Centre Number	Candidate Number	Candidate Name

NAMIBIA SENIOR SECONDARY CERTIFICATE

ECONOMICS ORDINARY LEVEL **4347/1**

PAPER 1 2 hours 30 minutes

Marks 80 **2017**

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	
Section A	
Section B	
Total	

Marker	
Checker	

This document consists of **12** printed pages.

Republic of Namibia
MINISTRY OF EDUCATION, ARTS AND CULTURE

SECTION A

1 The economic resources are limited in supply to produce goods and services. To which economic term does this statement refers?

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.... [1]

2 State **two** disadvantages of a partnership.

1...

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2...

.... [2]

3 Define *multinational companies.*

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.... [2]

4 Explain why unlimited liability is a disadvantage to a sole trader*.*

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.... [2]

5 The diagram below shows the demand for and supply of a product.
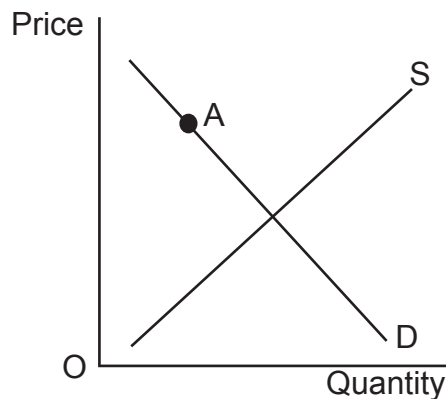
What would be the immediate effect if the government fixes the price of the product at point A?

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.... [1]

6 State **two** factors other than wages, that might influence the choice of occupation for a person.

1..

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2..

.... [2]

7 Describe acceptability as a characteristic of money.

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.... [2]

8 A firm pays N$7 000 as overheads and N$6 000 for its raw materials to produce 3 000 units per week.

Calculate the firm's average variable costs for two weeks. Show your calculations.

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.... [2]

9 State **two** possible problems of a firm introducing new technology.

1..

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2..

.... [2]

10 Explain what is meant by *diseconomies of scale*.

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.... [2]

11 Which economic aim does the government want to achieve by changing taxes to reduce imports?

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.... [1]

[Turn over

12 State **two** ways in which the government protects consumers in Namibia.

1..

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2..

.... [2]

13 Define *monetary policy*.

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.... [2]

14 Explain *indirect tax* and give **one** example.

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.... [2]

15 What is meant by a *budget deficit*?

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.... [2]

16 Give **one** example of a competitive demand (substitute good).

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.... [1]

17 Explain what will happen to the demand for simcards when the price of cellphones increases.

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.... [2]

18 State **two** examples of social security benefits.

1...

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2...

.... [2]

19 Distinguish between absolute and comparative advantage in trade.

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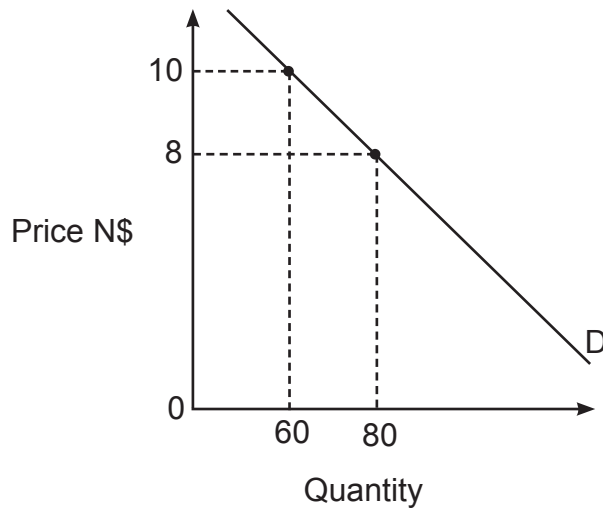... [2]

20 The diagram below shows the quantity demanded of chocolates at a given price.

Calculate the price elasticity of demand if the price falls from N$10 to N$8. Show your calculations.

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.... [2]

21 The exchange rate is US$1,00 = N$9,65.

Calculate the amount of US dollars a United States citizen will have to pay for a car priced N$45 000. Show your calculations.

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.... [2]

[Turn over

22 Define *private costs*. Give an example.

Definition..

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Example.. [2]

[40]

SECTION B

23 How Namibians spend their money

The inflation basket compiled in 2014 by the Namibian Statistics Agency (NSA) indicated that many Namibians are spending more money on wants than on needs. According to the Namibian Consumer Price Index (NCPI), people spend more money on alcohol and tobacco than on education and food.

Table of changes in weights of some goods and services in the consumer basket

	2010	2013
Food and non-alcoholic beverages	29,63	16,45
Alcohol and tobacco	3,26	12,59
Housing, water and electricity	20,59	28,36
Communication	0,9	3,81
Recreation and culture	2,50	3,55
Education	7,36	3,65

(a) (i) Outline possible reasons why a Consumer Price Index is constructed.

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.... [3]

(ii) How are the weights of goods and services in a consumer basket determined?

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(b) (i) Calculate the percentage change in spending on alcohol and tobacco from 2010 to 2013.

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.... [2]

[Turn over

(ii) Explain **one** possible reason for the increase in spending on alcohol and tobacco.

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.... [2]

(c) Assess the possible effects of an increase in spending on housing, water and electricity on the inflation rate. Support your explanation with a demand and supply diagram.

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[4]

(d) How might inflation be caused by consumer spending, business spending and government spending?

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[20]

[Turn over

24 Rhino poaching on an increase in Namibia

In June 2015, the Namibian Police Anti-Poaching Unit arrested people for alleged rhino poaching. Rhinos are mainly poached for their horns to be used as ingredients in health products in Asian countries. The Ministry of Environment and Tourism, as well as members of the Namibian Police Anti-Poaching Unit, were deployed in Etosha National Park, and in all conservancy areas, to combat the poaching of rhinos and other wild animals. The Minister also offered a reward of N$60 000 for any information that would lead to the arrest of persons involved in rhino poaching activities. According to a police statement, the price of rhino horn is determined by the increasing amount of buyers and the decreasing amount of rhinos globally.

(a) Identify **two** measures that were taken by the government to reduce rhino poaching.

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2 ....

.... [2]

(b) Except for the above measures, what else can the government do to prevent rhino poaching?

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.... [4]

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(c) Illustrate and explain the possible meaning of the police statement concerning the price of rhino horn. Use a demand and supply diagram to support your explanation.

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[6]

[Turn over

(d) Use your knowledge of external costs and benefits to justify whether you would be in favour of protecting the rhinos.

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.... **[8]**

[20]