

**NAMIBIA SENIOR SECONDARY CERTIFICATE**

**ECONOMICS ORDINARY LEVEL**

**4347/2**

PAPER 2

2 hours

Marks 80

**2018**

Additional Materials: Answer Book

**INSTRUCTIONS AND INFORMATION TO CANDIDATES**

- Write your answers in the Answer Book provided.
- Write your Centre Number, Candidate Number and Name in the spaces on all the work you hand in.
- 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.
  
- Answer **four** questions.
  
- The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **3** printed pages and **1** blank page.



**Republic of Namibia**

**MINISTRY OF EDUCATION, ARTS AND CULTURE**

Answer **four** questions.

- 1** In 2016, the conciliator of the Labour Commissioner's office in Namibia, issued a certificate of unresolved dispute to the Government and The Namibian Teachers Union (NANTU) after they failed to reach an agreement on various issues. This might have led to industrial action.
- (a) Define a *trade union*. [3]
- (b) Explain **three** types of trade unions and identify the type of union which teachers might join. [7]
- (c) (i) Outline **three** examples of industrial action. [3]
- (ii) Consider why industrial action, in general, might not benefit the Namibian economy. [7]
- [20]**
- 2** The Namibian government implemented free state education for primary schools in 2013 and for secondary schools in 2016. Free education is partly funded by taxation.
- (a) Explain whether free education is a merit good or a public good. [6]
- (b) Outline **three** reasons why governments impose taxes. [6]
- (c) Consider whether you agree with the government's decision to introduce free education. [8]
- [20]**
- 3** During 2016, the forecast economic growth of Angola, halved. Government spending decreased to US\$24,6 billion from US\$30 billion. Falling oil prices decreased state revenue and the country's foreign debt increased.
- (a) Describe **three** ways in which the economic growth rate was determined. [6]
- (b) Explain whether the government of Angola should be concerned about the increased foreign debt. [7]
- (c) Discuss measures a government might implement to increase economic growth. [7]
- [20]**
- 4** Large companies are listed on the Namibian Stock Exchange. Often the main aim of these large firms is to maximise profits.
- (a) Define *the principle of profit maximisation*. [2]
- (b) Explain why the profits of a firm might increase. [4]
- (c) Distinguish between the market structure in which a firm is a price taker and the market structure in which the firm is a price maker. [7]
- (d) Do you think all small firms may eventually become large firms? [7]
- [20]**

- 5** Desert Fruit increased the salaries of its workers due to higher living costs. This affected the real disposable income of workers.
- (a) Define *real disposable income*. [2]
  - (b) Identify the factors that might determine the earnings of workers. [4]
  - (c) Explain the motives that the workers may have to save some money. [7]
  - (d) How might financial institutions encourage people to save money? [7]
- [20]**
- 6** Bananas from the Caribbean Islands are well known in European countries. Trade between these countries has been protected by tariffs and quotas in the past. However, with the opening of the European market, cheaper bananas from the United States have decreased the exports of bananas from the Caribbean Islands.
- (a) (i) State how the exports of bananas from the Caribbean Islands would be classified in the balance of payments of the European countries. [2]
    - (ii) Differentiate between a quota and a tariff. [4]
  - (b) Explain the factors that might determine the demand for a currency. [7]
  - (c) Suggest possible reasons for opening the European market for free trade. [7]
- [20]**

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