

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

2018

Additional Materials: Non-programmable calculator
Ruler

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	

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

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



Republic of Namibia

MINISTRY OF EDUCATION, ARTS AND CULTURE

SECTION A

1 Describe the basic economic problem.

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[2]

2 Explain the importance of capital as a factor of production.

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[2]

3 A government spent N\$200 million on drought relief rather than on education. Illustrate how the above statement involves opportunity cost.

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[2]

4 State **two** disadvantages of division of labour.

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[2]

5 Profitability encourages firms to increase specialisation. Describe specialisation.

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[2]

6 Describe what is meant by one function of money is to act as a unit of account.

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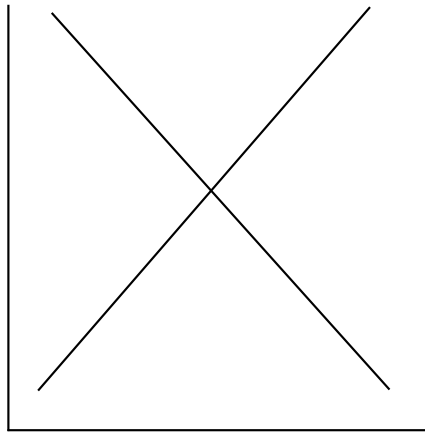
[1]

7 Distinguish between divisible and homogenous as the qualities of money.

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[2]

8 The diagram below shows the demand for and supply of a product.
Complete the diagram to show the effects of a fall in the price of a
complementary good to this product.



[2]

9 Define the term *disequilibrium price*.

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[1]

10 Explain why training of workers might increase productivity.

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[2]

11 Describe diseconomies of scale.

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[2]

12 A firm has the following costs to produce 500 units per week. Wages N\$6 000, fuel N\$800, rent N\$12 000 and raw materials cost N\$1 200.

Calculate the average variable costs of the firm per week. Show your calculations.

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[2]

13 Define *backward vertical integration*.

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[2]

14 Identify **two** factors, other than capital and market share, that might influence the size of a firm.

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[2]

15 Distinguish between structural and frictional unemployment.

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[2]

16 Name **two** causes of inflation.

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[2]

17 Explain what is meant by the conservation of resources.

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[1]

18 Define *external costs* and give **one** example.

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Example..... [2]

19 Describe what is meant by the natural increase of a population.

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..... [2]

20 Define *exchange rate*.

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[1]

21 Define *investment*.

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..... [2]

22 What is meant by the private sector.

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..... [2]

[40]

SECTION B

23 Namibian consumers have expressed their dissatisfaction over chicken price increases by the Namibian Poultry Industry. The price increased from N\$38,99 to N\$58,99 for 1,5 kg as the price of chicken in Namibia is greatly affected by the international price of maize which is the main source of chicken feed. Since the price increase, the poultry industry had experienced a fall in demand for chicken from 2 000 tonnes to 800 tonnes per week. Consumers appealed to the country's largest chicken producers to reconsider the price increase, since the product is locally produced and also one of the most highly consumed meat products in the country. Consumers welcomed the opening up of the borders allowing more chicken imports.

(a) Outline **four** factors, other than the price of maize, that might have led to an increase in the price of chicken.

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- 2
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[4]

(b) (i) Use the information given in the extract to calculate and determine if the demand for chicken would be price elastic or price inelastic.

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[4]

(ii) Referring to your answer in **(b) (i)**, explain **four** possible reasons for the demand of chicken to be price elastic or price inelastic.

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[4]

(c) Use diagrams to illustrate and assess the effects on the quantity and price of chicken in Namibia for

(i) the price increase.

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[4]

(ii) the higher amount of chicken imports.

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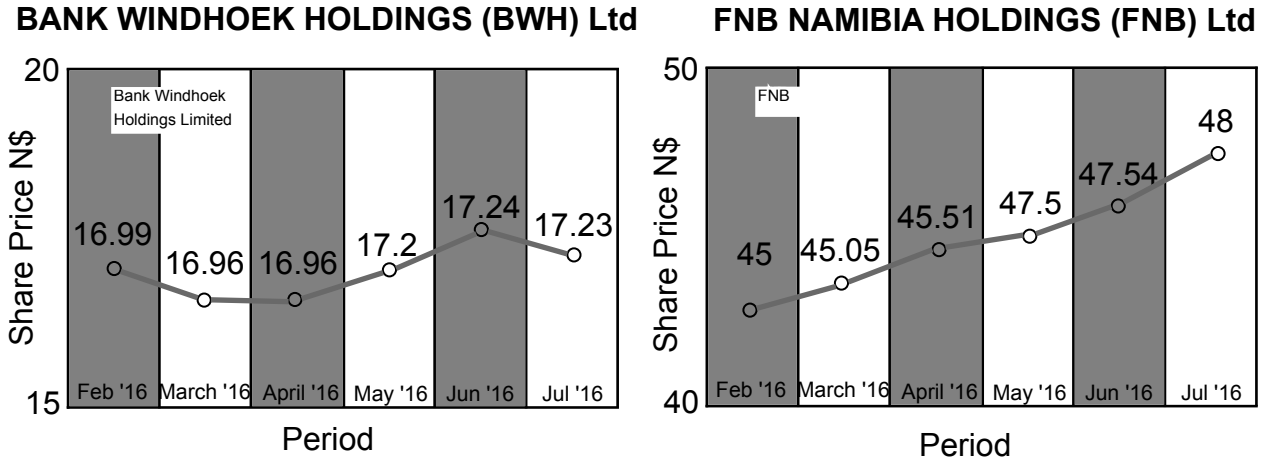
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24 Just over N\$421 million worth of shares were traded on the Namibian Stock Exchange (NSX) in the last two weeks of August 2016. During this period, FNB Namibia Holdings Ltd recorded a total trading of about N\$18,9 million, while Bank Windhoek Holdings Ltd traded N\$3,5 million worth of shares in total.

Share prices listed on the Namibian Stock Exchange for the last six months of 2016.



(a) (i) Identify and explain the type of ownership of the two commercial banks.

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[2]

(ii) Explain possible reasons for the listing of these two companies on the NSX.

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[3]

(b) Compare the trend in share prices of BWH and FNB over the period as indicated in the graphs.

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[3]

(c) Examine possible reasons for a fall in the share prices of a company.

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[4]

(d) Why do you think the NSX plays an important role in the Namibian economy?

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[8]

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