

NAMIBIA SENIOR SECONDARY CERTIFICATE

ECONOMICS HIGHER LEVEL

8337/1

PAPER 1

2 hours 30 minutes

Marks 100

2019

Additional Materials: Answer Book
Non-programmable calculator
Ruler

INSTRUCTIONS AND INFORMATION TO CANDIDATES

- Write your answer in the Answer Book provided.
- Write your Centre Number, Candidate Number and Name on all the work you hand in.
- Write in dark blue or black pen.
- You may use a soft pencil for any diagrams, graphs and rough working.
- Do not use correction fluid.
- Answer Section A and any **three** questions from Section B.
- The number of marks is given in brackets [] at the end of each question or part question.
- You may use a non-programmable calculator.

This document consists of **4** printed pages.



Republic of Namibia
MINISTRY OF EDUCATION, ARTS AND CULTURE

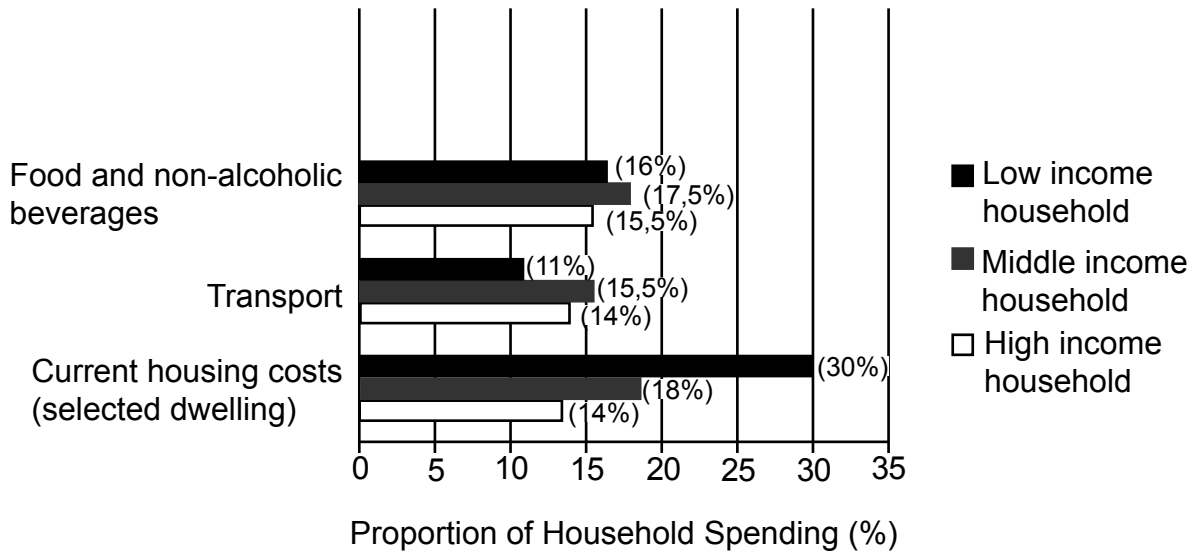
SECTION A

Answer this question.

- 1 According to the Australian Bureau of Statistics in 2016, low income households spent an average \$ 632 per week on goods and services, compared with \$ 1 302 for middle income households and \$ 2 589 for high income households.

Graph 1: Proportion of weekly household spending on goods and services by low, middle and high income households, 2015-16.

PROPORTION OF WEEKLY HOUSEHOLD SPENDING ON GOODS AND SERVICES, by low, middle and high income households, 2015-16



(Source [www.abs.gov.au/ausstats/abs household expenditure survey Australia](http://www.abs.gov.au/ausstats/abs%20household%20expenditure%20survey%20Australia), summary of results 2015-16)

- (a) Outline **five** indicators of living standards in a country. [5]
- (b) Explain the policies that the Australian government might use to redistribute income to the poor people in the country. [10]
- (c) Use the information from the extract to draw a table and analyse the differences in spending patterns between the different household income groups. [10]

[25]

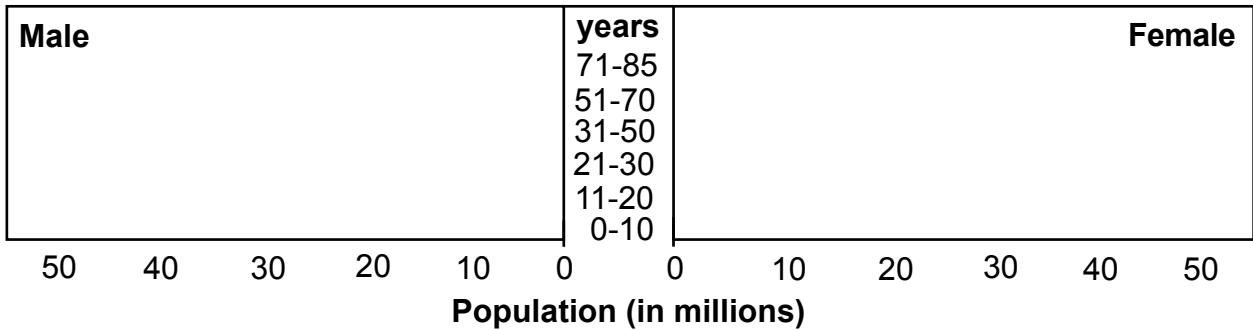
SECTION B

Answer **three** questions from this section.

- 2** Mobile Telecommunications Limited (MTC) is a private mobile telecommunications company in Namibia providing cellular access. It is the largest mobile operator in Namibia with over two million active subscribers.
- (a) Describe the features of a monopoly. [5]
- (b) Use a diagram to analyse and explain why a firm operating as a monopoly achieves supernormal profit in the short and the long run, according to economic theory. [10]
- (c) Discuss whether a government should support a monopoly firm in the private sector. [10]
- [25]**
- 3** Companies world-wide are increasingly concerned about the impact of HIV/AIDS and other highly infectious diseases on the productivity of workers.
- (a) Explain what productivity is and how it is measured. [5]
- (b) Discuss ways in which the overall productivity of the business might be improved. [10]
- (c) Analyse the possible effects of HIV/AIDS and other diseases on the profit of the businesses and the economy of a country. [10]
- [25]**
- 4** In 2006 the dairy industry in Namibia experienced problems with cheaper imported dairy products from South Africa and high customs tariffs by Angola and Botswana, that hampered exports to neighbouring countries. This meant that the Nam milk long life milk production plant had to close down, which resulted in about 460 job-losses.
- (Adapted from The Namibian, 6 February 2006)*
- (a) Describe **five** methods of protection other than tariffs. [5]
- (b) Explain the effect of unemployment on the economy. [10]
- (c) Assess the effects that the activities mentioned in the article might have on the Namibian Balance of Payments. [10]
- [25]**

- 5 Since 2010, Japan has experienced a population decrease due to falling birth rates and almost no immigration, despite having one of the highest life expectancies in the world of 85 years. In India, the population is increasing with more than 15 million per year and the life expectancy is 68 years.

- (a) What are the main characteristics of a developing country? [5]
- (b) Explain **why** the population structure of a developed country differs from that of a developing country. Redraw and complete the following basic population structures for Japan and India in your answer book to show **how** the population structures might differ.



- [10]
- (c) Discuss the economic problems that might arise from a developing country becoming more developed. [10]
- [25]
- 6 Diamonds are bought by the rich and famous and are therefore classified as a luxury good. The price of diamonds is affected by economic booms and recessions. The global financial crisis of 2007-2008 followed by a global economic downturn, are still affecting the economies of countries worldwide.
- (a) What factors are likely to determine the demand for diamonds? [5]
- (b) Explain price elasticity-, income elasticity- and cross elasticity of demand. [10]
- (c) Assess how an economic recession might influence the income elasticity of demand for diamonds. [10]
- [25]