

Centre Number	Candidate Number	Candidate Name
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**NAMIBIA SENIOR SECONDARY CERTIFICATE**

**ECONOMICS ORDINARY LEVEL**

**4347/1**

PAPER 1

2 hours 30 minutes

Marks 80

**2019**

Additional Materials: Non-programmable calculator

**INSTRUCTIONS AND INFORMATION TO CANDIDATES**

- Candidates answer on the Question Paper in the spaces provided.
- Write your Centre Number, Candidate Number and Name in the spaces at the top of this page and on all separate answer sheets used.
- Write in dark blue or black pen.
- You may use a soft pencil for any rough work, diagrams or graphs.
- Do not use correction fluid.
- Do not write in the margin *For Examiner's Use*.
- You may use blank pages for working/when answers are crossed out and corrected.
- Answer **all** questions.
- The number of marks is given in brackets [ ] at the end of each question or part question.
- You may use a non-programmable calculator.

For Examiner's Use	
<b>Section A</b>	
<b>Section B</b>	
<b>Total</b>	

<i>Marker</i>	
<i>Checker</i>	

This document consists of **10** printed pages **2** blank pages.



Republic of Namibia

**MINISTRY OF EDUCATION, ARTS AND CULTURE**

**SECTION A**

1 What is meant by scarcity?

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[2]

2 Define *an inferior good* and give an example.

Definition.....  
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Example.....

[2]

3 Define *an entrepreneur*.

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[2]

4 Name **two** disadvantages of the division of labour for the worker.

1.....  
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2.....  
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[2]

5 Explain **two** features of a partnership.

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[2]

6 Define *a trade union*.

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[2]

7 Comment on the functions of money when a student opens a savings account and uses some of the money later to buy goods and services.

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[2]

8 Identify **two** distinctions between a monopoly and a perfectly competitive market.

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[2]

9 What does the demand curve show?

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[2]

10 Identify **two** methods of advertising that will be most effective if your target group is illiterate.

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[2]

11 Explain **two** factors, which will influence price elasticity of demand.

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2.....  
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[2]

12 What is meant by the price elasticity of supply?

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[2]

**13** Explain, with an example, the meaning of non-wage factors.

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[2]

**14** Describe the principle of profit maximisation.

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[2]

**15** Define *productivity*.

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[2]

**16** Distinguish between variable costs and fixed costs.

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[2]

**17** Which type of integration is involved when a car manufacturer takes over a steel manufacturer?

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[1]

**18** Explain the meaning of economic growth.

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[2]

**19** What do we call the unemployment that occurs when there is a fall in long term demand for products in an industry?

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[1]

**20** Give **two** reasons for the measuring of national output.

1.....  
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2.....  
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[2]

**21** Mention **two** reasons for the fluctuation of the exchange rate.

1.....  
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2.....  
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[2]

**[40]**

**SECTION B**

**22** In Namibia, the government has decided to allow a proposal for a major multi-national company (MNC) to build new premises in the capital. Developers say the new company will create many jobs, but on the other hand, the environmentalists argue that the company is a health risk and might damage the environment.

**(a)** Use the above example to illustrate social costs.

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[4]

(b) Do you think the government was right in allowing the building of an MNC?  
Explain your answer.

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(c) Explain which **two** groups of people would be likely to gain from such a decision.

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[4]

[16]

**23 Mozambique Must Cut Business Costs – IMF**

Mozambique’s economic outlook is healthy but it must still improve revenue collection and reduce red tape, according to the International Monetary Fund (IMF). Real Gross Domestic Product in Mozambique grew a healthy 7,5% in 2005 and the government expects a strong future economic growth rate thanks to prudent economic policies. High oil prices and unpredictable weather could cast a cloud over this economic outlook.

The IMF highlighted some measures that the government could take to ensure continuous economic growth. These include reduction in the lengthy process of registering firms and updating the tax system that are more than a century old. Firms could benefit from this and start operating quicker to reducing costs and losses. Firms could also benefit from changes in interest rates.

The World Bank also cancelled Mozambique’s external debt under a plan promoted by the group of eight wealthiest countries (G8).

**(a)** What is meant by real Gross Domestic Product?

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[4]



**(b)** Explain how a change in tax rates could benefit the economy of Mozambique.

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**(c)** Discuss how changes in interest rates could benefit firms.

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**(d)** According to the article, the World Bank cancelled Mozambique's external debt.

Examine the economic implications of a high external debt for Mozambique.

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[6]

[24]



