to disciplinary proceedings by the University.

### 10.3. Assessment of examination

The examination will also consist of multiple-choice questions. The questions will cover all the learning units and all the outcomes of the module. The multiple-choice questions will be marked electronically in accordance with mark-reading masters that the module leader provides to the Examination Section.

For general information on and requirements for examinations, see *Study @ Unisa*.

Take note that the applications for and the administration of re-marks of examination scripts are handled solely by the Examinations Section and not by academic departments.



## 10.4. Examination admission

**Take note that submission of Assignment 01 is compulsory to gain admission to the examination.**

All assignments are compulsory and each of them will contribute to the semester and final marks.

How will this work in practice?

### 10.4.1 Semester mark

Your semester mark is based on your assignment marks. The assignments that you submit during the semester will contribute to your semester mark. Different weights are allocated to the assignments as set out above.

Let's look at an example:

Assignment	Marks obtained	Percentage (%)	x weight	
01	$\frac{14}{20}$	70	x 0,4	28,0%
02	$\frac{16}{20}$	80	x 0,3	24,0%
03	$\frac{14}{20}$	70	x 0,3	21,0%
Semester mark				73,0%

If an assignment is not submitted, or it is submitted late (for whatever reason), zero marks are awarded for such assignment, for example:

Assignment	Marks obtained	Percentage (%)	x weight	
01	$\frac{14}{20}$	70	x 0,4	28,0%
02	Not submitted	0	x 0,3	0%
03	$\frac{14}{20}$	70	x 0,3	21,0%
Semester mark				49,0%

### 10.4.2 The examination mark

The percentage achieved in the examination is used in the calculation of your final mark.

### 10.4.3 Final mark

The weight of the semester mark will be 20%, while that of the examination will be 80%.

Your final mark is calculated as follows:

Semester mark (out 100) x 20% + Examination mark (out of 100) x 80%

For example:

Suppose your semester mark is 47% and you get 60% in the examination. Your final mark will be:

$$\begin{aligned} & (47 \times 20\%) + (60 \times 80\%) \\ & = (47 \times 0,2) + (60 \times 0,8) \\ & = 9,4 + 48 \\ & = 57,4\% \end{aligned}$$

- ☛ If your final mark (as calculated by the method above) is 50%, you **pass** *ECS1500*.
- ☛ If your final mark (as calculated in the method above) is less than 50%, but between 40% and 49%, you do not pass *ECS1500*, but qualify for a **supplementary examination**.
- ☛ If your final mark (as calculated in the method above) is less than 40%, you fail *ECS1500* and you have to **reregister** for the module. **When your examination mark is below 40%, your semester mark is not included in the final mark calculations.**

## 10.5. Alternative assessment to assist students who qualify for final year (FI) concessions

The *Study @ Unisa* brochure contains important information on the final-year concession procedure to assist students with one or two modules outstanding. The Department of Examination Administration (DEA) will inform all students who qualify for a final year (FI) concession by SMS/e-mail. Take note that the Department of Economics does not identify the FI students. If you are of the opinion that you qualify for this concession, you should contact the Department of Examination Administration to confirm this ([exams@unisa.ac.za](mailto:exams@unisa.ac.za)).

Alternative methods of assessment are subject to stringent academic rules and processes and they should not be considered an easier option. Failure to achieve the learning outcomes of the module, through the alternative method of assessment, will result in a fail and you will need to re-register for the outstanding module.

## 11. INSTRUCTIONS FOR COMPLETING ASSIGNMENTS

### 11.1. General assignment numbers

Assignments are numbered consecutively per module, starting from 01. In this module, three assignments should be submitted per semester: 01, 02 and 03.

## 11.2. Unique assignment numbers

In addition to the general assignment number (e.g. 01 or 02), each multiple-choice assignment must have its own unique assignment number (e.g. 102717). In this module, all assignments are multiple-choice questions assignments and therefore, they must be completed on a marking-reading sheet or on myUnisa with their own unique assignment numbers. Fill in this unique assignment number on the cover page of the assignment in the space provided for it.

## 11.3. Assignment due dates

The due dates for the submission of assignments to Unisa are also given in the study programme above.

### SEMESTER 1: ASSIGNMENT SUBMISSION DATES

Assignment number	Unique number	Closing date 2018	Content of Assignment	Page of this TL where assignment starts
01	864644	7 March	Learning units 1 to 4	21
02	622633	4 April	Learning units 5 to 7	28
03	852728	26 April	Learning units 8 and 10	37

### SEMESTER 2: ASSIGNMENT SUBMISSION DATES

Assignment number	Unique number	Closing date 2017	Content of Assignment	Page of this TL where assignment starts
01	823065	8 August	Learning units 1 to 4	42
02	813252	5 September	Learning units 5 to 7	49
03	741727	3 October	Learning units 8 and 10	56

## 11.4. Submission of assignments

You may submit the assignments that you have completed on mark-reading sheets either by post or electronically via myUnisa. Remember to keep a copy of your completed assignments, especially Assignment 01, which is compulsory for examination admission. As mentioned above, if this assignment is lost before it can be assessed, a copy will prove to the Examinations Department that you have completed the assignment.

For detailed information on and requirements for assignments, see *Study @ Unisa*.

To submit an assignment via myUnisa:

- Go to myUnisa.
- Log in using your student number and password.
- Select the module from the orange bar.
- Click on **Assignments** in the left menu.
- Click on the assignment number you want to submit.
- Follow the instructions.

We have also posted a document providing guidelines on how to submit an online assignment under **Additional Resources** on myUnisa.

If you experience any problems when submitting your assignment electronically or problems regarding cancellation, resubmitting, etc, contact the myUnisa helpdesk at [myUnisahelp@unisa.ac.za](mailto:myUnisahelp@unisa.ac.za).

Unfortunately, it is not possible for the University or any ECS1500 lecturer to receive and process assignments that are transmitted by means of fax or e-mail. **No assignments submitted by fax or e-mail will be marked.**

If you submit an assignment by **post or using a courier service**, you need to make sure that it will reach the University by the closing date of the assignment. The date at which it is received by Unisa will be stamped on the assignment. We cannot accept responsibility for problems with the postal service or a courier service.

If you submit your assignment at a Unisa assignment box, the date at which you place it in the box will be stamped on the envelope. If your assignment is submitted by post, via a courier service or a Unisa assignment box, it may take a few days before it is captured on the system. However, as long as it is received by Unisa on or before the closing date of the assignment, it will be marked and it will count towards your semester mark.

## 11.5. Assignments

### 11.5.1 Assignment 01 (first semester)

<b>ASSIGNMENT 01 (FIRST SEMESTER)</b>	
<b>UNIQUE NUMBER</b>	<b>864644</b>
<b>CLOSING DATE</b>	<b>7 March 2018</b>
<b>LEARNING UNITS</b>	<b>1 to 4</b>
<b>WEIGHT FOR SEMESTER MARK</b>	<b>40%</b>

The first 10 questions of this assignment are about you and not about the study material. The last two questions are about your experience concerning the completion of this assignment. We want to know a little bit more about you to make sure that our study material is on the correct level and we want to find out more about the level of service provided by Unisa. These questions do not have correct or incorrect answers.

Please answer this assignment on the prescribed answer sheet.

1.1 Which ONE of the following is true of your registration for ECS1500?

- [1] This is the first time I have registered.
- [2] This is the second time I have registered.
- [3] This is the third time I have registered.
- [4] This is the fourth time I have registered.
- [5] I have registered for ECS1500 more than four times.

1.2 Which ONE of the following applies to you?

- [1] This is my first registration for ECS1500
- [2] I have been registered for this module before, but I have never written the examination.
- [3] I have written the examination for this module once.
- [4] I have written the examination for this module twice.
- [5] I have written the examination for this module three or more times.

1.3 Which ONE of the following applies to you?\*

- [1] My home language is English.
- [2] My home language is not English but English home language was one of my matric subjects.
- [3] My home language is not English and English Additional Language was one of my matric subjects.

\* Those of you who do not have a South African matric should choose the option you think is most relevant to you.

1.4 In my matric results \_\_\_\_\_\*

- [1] I passed Mathematics with a C symbol or higher.
- [2] I passed Mathematics with a D symbol or lower.
- [3] I passed Mathematical Literacy with a C symbol or higher.
- [4] I passed Mathematical Literacy with a D symbol or lower.
- [5] I did not pass Mathematics or Mathematical Literacy.

\* Those of who do not have a South African matric should choose the option you think is most relevant to you.

1.5 In my matric results \_\_\_\_\_\*

- [1] I passed English with a C symbol or higher.
- [2] I passed English with a D symbol.
- [3] I passed English with an E symbol.
- [4] I had an F symbol or lower for English.
- [5] I did not do take English for matric.

\* Those of who do not have a South African matric should choose the option you think is most relevant to you.

1.6 Which ONE of the following describes your situation best?

- [1] I am a full-time student who does not have any form of employment.
- [2] I am a full-time student who works part time for extra pocket money (not to pay for my studies).
- [3] I am a full-time student who works part time to pay for my studies.
- [4] I work full time and only study after work, and the work that I do is not related to my degree at all.
- [5] I work full time and only study after work, and the work that I do is related to my degree.

1.7 How long after you registered did you receive your study material?

- [1] immediately (when I registered)
- [2] in less than a week after registration
- [3] between one and two weeks after registration
- [4] between two and three weeks after registration
- [5] more than three weeks after registration

1.8 Regarding the service provided by the Department of Economics \_\_\_\_\_

- [1] I have never tried to contact the Department of Economics.
- [2] I contacted the department on one occasion, but found them unhelpful.
- [3] I tried to contact the department by telephone, but could not get through to them.
- [4] I sent the department an e-mail, but never received a reply.
- [5] I contacted the department and found them friendly and helpful.

1.9 Which ONE of the following best describes your access to SMSs?

- [1] I can receive SMSs on my own cell phone.
- [2] I can receive SMSs on the cell phone of someone who lives with me.
- [3] I can receive SMSs on the cell phone of someone I know, but who does not live with me.
- [4] I cannot receive SMSs at all.

1.10 Which ONE of the following applies to you?

- [1] I have access to the internet.
- [2] I have access to e-mail.
- [3] I have access to both the internet and e-mail.
- [4] I do not have access to either the internet or e-mail.

The following 20 questions (1.11–1.30) are about the study material, and they make up the assignment questions. Feedback on these questions will be provided on myUnisa under **Additional Resources** after the closing date and in hard copy in Tutorial Letter 201 after the closing date of Assignment 03.

1.11 Economic choices are influenced by the availability of factors of production.

- [1] True
- [2] False

1.12 Demand refers to the needs and wants of households.

- [1] True
- [2] False

1.13 A change in demand refers to a movement along a demand curve due to a price change, whereas a change in quantity demanded refers to a shift in the entire demand curve.

- [1] True
- [2] False

1.14 Suppose chicken is an inferior good – then an increase in the income of households will lead to an increase in the price of chicken, *ceteris paribus*.

- [1] True
- [2] False

1.15 The market consists of all the different persons, companies and institutions that demand a product.

- [1] True
- [2] False

1.16 In microeconomics we can study...

- [1] the consumer price index
- [2] the labour market
- [3] the production of agricultural products
- [4] Blue-Pink's decisions to establish a market in New York

1.17 Which one of the following does **NOT** form part of the factors of production?

- [1] machines
- [2] land
- [3] money
- [4] labour

1.18 The opportunity cost of a particular activity...

- [1] measures the direct benefits of that activity
- [2] may include both monetary costs and forgone income
- [3] is the same for everyone pursuing this activity
- [4] always decreases as more of that activity is pursued

1.19 In 30 minutes John can type 200 words or read two chapters of a novel. His opportunity cost of reading two chapters of a novel amounts to .....

- [1] typing 200 words and reading two chapters of the novel
- [2] typing 200 words
- [3] reading one chapter of the novel
- [4] typing 100 words



1.20 In economic theory we often assume that the demand for cash is not influenced by the interest rate level. A curve which shows the relationship between the demand for cash and the interest rate level may therefore be ... to show that the two variables are ...

- [1] horizontal; related
- [2] vertical; unrelated
- [3] straight; linear
- [4] None of the above.

1.21 Market clearing takes place when....

- [1] demand equals supply
- [2] quantity demanded equals quantity supplied
- [3] supply equals quantity demanded
- [4] demand equals quantity supplied

1.22 Suppose Body Fragrances increases the price of its Adore Me fragrance from \$150 to \$200. The result is a decrease in...

- [1] the demand for this product
- [2] the supply for this product
- [3] the quantity demanded of this product
- [4] the quantity supplied of this product

1.23 In which of the following cases will the effect on equilibrium output be indeterminate?

- [1] Demand remains constant and supply increases.
- [2] Demand decreases and supply decreases.
- [3] Demand decreases combined with a sudden increase in supply.
- [4] Demand increase and supply increases.

1.24 Suppose the market is in equilibrium – which of the following will always result in an increase in the equilibrium price?

- [1] a decrease in supply and an increase in demand
- [2] a decrease in both the supply and demand
- [3] an increase in both the supply and demand
- [4] a decrease in demand and an increase in supply

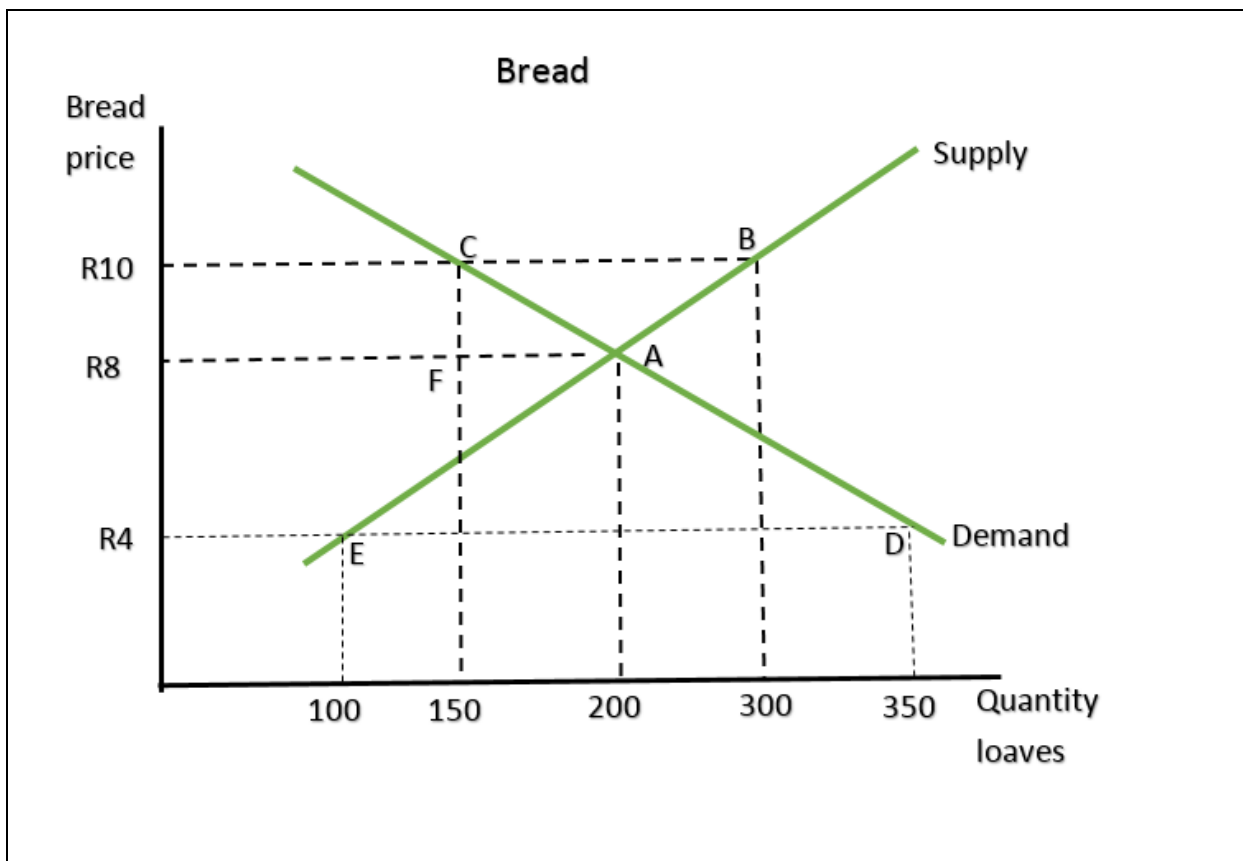
1.25 Maize and wheat are substitutes in production. If an increase in demand for maize results in an increase in the price of maize, the supply curve of wheat will .....

- [1] shift leftward and the equilibrium price will rise
- [2] both the supply curve and equilibrium price will remain constant
- [3] shift leftward and the equilibrium price will fall
- [4] shift leftward and the equilibrium price will remain unchanged

1.26 If a product is an inferior good, demand is .....

- [1] directly related to price
- [2] inversely related to price
- [3] directly related to the price of substitutes
- [4] inversely related to income

Use the graph below to answer questions 1.27 and 1.28:



1.27 At a price of R10,00 there is .....

- [1] excess supply equal to 150
- [2] excess supply equal to 300
- [3] excess demand equal to 100
- [4] None of the above.

1.28 Suppose the price of bread is R9. Excess demand is equal to .....

- [1] 150
- [2] 200
- [3] 250
- [4] None of the above.

Use the following information to answer question 1.29. Suppose the equation for the market demand curve is  $Q_D = 60 - 0.3P$  and the equation for the market supply curve is  $Q_S = 30 + 0.2P$ .

1.29 The equilibrium price and equilibrium quantity are...

- [1]  $P = 60; Q = 78$
- [2]  $P = 42; Q = 60$
- [3]  $P = 75; Q = 450$
- [4]  $P = 60; Q = 42$

1.30 Use the following information to answer this question. Suppose the equation for the market demand curve is  $Q_D = 4 + 0.3P$  and supply is represented by the equation  $Q_S = -30 + 0.5P$   
The equilibrium quantity is...

- [1] 350
- [2] 55
- [3] 145
- [4] None of the above.

**The last two questions (31 and 32) are about your experience of this assignment.**

1.31 The learning units that I had to study to complete this assignment \_\_\_\_\_

- [1] helped me work through the textbook systematically.
- [2] did not help me understand the study material in the textbook better.
- [3] were totally irrelevant to the assignment questions.
- [4] I did not use the learning units at all, although I had access to them.
- [5] I did not have access to the learning units.

1.32 Which ONE of the following best describes your situation?

- [1] I worked through all the prescribed study material before attempting this assignment.
- [2] I quickly glanced through the prescribed study material before attempting this assignment.
- [3] I did not study the prescribed study material before attempting the assignment, but looked for the answers in the study material.
- [4] I could answer the questions without referring to the study material.
- [5] I just chose my answers randomly.

### 11.5.2 Assignment 02 (first semester)

ASSIGNMENT 02 (FIRST SEMESTER)	
UNIQUE NUMBER	622633
CLOSING DATE	4 April 2018
LEARNING UNITS	5 to 7
WEIGHT FOR SEMESTER MARK	30% of semester mark

Complete the assignment and provide your final answers on the prescribed answer sheet. Feedback on these questions will be provided on myUnisa under **Additional Resources** after the closing date, and in hard copy in Tutorial Letter 201 after the closing date of Assignment 03.

2.1 Which ONE of the following statements is true, based on the information in the table?

Price sensitivity of the demand for golf balls = $-3$ .
Price sensitivity of the demand for electricity = $-0,3$
Price sensitivity of the supply of golf balls = $0,3$ .
Price sensitivity of the supply of electricity = $3$

- [1] The demand for golf balls is not sensitive to price changes.
- [2] The quantity of electricity demanded will change a great deal when the price of electricity changes.
- [3] The supply of golf balls is very sensitive to price changes.
- [4] It is easy to adjust the amount of electricity supplied when the price changes.
- [5] The demand for golf balls is less price sensitive than the demand for electricity.

2.2 Which ONE of the following statements is true?

- [1] The price elasticity of demand for milk can be expected to be more price sensitive than the price elasticity of demand for beer, because beer is more expensive per litre than milk is.
- [2] People generally buy more milk than beer; therefore, the demand for milk can be expected to be more price sensitive than the demand for beer.
- [3] The elasticity of the demand for milk cannot be compared to the elasticity of the demand for advice provided by a dietician, because milk is a good while advice by a dietician is a service.
- [4] If the demand for bread is price sensitive, the supply of bread will change by a large quantity when the price of bread changes.
- [5] If the supply of milk is price sensitive, the quantity supplied of milk will change when the price of milk changes.

- 2.3 The quantity of coal demanded changes from 45 000 tons a month to 50 000 tons a month when the price changes from R1 500 to R1 600. Based on this information, which of the following statements is/are correct?
- The percentage change in the quantity of coal demanded is larger than the percentage change in the price of coal.
  - The percentage change in the quantity of coal is smaller larger than the percentage change in the price of coal.
  - The demand for coal is price elastic.
  - The demand for coal is not price elastic.

[1] a c

[2] a d

[3] b c

[4] b d

Question 2.4 is based on the following information:

Good	Income elasticity of demand
A	2
B	0,2
C	-0,2

- 2.4 Based on the information in the above table, which of the following statements is/are correct?
- Good A is an inferior good.
  - Good B is a luxury good.
  - Good C is an inferior good.
  - Goods A and B are both normal goods.

[1] a b c d

[2] a b c

[3] c d

[4] b c

[5] c

- 2.5 Which one of the following can provide a correct explanation for an increase in the quantity demanded of good E?

[1] Income of consumers has increased and good E is an inferior good.

[2] The price of good F, which is a substitute good of good E, decreased.

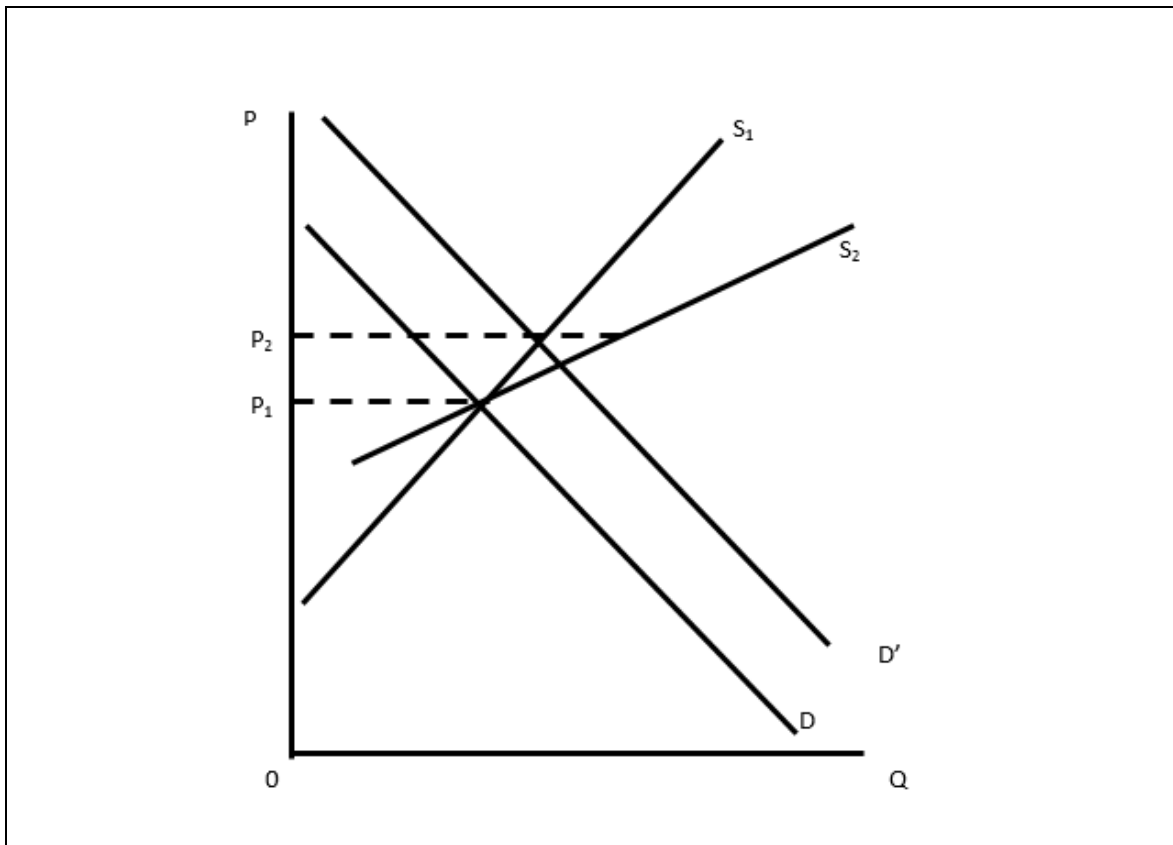
[3] The price of good G, which is a complement for good E, increased.

[4] The price of good E decreased.

2.6 If the percentage change in the quantity supplied of a good is exactly equal to the percentage change in the price of a good, the price elasticity of supply of that good \_\_\_\_\_

- [1] is larger than one.
- [2] is smaller than one.
- [3] is inelastic.
- [4] is unitary elastic.

Question 2.7 is based on the following diagram:



2.7 Which one of the following statements is correct?

- [1] When demand for a good increases, excess demand will result in a drop in the price of that good.
- [2] Demand curve  $D'$  is more elastic than demand curve  $D$ .
- [3] Supply curve  $S_1$  is more elastic than supply curve  $S_2$ .
- [4] When supply is more elastic, a given increase in demand results in a larger increase in the equilibrium quantity.
- [5] When supply is less elastic, a given rise in the price of the good will result in a larger change in the quantity supplied than for a more elastic supply.

2.8 Which of the following can be regarded as macro-economic policy objectives?

- a. stable prices
- b. strong economic growth
- c. full employment
- d. balance of payment stability
- e. low petrol price

[1] a b c d e

[2] a b c d

[3] a b c

[4] a e

[5] b c

Question 2.9 is based on the following table, which shows the production process of bottled honey and the amount received by each participant in the production and supply process:

	Value of sales (R)
Farmer	5 000
Company that separates honey from honey comb	6 000
Company that pasteurises and bottles honey	9 000
Wholesaler	10 000
Retail shop	12 000

2.9 Which of the following statements is correct:

- [1] The total value added to GDP by the retail shop is R12 000.
- [2] The total value added to GDP by this production process is equal to R42 000.
- [3] The total value added to GDP by the company that pasteurises and bottles the honey is R9 000.
- [4] The total value added to GDP by this production process is equal to R12 000.
- [5] The total value added to GDP by this production process is equal to R7 000.

Question 2.10 is based on the information in the following table:

Year	GDP at current prices (X 000)	GDP at constant prices (X 000)	GDP deflator
2010	135 000	a	92
2011	145 000	151 515	95,7
2012	160 000	160 000	100
2013	162 000	164 467	b
2014	167 000	c	102
2015	171 000	162 857	d
2016	174 000	e	107,5

2.10 Which of the following is correct?

- [1] a = X115 000 000
- [2] b = 98,5
- [3] c = X17 034 000 000
- [4] d = 95,2
- [5] e = X187 050

Question 2.11 is based on information of country XYZ for 2016 in the following table:

Item	Amount (Q 000)
Consumption expenditure by households	150
Government expenditure	130
Gross capital formation	80
Exports	45
Imports	65

2.11 Expenditure on GDP of country XYZ for 2016 is equal to \_\_\_\_\_

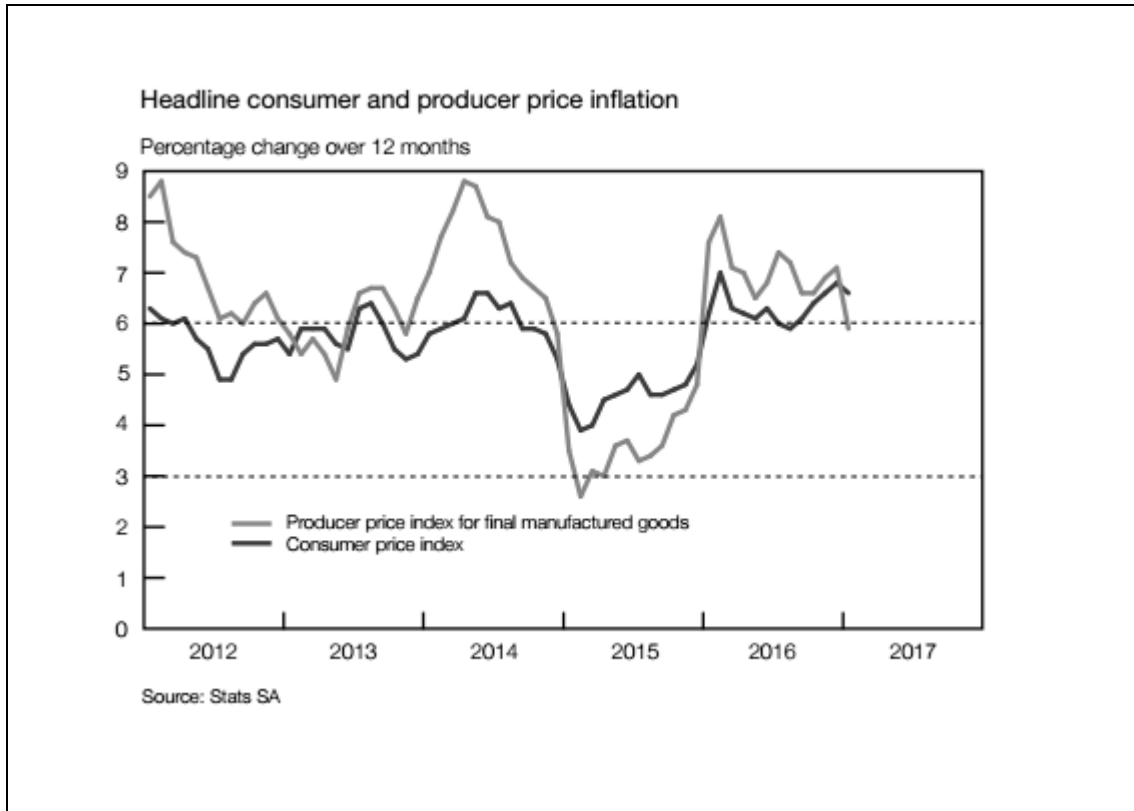
- [1] Q360 000
- [2] Q470 000
- [3] Q340 000
- [4] Q380 000
- [5] Q150 000



2.12 Which one of the following statements describes a shortcoming of using GDP as a measure of economic growth and welfare?

- [1] Production of goods that do not have a market price is not included in the GDP.
- [2] Activity in the informal sector is included when the GDP is calculated.
- [3] An increase in expenditure to limit pollution will not be included in the GDP.
- [4] An increase in the leisure time of workers will reflect as an increase in the GDP.

Question 2.13 is based on the following diagram that appeared in the South African Reserve Bank *Quarterly bulletin* for March 2017:



2.13 Based on the above diagram, indicate which of the following statements is correct:

- [1] During 2014, producer prices were decreasing.
- [2] During the first half of 2015, consumer prices were increasing at a faster rate than production prices.
- [3] The production price index is always higher than the consumer price index because producers cannot pass the whole of a price increase on to consumers.
- [4] During 2012, consumer prices were decreasing at a slower rate than production prices.

2.14 Which of the following statements on the production price index is correct?

- [1] The PPI shows how the average price level of goods and services bought by a typical consumer or household changes over time.
- [2] The same basket of goods are used to measure the CPI and the PPI.
- [3] The PPI excludes the prices of imported goods measured when these goods first enter the country.
- [4] The PPI includes capital and intermediate goods.
- [5] The PPI includes services.

Question 2.15 is based on the following information on employment in country XYZ:

Number of employed people: 350 million

Number of unemployed people who have looked for a job in the past four weeks: 200 million

Number of unemployed people who have not looked for a job in the past four weeks: 40 million

Number of people under 16: 200 million

Number of people older than 65: 100 million

2.15 Which of the following statements is correct?

- [1] According to the strict definition of unemployment, the number of unemployed people is 240 million.
- [2] According to the expanded definition of unemployment, the number of unemployed people is 540 million.
- [3] The size of the labour force is 890 million.
- [4] The unemployment ratio, using the strict definition of unemployment, is 57,14%.
- [5] The unemployment ratio, using the expanded definition of unemployment, is 40,68%.

2.16 If coalmine workers lose their jobs because less coal is needed due to implementing nuclear power programmes instead of using power stations fuelled by coal, it is an example of \_\_\_\_\_ unemployment.

- [1] voluntary
- [2] frictional
- [3] seasonal
- [4] cyclical
- [5] structural

2.17 Which of the following will contribute to a rightward shift of the whole or part of the Lorenz curve?

- a. The share of income of the top 20% of income earners increases by 5%.
- b. The share of total income going to the bottom 40% of income earners increases by 5%.
- c. The share of income going to the bottom 20% of income earners decreases by 5%.

[1] a b c

[2] a b

[3] a c

[4] b c

[5] b

2.18 Which of the following will contribute to an increase in the Gini coefficient?

- a. The share of income of the top 20% of income earners increases by 5%.
- b. The share of total income going to the bottom 40% of income earners increases by 5%.
- c. The share of income going to the bottom 20% of income earners decreases by 5%.

[1] a b c

[2] a b

[3] a c

[4] b c

[5] b

2.19 The \_\_\_\_\_ marks the beginning of the contraction of the business cycle.

[1] upswing

[2] peak

[3] downswing

[4] trough

Complete the last two columns of the following table to answer question 2.20 that is based on the information in the table:

<b>Year</b>	<b>GDP at current prices (X 000)</b>	<b>GDP at constant prices (X 000)</b>	<b>Growth in GDP at current prices</b>	<b>Growth in GDP at constant prices</b>
2010	135 000	146 739		
2011	145 000	151 515		
2012	160 000	160 000		
2013	162 000	164 467		
2014	167 000	163 725		
2015	171 000	162 857		
2016	174 000	161 860		

2.20 Based on the information in the table above, indicate which of the following statements is correct:

- [1] In 2011, GDP at constant prices grew at 7,41%.
- [2] In 2013, the growth in GDP at current prices was higher than the growth in GDP at constant prices.
- [3] In 2015, the economy grew.
- [4] From 2014 onwards, real GDP declined every year.
- [5] From 2015 onwards, nominal GDP declined every year.

**11.5.3 Assignment 03 (first semester)**

<b>ASSIGNMENT 03 (FIRST SEMESTER)</b>	
<b>UNIQUE NUMBER</b>	<b>852728</b>
<b>CLOSING DATE</b>	<b>26 April 2018</b>
<b>LEARNING UNITS</b>	<b>8 to 10</b>
<b>WEIGHT FOR SEMESTER MARK</b>	<b>30% of semester mark</b>

Complete the assignment and provide your final answers on the prescribed answer sheet. Feedback on these questions will be provided on myUnisa under **Additional Resources** after the closing date and in hard copy in Tutorial Letter 201 after the closing date of the third assignment.

Use the following information to answer question 3.1:

Suppose

- China produces 4 tables or 12 chairs
- South Africa produces 2 tables and 8 chairs

3.1 China has both absolute and comparative advantage over South Africa in the production of tables.

- [1] True  
[2] False

3.2 A free market can still be efficient when negative or positive externalities are present.

- [1] True  
[2] False

3.3 As a nation's income increases, its demand for imports increases, creating an increase in its demand for foreign currencies.

- [1] True  
[2] False

3.4 In South Africa, the monetary policy is administered by the South African Reserve Bank (SARB).

- [1] True  
[2] False

3.5 The main problem of a barter exchange system is the need for a double coincidence of wants.

- [1] True  
[2] False

- 3.6 The free market system fails to produce public goods because \_\_\_\_\_
- [1] public enterprises can produce such goods at lower cost than private enterprises.
  - [2] there is no need or demand for such goods.
  - [3] their production seriously distorts the distribution of income.
  - [4] private firms cannot restrict the benefits of such goods to consumers who are willing to pay for them.
- 3.7 The manufacture and importation of which one of the following is NOT subject to excise tax?
- [1] tobacco products
  - [2] mineral products
  - [3] traditional African beer
  - [4] tyres
- 3.8 The fact that the first (provisional) estimates of gross domestic product (GDP) become available only after a lag of about six weeks, forms part of the \_\_\_\_\_
- [1] recognition lag.
  - [2] implementation lag.
  - [3] impact lag.
  - [4] decision lag.
- 3.9 The \_\_\_\_\_ lag for fiscal policy is always \_\_\_\_\_ that of monetary policy.
- [1] administrative; equal to
  - [2] impact; shorter than
  - [3] administrative; shorter than
  - [4] impact; longer than
- 3.10 The exchange rate is R13 = \$2. If a laptop is selling for \$700, then the cost in rand would be \_\_\_\_\_
- [1] R53,85.
  - [2] R107,69.
  - [3] R4 550,00.
  - [4] R9 100,00.
- 3.11 Suppose the nominal interest rate is 3% and the inflation rate amounts to 5% in the year 2018, the real interest rate is \_\_\_\_\_
- [1] 8%.
  - [2] 5%.
  - [3] 3%.
  - [4] -2%.

3.12 From the circular flow diagram, taxes are paid by \_\_\_\_\_

- (a) firms.
- (b) households.
- (c) government.

- [1] a b c
- [2] a b
- [3] b c
- [4] only a
- [5] only b

3.13 From the equation  $MV = PY$ , the velocity of the circulation of money refers to \_\_\_\_\_

- [1] the number of times money changes hands during a specified period.
- [2] the change in the money supply during a specified period.
- [3] the change in the price level during a specified period.
- [4] the change in real production during a specified period.

3.14 When a South African resident pays R20 000 into a money market fund in the United Kingdom, this forms part of \_\_\_\_\_

- [1] direct investment.
- [2] portfolio investment.
- [3] income payments.
- [4] other investment.

3.15 Which one of the following is an example of a secondary market transaction?

- [1] The government issues new government bonds to finance the budget deficit.
- [2] A bank issues securities to obtain funds to lend out to deficit units.
- [3] A person who wants to buy a house obtains a bond from a financial institution.
- [4] Standard Bank buys government bonds from First National Bank.

Use the table to answer questions 3.16 and 3.17.

Item	R million
Merchandise exports	800 000
Merchandise imports	950 000
Unrecorded transactions	7 500
Service receipts	61 000
Net gold exports	60 000
Net direct investments	70 000
Net portfolio investments: assets	25 000
Other investment: trade credit	11 000
Investment income paid to foreigners	105 000
Investment income received from foreigners	200 000
Payment for services	55 000
Current transfers	-20 000
Income receipts	75 000
Income payments	120 000

3.16 Based on the information above, the balance on the trade balance is \_\_\_\_\_

- [1] R150 000 million.
- [2] R181 000 million.
- [3] -R90 000 million.
- [4] -R84 000 million.

3.17 Based on the information above, the balance on the current account is \_\_\_\_\_

- [1] R161 000 million.
- [2] -R90 000 million.
- [3] -R149 000 million.
- [4] -R161 000 million.

3.18 The main function of financial intermediaries in the South African economy is to \_\_\_\_\_

- [1] assist with the transfer of funds from surplus units to deficit units.
- [2] assist the central bank in determining the repo rate.
- [3] maintain and implement monetary policy.
- [4] regulate the quantity of money in an economy.



3.19. Which one of the following is an example of a positive externality?

- [1] The distance that goods travel from producer to final consumers.
- [2] An increase in gambling addiction due to a new casino that was built in a city.
- [3] Road congestion, which is the result of more persons working in the same area in a city.
- [4] City dwellers that decide to walk to work instead of drive and this contributes to lower carbon emissions.

3.20 According to the law of comparative advantage, if two nations specialise in the goods in which each has a comparative advantage, then trade between the nations will result in \_\_\_\_\_

- [1] both nations being better off.
- [2] one nation benefitting at the expense of the other nation.
- [3] a decrease in total world production.
- [4] nations decreasing their level of consumption.

#### 11.5.4 Assignment 01 (second semester)

<b>ASSIGNMENT 01 (SECOND SEMESTER)</b>	
<b>UNIQUE NUMBER</b>	<b>823065</b>
<b>CLOSING DATE</b>	<b>8 August 2018</b>
<b>LEARNING UNITS</b>	<b>1 to 4</b>
<b>WEIGHT FOR SEMESTER MARK</b>	<b>40%</b>

The first 10 questions of this assignment are about you and not about the study material. The last two questions are about your experience concerning the completion of this assignment. We want to know a little bit more about you to make sure that our study material is on the correct level and we want to find out more about the level of service provided by Unisa. These questions do not have correct or incorrect answers.

The first 10 questions of this assignment are about you and not about the study material. The last two questions are about your experience concerning the completion of this assignment. We want to know a little bit more about you to make sure that our study material is on the correct level and we want to find out more about the level of service provided by Unisa. These questions do not have correct or incorrect answers.

Please answer this assignment on the prescribed answer sheet.

1.1 Which ONE of the following is true of your registration for ECS1500?

- [1] This is the first time I have registered.
- [2] This is the second time I have registered.
- [3] This is the third time I have registered.
- [4] This is the fourth time I have registered.
- [5] I have registered for ECS1500 more than four times.

1.2 Which ONE of the following applies to you?

- [1] This is my first registration for ECS1500
- [2] I have been registered for this module before, but I have never written the examination.
- [3] I have written the examination for this module once.
- [4] I have written the examination for this module twice.
- [5] I have written the examination for this module three or more times.

1.3 Which ONE of the following applies to you?\*

- [1] My home language is English.
- [2] My home language is not English but English home language was one of my matric subjects.
- [3] My home language is not English and English Additional Language was one of my matric subjects.

\* Those of you who do not have a South African matric should choose the option you think is most relevant to you.

1.4 In my matric results \_\_\_\_\_\*

- [1] I passed Mathematics with a C symbol or higher.
- [2] I passed Mathematics with a D symbol or lower.
- [3] I passed Mathematical Literacy with a C symbol or higher.
- [4] I passed Mathematical Literacy with a D symbol or lower.
- [5] I did not pass Mathematics or Mathematical Literacy.

\* Those of who do not have a South African matric should choose the option you think is most relevant to you.

1.5 In my matric results \_\_\_\_\_\*

- [1] I passed English with a C symbol or higher.
- [2] I passed English with a D symbol.
- [3] I passed English with an E symbol.
- [4] I had an F symbol or lower for English.
- [5] I did not do take English for matric.

\* Those of who do not have a South African matric should choose the option you think is most relevant to you.

1.6 Which ONE of the following describes your situation best?

- [1] I am a full-time student who does not have any form of employment.
- [2] I am a full-time student who works part time for extra pocket money (not to pay for my studies).
- [3] I am a full-time student who works part time to pay for my studies.
- [4] I work full time and only study after work, and the work that I do is not related to my degree at all.
- [5] I work full time and only study after work, and the work that I do is related to my degree.

1.7 How long after you registered did you receive your study material?

- [1] immediately (when I registered)
- [2] in less than a week after registration
- [3] between one and two weeks after registration
- [4] between two and three weeks after registration
- [5] more than three weeks after registration

1.8 Regarding the service provided by the Department of Economics \_\_\_\_\_

- [1] I have never tried to contact the Department of Economics.
- [2] I contacted the department on one occasion, but found them unhelpful.
- [3] I tried to contact the department by telephone, but could not get through to them.
- [4] I sent the department an e-mail, but never received a reply.
- [5] I contacted the department and found them friendly and helpful.

1.9 Which ONE of the following best describes your access to SMSs?

- [1] I can receive SMSs on my own cell phone.
- [2] I can receive SMSs on the cell phone of someone who lives with me.
- [3] I can receive SMSs on the cell phone of someone I know, but who does not live with me.
- [4] I cannot receive SMSs at all.

1.10 Which ONE of the following applies to you?

- [1] I have access to the internet.
- [2] I have access to e-mail.
- [3] I have access to both the internet and e-mail.
- [4] I do not have access to either the internet or e-mail.

The following 20 questions (1.11–1.30) are about the study material, and they make up the assignment questions. Feedback on these questions will be provided on myUnisa under **Additional Resources** after the closing date and in hard copy in Tutorial Letter 201 after the closing date of Assignment 03.

1.11 To solve the economic problem, the government should print more money.

- [1] True
- [2] False

1.12 If prices are expected to decrease, it is expected that consumers will suspend current consumption.

- [1] True
- [2] False

1.13 A second-hand car is not an intermediate good and thus, it should be recorded as part of economic activity for the current period.

- [1] True
- [2] False

1.14 If Peter decides to go to the cinema instead of studying, the time that he could have been studying should be included in the opportunity cost of going to the cinema.

- [1] True
- [2] False

1.15 If the demand for handbags decreases and the supply of handbags increases simultaneously, the resultant effect is that the price will decrease, but the direction of the change in the equilibrium quantity cannot be predicted with certainty.

- [1] True
- [2] False

1.16 Scarcity means that \_\_\_\_\_

- [1] demands will exceed wants.
- [2] most demands will be satisfied.
- [3] wants will exceed demand.
- [4] demands will be equal to wants.

1.17 Opportunity cost arises due to \_\_\_\_\_

- [1] a lack of monetary resources.
- [2] resources being shifted away from producing one good in order to produce another.
- [3] limited wants.
- [4] None of the above

1.18 Suppose Lorna wants to go skating at a price of R150. She estimates that the cost of driving to the ice arena and of parking will amount to R30. To go skating Lorna will have to take a day off from her part-time work as a personal assistant. She estimates that she will lose 7 hours at her wage rate of R15 an hour. Lorna's opportunity cost of skating equals \_\_\_\_\_

- [1] 105.
- [2] 255.
- [3] 285.
- [4] 180.

1.19 Assume an inverse relationship between studying and working. This is illustrated by a \_\_\_\_\_

- [1] horizontal curve.
- [2] vertical curve.
- [3] non-linear line.
- [4] linear curve.

1.20 *Ceteris paribus* is a Latin phrase that literally means \_\_\_\_\_

- [1] "price remains constant".
- [2] "other things remain unchanged".
- [3] "quantity and price remain constant".
- [4] "price determinants remain constant".

1.21 Bread and rolls are alternative goods in production (substitutes). Which of the following describes the relationship between the quantities of bread and the quantities of rolls that can be produced?

- [1] direct relationship
- [2] inverse relationship
- [3] positive relationship
- [4] unrelated

1.22 If the cost of producing an inferior product increases and people's incomes increase at the same time, the equilibrium quantity demanded and supplied of the product will \_\_\_\_\_

- [1] decrease.
- [2] increase.
- [3] either increase or decrease.

1.23 If an increase in the price of dresses leads to a decrease in the demand for scarfs, then dresses and scarfs are \_\_\_\_\_

- [1] inferior goods.
- [2] substitutes.
- [3] complements.
- [4] normal goods.

- 1.24 Jam and tinned fruit are substitutes in production. A shift in the supply of jam may be caused by \_\_\_\_\_
- [1] a change in the price of jam.
  - [2] a change in the price of canned fruit.
  - [3] a change in income.
  - [4] a change in consumer preferences.
- 1.25 The demand curve is downward sloping because \_\_\_\_\_
- [1] when the price of the product increases, the quantity demanded decreases.
  - [2] when suppliers produce more goods, consumers demand more.
  - [3] when the price of the product increases, the quantity supplied decreases
  - [4] when the price of the product increases, the quantity supplied increases.
- 1.26 Suppose the market is in equilibrium, and then the demand decreases. Which of the following will contribute to reaching the new equilibrium price?
- [1] excess demand at the new equilibrium price
  - [2] excess supply at the new equilibrium price
  - [3] excess supply at the initial equilibrium price
  - [4] excess demand at the initial equilibrium price
- 1.27 The demand for commodity A is represented by the equation  $Q_D = 80 - 3P$  and the supply of commodity A is represented by  $Q_S = 50 + 2P$ . The equilibrium price is R\_\_\_\_\_ and the equilibrium quantity is \_\_\_\_\_
- [1] 8; 60.
  - [2] 6; 62.
  - [3] 10; 64.
  - [4] 12; 68.
- 1.28 The demand for commodity B is represented by the equation  $Q_D = 60 + 0.5P$  and the supply of commodity B is represented by  $Q_S = -30 + 0.7P$ . The equilibrium price is \_\_\_\_\_
- [1] 25.
  - [2] 75.
  - [3] 150.
  - [4] 450.

1.29 Assume that desktops and laptops are substitutes. Which of the following will lead to a decrease in the demand for desktops?

- [1] an increase in the price of desktops
- [2] union action that arises in the laptop-producing industry and a simultaneous increase in consumer incomes
- [3] an increase in immigration
- [4] an increase in the number of sellers of laptops

1.30 Bread and butter are complements. Which of the following statements is true about the effect of an increase in the price of bread?

- [1] The demand for butter will decrease.
- [2] The demand for bread will decrease and the equilibrium price and quantity of butter will fall.
- [3] The equilibrium price of butter will rise and the equilibrium quantity of butter will fall.
- [4] The equilibrium price and quantity of butter will rise.

**The last two questions (1.31 and 1.32) are about your experience of this assignment.**

1.31 The learning units that I had to study to complete this assignment \_\_\_\_\_

- [1] helped me work through the textbook systematically.
- [2] did not help me understand the study material in the textbook better.
- [3] were totally irrelevant to the assignment questions.
- [4] I did not use the learning units at all, although I had access to them.
- [5] I did not have access to the learning units.

1.32 Which ONE of the following best describes your situation?

- [1] I worked through all the prescribed study material before attempting this assignment.
- [2] I quickly glanced through the prescribed study material before attempting this assignment.
- [3] I did not study the prescribed study material before attempting the assignment, but looked for the answers in the study material.
- [4] I could answer the questions without referring to the study material.
- [5] I just chose my answers randomly.



**11.5.5 Assignment 02 (second semester)**

<b>ASSIGNMENT 02 (SECOND SEMESTER)</b>	
<b>UNIQUE NUMBER</b>	<b>813252</b>
<b>CLOSING DATE</b>	<b>5 September 2018</b>
<b>LEARNING UNITS</b>	<b>5 to 7</b>
<b>WEIGHT FOR SEMESTER MARK</b>	<b>30% of semester mark</b>

Complete the assignment and provide your final answers on the prescribed answer sheet. Feedback on these questions will be provided on myUnisa under **Additional Resources** after the closing date and in hard copy in Tutorial Letter 201 after the closing date of Assignment 03.

2.1 A private college decides to raise tuition fees to increase the total revenue received for tuition fees, and thus its profit. This strategy will definitely work if the demand for education at that college is \_\_\_\_\_

- [1] price sensitive.
- [2] not price sensitive.
- [3] income sensitive.
- [4] not income sensitive

2.2 The government wishes to raise the amount of tax it receives from indirect taxes (tax on a good or service). This will be successful if such an indirect tax is raised on \_\_\_\_\_

- [1] prepared food, for which demand is very price sensitive.
- [2] petrol, which is an essential good in that country due to long travelling distances.
- [3] the use of certain roads, for which alternative roads are available.
- [4] electricity supply, which consumers can generate easily and cheaply by themselves due to new technology in the form of solar energy.

2.3 It is necessary to decrease the use of water in a certain municipal area by 10%. The price elasticity of the demand for water in this area is 0,5. The price of water has to \_\_\_\_\_

- [1] increase by 10%
- [2] increase by 5%
- [3] increase by 20%
- [4] decrease by 10%
- [5] decrease by 20%

2.4 Positive cross-elasticity of demand refers to a situation where \_\_\_\_\_

- [1] two products are complements in consumption.
- [2] a fall in income of consumers results in an increase in the demand for that product
- [3] an increase in income of consumers results in an increase in the demand for that product
- [4] any change in income leaves demand for that product unchanged.
- [5] two products are substitutes in consumption.

2.5 When the average monthly income level of consumers in a certain region increases from R8 000 to R10 000, the quantity of product A demanded increases from 4 000 a month to 5 500 a month. Which of the following statements is correct?

- a. Product A is a normal good.
- b. Product A is a luxury good.
- c. Product A is an essential good.
- d. Product A is an inferior good.

- [1] a b
- [2] a c
- [3] a d
- [4] only b
- [5] only d

2.6 It has been determined that the price elasticity of supply for a certain product is 0,1. Should the firm, which is producing this product, be concerned about this?

- [1] No, it implies that the firm will be able to increase its revenue by increasing the price of the product.
- [2] Yes, as it means that the demand for this product is increasing at a slow rate.
- [3] No, because it implies that there are few substitutes for this product.
- [4] Yes, because it means that the firm cannot adjust the quantity it produces easily when demand changes.
- [5] No, because it means that the demand for this product is not very sensitive to price changes.

2.7 An increase in the price of good X will affect the quantity that will be demanded of or supplied for good X more if \_\_\_\_\_

- a. demand is more price elastic
- b. demand is less price elastic
- c. supply is more price elastic
- d. supply is less price elastic

[1] a c

[2] a d

[3] b c

[4] b d

2.8 Which one of the following correctly describes a difference between microeconomics and macroeconomics?

[1] Microeconomics considers supply of and demand for goods while macroeconomics considers supply of and demand for services.

[2] Microeconomics considers the general price level in a country while macroeconomics considers inflation.

[3] Microeconomics considers individual markets while macroeconomics considers national totals.

[4] Microeconomics considers national issues while macroeconomics considers global issues.

2.9 The three approaches to measure economic activity (i.e. the size of the GDP) in a country are the \_\_\_\_\_

[1] total cost, income, and expenditure approaches.

[2] production, income, and expenditure approaches.

[3] consumer, business, and government approaches.

[4] private, public, and international approaches.

2.10 The country of Oilpac produces oil only. It has published the following figures that indicate the quantities that were produced in gallons while prices are provided in dollars (\$) per gallon.

Good	2015		2016	
	Quantity	Price	Quantity	Price
Oil	5 000	\$2	6 000	\$3

From 2015 to 2016, nominal GDP grew by \_\_\_\_\_ while real GDP at constant 2015 prices grew by \_\_\_\_\_

- [1] 20%; 50%.
- [2] 1 000%; 1%.
- [3] 1%; 1 000%.
- [4] 44%; 16,67%.
- [5] 80%; 20%.

Question 2.11 is based on the following figures for country X, using the currency Z for a specific year:

Item	Amount (Z)
Consumption expenditure by households	10 000
Expenditure by government	8 000
Gross capital formation	5 000
Exports of goods and services	4 000
Imports of goods and services	3 000

2.11 Based on the above figures, indicate which of the following options is correct:

- [1] GDP = Z23 000
- [2] GDP = Z29 000
- [3] GDP = Z16 000
- [4] GDE = Z24 000
- [5] GDE = Z23 000

2.12 Which of the following is/are [a] limitation[s] of GDP?

- a. GDP does not include unpaid labour.
- b. GDP does not value leisure time.
- c. GDP does not consider environmental degradation.
- d. GDP does not account for resource depletion.
- e. GDP includes imports.

- [1] a b c d e
- [2] a b c d
- [3] a b c
- [4] b
- [5] e

Question 2.13 is based on the following information that is provided for country X:

Year	2000	2005	2010	2015
CPI	85	92	100	105
Nominal income (in Z 000)	98 543	102 543	105 987	106 876

2.13 In which year was purchasing power highest in country X?

- [1] 2000
- [2] 2005
- [3] 2010
- [4] 2015

2.14 The \_\_\_\_\_ denotes the rate of growth or decline of the price level from one year to the next.

- [1] GDP deflator
- [2] PPI
- [3] CPI
- [4] inflation rate

Question 2.15 is based on the information on the labour market in country X as set out in the following table:

Description	Number of people
Employed people	15 000 000
Unemployed people	5 000 000
Population	35 000 000

2.15 The unemployment rate in country X is \_\_\_\_\_

- [1] 33,33%.
- [2] 25%.
- [3] 5 000 000.
- [4] 14,3%.
- [5] 9,1%.

2.16 Which one of the following types of unemployment will we find if the coal mining industry in South Africa collapses due to a switch to alternative sources of energy such as oil, gas and solar energy?

- a. frictional unemployment
- b. seasonal unemployment
- c. cyclical unemployment
- d. structural unemployment

[1] a b c d

[2] a b c

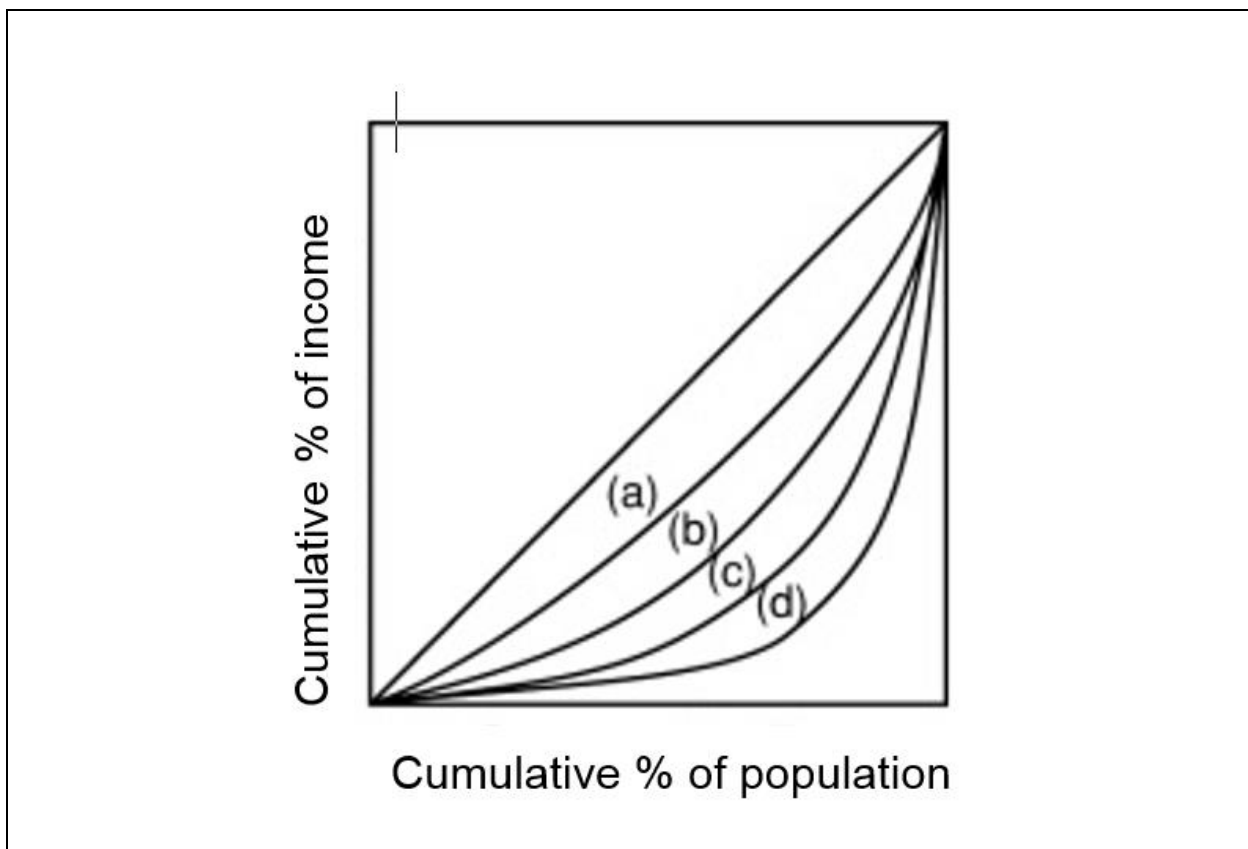
[3] a c d

[4] a d

[5] d

Questions 2.17 and 2.18 are based on the following diagram in figure 2.1:

**Figure 2.1**



2.17 Curves (a) to (d) in figure 2.1 are \_\_\_\_\_

- [1] income curves.
- [2] Gini curves.
- [3] Lorenz curves.
- [4] population curves.
- [5] level curves.

2.18 Based on figure 2.1, indicate which of the following statement is correct:

- [1] If curve (d) represents the year 2010 and curve (a) represents the year 2016, income distribution for the relevant country has become more unequal from 2010 to 2016.
- [2] If curve (b) represents country X and curve (c) represents country Y, income distribution in country X is more equal than it is in country Y.
- [3] The Gini coefficient for curve (a) will be larger than the Gini coefficient for curve (c).
- [4] If curve (b) represents country A and curve (d) represents country B, the Gini coefficient for country A will be larger than the Gini coefficient for country B.

2.19 The term "business cycles" can be defined as \_\_\_\_\_

- [1] periods for which aggregates such as GDP and GDE are calculated.
- [2] periods for which business accounts such as income statements are compiled.
- [3] fluctuating profits of businesses.
- [4] fluctuations in income of businesses.
- [5] alternating periods of recessions and expansions.

2.20 In country X, the GDP per worker is constant but the composition of the population is changing, resulting in a larger percentage of the population now consisting of elderly people who are no longer working. What effect will this have on GDP per capita?

- [1] no effect
- [2] increase
- [3] decrease
- [4] insufficient information to answer this question

### 11.5.6 Assignment 03 (second semester)

ASSIGNMENT 03 (SECOND SEMESTER)	
UNIQUE NUMBER	741727
CLOSING DATE	3 October 2018
LEARNING UNITS	8 to 10
WEIGHT FOR SEMESTER MARK	30% of semester mark

Complete the assignment and provide your final answers on the prescribed answer sheet. Feedback on these questions will be provided on myUnisa under **Additional Resources** after the closing date and in hard copy in Tutorial Letter 201 after the closing date of Assignment 03.

3.1 A phrase often used by our government and in the media is "radical economic transformation". To what does this phrase refer? (Note that the answer to this question cannot be found in the study material – you will have to do independent research to find this answer.)

- [1] changing from a capitalist to a socialist economy
- [2] supporting small business ventures as opposed to large business ventures
- [3] ensuring that land is distributed away from big farmers to small farmers
- [4] reducing regulation related to business, that is decreasing bureaucracy
- [5] encouraging job creation and a more equitable income distribution

3.2 Which of the following occurs when government expenditures exceed all taxes and other revenues received by government in a year?

- a. budget surplus
- b. budget deficit
- c. balanced budget
- d. an increase in government debt

- [1] a
- [2] b
- [3] c
- [4] d
- [5] b and d



Question 3.3 is based on the following information that has been obtained from the South African Reserve Bank *Quarterly bulletin* for March 2017:

	2011	2016
Final consumption expenditure by households (R million)	1 801 091	2 577 869
Final consumption expenditure by government (R million)	600 566	887 830

3.3 Final consumption expenditure by households increased by a larger percentage from 2011 to 2016 than final consumption expenditure by government.

- [1] True  
[2] False

Question 3.4 is based on the following information that has been obtained from the South African Reserve Bank *Quarterly bulletin* for March 2017:

	2011	2016
	<b>R million</b>	
Income tax	359 817	579 257
Value-added tax	183 571	281 111
Total tax received	656 022	1 018 762

3.4 The contribution of income tax to total tax increased from 2011 to 2016 and the contribution of value-added tax to total tax decreased from 2011 to 2016.

- [1] True  
[2] False

3.5 A tax system, in which the marginal tax rate is higher than the average tax, will ensure that the following tax criteria are met:

- a. neutrality
- b. equity
- c. administrative simplicity

- [1] a b c  
[2] a b  
[3] a c  
[4] b c  
[5] b

3.6 In South Africa, indirect taxes paid by households are progressive while direct taxes paid by households are regressive.

- [1] True
- [2] False

3.7 The time between the implementation of a new fiscal policy and the time at which it starts to affect the economy is called the \_\_\_\_\_

- [1] recognition lag.
- [2] administrative lag.
- [3] impact lag.
- [4] political business cycle.

3.8 Money is \_\_\_\_\_

- a. wealth.
- b. a medium of exchange.
- c. a store of value.
- d. income.

- [1] a b c d
- [2] a b c
- [3] b c e
- [4] b c
- [5] a d

Question 3.9 is based on the information in the following table:

<b>Aggregate</b>	<b>Amount (R 000)</b>
M1	214 987
M2	321 365
M3	564 456

3.9 Long-term deposits are equal to \_\_\_\_\_

- [1] R106 378 000.
- [2] R243 091 000.
- [3] R536 352 000.
- [4] R885 821 000.
- [5] R1 100 808 000.

3.10 Financial instruments are sold by surplus units to deficit units.

- [1] True
- [2] False

3.11 Which one of the following is **not** a function of the South African Reserve Bank?

- [1] issues notes and coins
- [2] lender of last resort to banks experiencing liquidity problems
- [3] administers exchange control regulation on behalf of the government
- [4] administers the payment of taxes by individuals and companies
- [5] sets the repo rate in accordance with the objectives of monetary policy

3.12 Which of the following statements is/are correct?

- a. Financial instruments are issued in secondary markets.
- b. Short-term financial instruments are issued in the money market.
- c. Trading on the financial markets only take place in the JSE building in Johannesburg.

- [1] a b c
- [2] a b
- [3] b c
- [4] a c
- [5] b

3.13 Which one of the following statements is correct?

- a. When the inflation rate is high, we can expect the repo rate to be decreased.
- b. When interest rates increase, we can expect that borrowing activity in the economy will increase.
- c. When interest rates increase, we can expect that spending activity in the economy will decrease.
- d. When spending activity in the economy decreases, we can expect prices to increase at a slower rate or to stop increasing at all.

- [1] a b c d
- [2] a b c
- [3] a c
- [4] b d
- [5] c d

Question 3.14 is based on the following information:

Suppose countries A and B both produce boats and cars. They can produce the following number of boats and cars in a week if they utilise all their resources:

	<b>Boats</b>	<b>Cars</b>
<b>A</b>	100	120
<b>B</b>	150	130

3.14 Which of the following options is/are correct?

- a. Country A has a comparative advantage in producing cars.
- b. Country B has a comparative advantage in producing boats.
- c. Country A has an absolute advantage in producing boats.
- d. Country B has an absolute advantage in producing cars.

- [1] a b c d
- [2] a b c
- [3] a b d
- [4] a b
- [5] c d

3.15 Which of the following is correct?

According to the theory of comparative advantage, countries gain from trade because \_\_\_\_\_

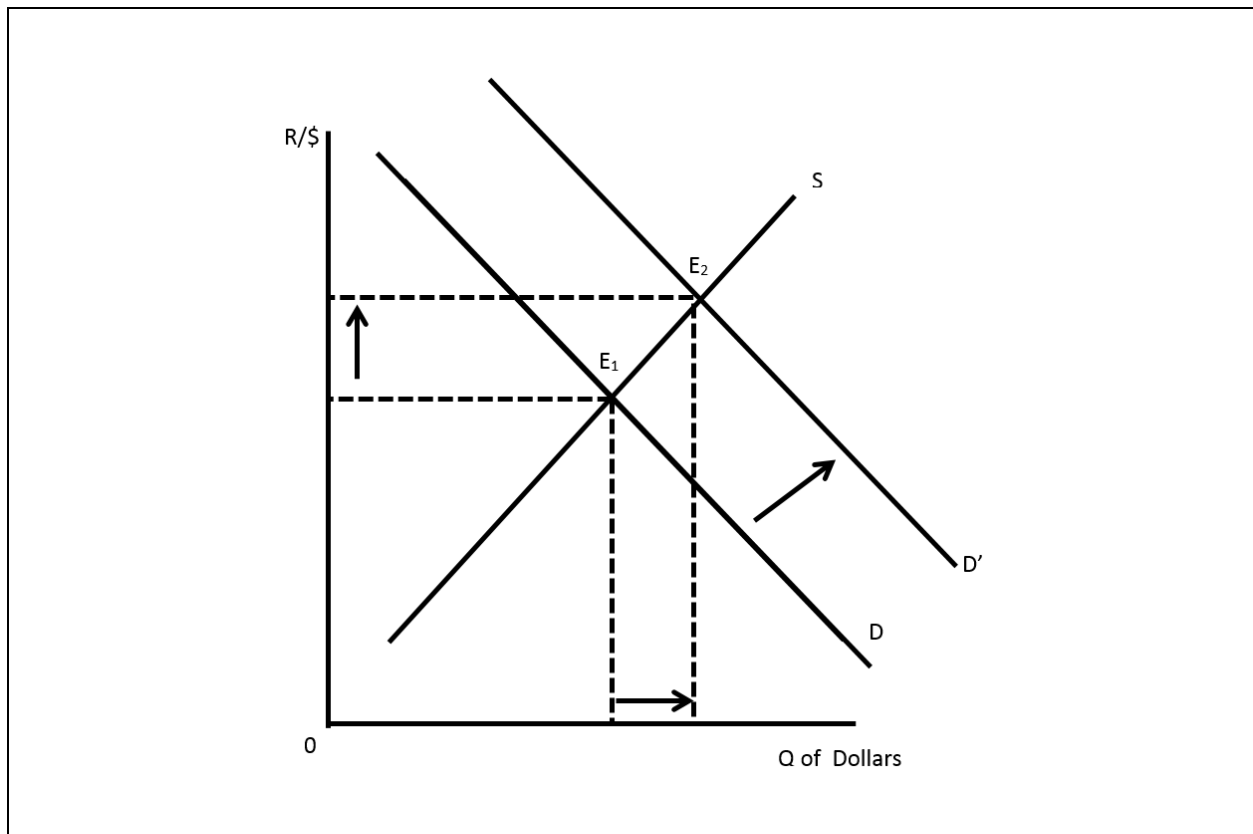
- [1] firms behave more competitively when they trade and this reduces their market power.
- [2] all firms can take advantage of cheap labour.
- [3] output per worker in each firm increases.
- [4] total global production can increase when each country specialises in what it does relatively best.
- [5] every country has an absolute advantage in producing something.

3.16 None of the countries that appear in the list of top export trading partners of South Africa appears in the list of top import trading partners.

- [1] True
- [2] False

Question 3.17 is based on figure 3.1.

Figure 3.1



3.17 Based on figure 3.1, which of the following statements is/are correct?

- [1] The shift of  $D$  to  $D'$  may be caused by an increase in exports to the USA.
- [2] The shift of  $D$  to  $D'$  may be caused by an increase in imports from the USA.
- [3] The diagram illustrates a depreciation of the dollar.
- [4] The diagram illustrates an appreciation of the rand.

3.18 At a certain date, the exchange rate between the rand and the dollar is  $R13,50 = \$1,00$  and the exchange rate between the rand and the pound is  $R17,65 = £1,00$ . Based on the information, which of the following statements is/are correct?

- a. If a South African company imports a machine from the USA at a price of \$15 000, it will have to pay R202 500 for the machine.
- b. If a South African company exports meat to the value of R100 000 to the UK, it will receive £1 765 000 as payment, which it then has to convert to rand.
- c. If the price of a tool is \$50,00 in the USA and £40 in the UK, it is cheaper to buy it from the US company.

- [1] a b c
- [2] a b
- [3] a c
- [4] b c
- [5] b

Question 3.19 is based on the following information on country X for the year 2017:

Item	Amount (Z)
Merchandise exports	150 000
Merchandise imports	130 000
Net gold imports	45 000
Service receipts	120 000
Payments for services	100 000
Income receipts	75 000
Income payments	95 000
Current transfers	-43 000

3.19 Based on the information in the table above, the balance on the current account of country X for the year 2017 is \_\_\_\_\_

- [1] Z672 000.
- [2] Z108 000.
- [3] Z65 000.
- [4] Z22 000.
- [5] Z-68 000.

3.20 Which of the following is/are correct?

When the rand/dollar exchange rate changes from R1=\$13,50 to R1=\$14,10 \_\_\_\_\_

- a. the rand appreciates.
- b. the dollar appreciates.
- c. imports from the USA will become more expensive for South Africans.
- d. exports from South Africa to the USA will become more expensive for Americans.

- [1] a b c d
- [2] a c d
- [3] b c
- [4] a d
- [5] b d

## 12. FREQUENTLY ASKED QUESTIONS

The *Study @ Unisa* brochure contains an A to Z guide on the most relevant study information.

We again refer you to the myUnisa website for ECS1500.

We hope that you will enjoy this module and we wish you every success in your studies.

Kind regards

Cecilia J van Zyl

**Module leader: ECS1500**