



# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ECONOMICS P2  
NOVEMBER 2017  
MARKING GUIDELINES**

**MARKS: 150**

**These marking guidelines consist of 18 pages.**

**SECTION A (COMPULSORY)****QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

- 1.1.1 A ✓✓ average variable  
 1.1.2 C ✓✓ community  
 1.1.3 D ✓✓ productive  
 1.1.4 B ✓✓ differentiated  
 1.1.5 B ✓✓ car tyres  
 1.1.6 A ✓✓ to domestic and international  
 1.1.7 D ✓✓ preservation  
 1.1.8 C ✓✓ demand-pull (8 x 2) (16)

**1.2 MATCHING ITEMS**

- 1.2.1 D ✓ The actual expenditure that a business incurs  
 1.2.2 F ✓ Businesses in the same industry come to an agreement to determine quantities and prices  
 1.2.3 A ✓ Encourages people to buy new products from the same range  
 1.2.4 E ✓ It is incomplete because it cannot meet the demand for certain goods  
 1.2.5 G ✓ It occurs when the price of raw materials increase  
 1.2.6 B ✓ It is labour intensive and employs many skills  
 1.2.7 C ✓ A consequence of deforestation  
 1.2.8 I ✓ Involves setting maximum permitted levels of resource use (8 x 1) (8)

**1.3 GIVE ONE TERM**

- 1.3.1 Price leadership ✓  
 1.3.2 External cost / Negative externality ✓  
 1.3.3 Short run / short term ✓  
 1.3.4 Administered / maximum / minimum ✓  
 1.3.5 Cultural tourism / paleo tourism ✓  
 1.3.6 Air pollution / pollution / emissions ✓ (6 x 1) (6)

**TOTAL SECTION A: 30**

**SECTION B**

Answer TWO of the three questions in this section in the ANSWER BOOK.

**QUESTION 2: MICROECONOMICS****2.1 Answer the following questions.****2.1.1 Give any TWO examples of positive externalities.**

- Education ✓
- Healthcare ✓
- Skills training ✓
- Job creation ✓
- Infrastructure development ✓

(Accept any other correct relevant response) (2 x 1) (2)

**2.1.2 Why do people in rural areas sometimes pay higher prices for goods and services than those living in urban areas?**

Most manufactured goods are produced in factories, which are situated in urban areas, the cost of transporting it to rural areas are included that will lead to higher prices / imperfect information / lack of competition / scarcity/insufficient facilities / lack of technology ✓✓

(Accept any other correct relevant response) (1 x 2) (2)

**2.2 DATA RESPONSE****2.2.1 Identify any factor that can influence the prices of goods and services for the monopoly.**

- Highest revenue level ✓
- Demand for the product ✓

(Accept any other correct relevant response) (1)

**2.2.2 At what price must the monopolist sell to obtain maximum revenue?**

50 ✓ (1)

**2.2.3 What is the nature of the product of a typical monopolist?**

- The monopolist is providing a unique product ✓✓
- There is no close substitute for the product ✓✓

(2)

**2.2.4 Which curves are required to determine how much profit the monopolist will make?**

The marginal cost (MC) and marginal revenue (MR) ✓✓ average cost (AC) and average revenue (AR) curves ✓✓ total cost (TC) and total revenue (TR) ✓✓

(2)

**2.2.5 Why will you discourage the monopolist from increasing the price of the product drastically?**

The monopolist should not increase the price because:

- consumers will buy alternate products due to budget constraints ✓✓
- the total revenue will decline because the demand will decrease ✓✓
- loss of revenue could compromise the efficiency of the business operation ✓✓
- it might lead to closing the operation due to loss in market share / income ✓✓

(Accept any other correct relevant response) (2 x 2) (4)

**2.3 DATA RESPONSE****2.3.1 In the information, who is it more likely to use a CBA when making decisions?**

Government ✓ (1)

**2.3.2 Identify ONE project from the data that the Government is considering for this community.**

A-Road / B-park / C-hospital / D-airport ✓ (1)

**2.3.3 Give a reason why a CBA will not be of use to the mechanic.**

- Cost-benefit analysis is applicable on large government projects on not on a one-man business ✓✓
  - A mechanic only considers private costs and private benefits ✓✓
  - CBA involves external benefits/costs ✓✓
- (Accept any other correct relevant response) (2)

**2.3.4 According to the data, which project would be best for the community?**

C / hospital ✓✓ (2)

**2.3.5 Why do you think it is important to do a CBA when deciding on large projects?**

It is important to do a CBA because:

- resources are scarce, therefore we must consider (evaluate) the cost and benefits of a project before allocating resources to a project ✓✓
- it allows planners to work out if going ahead with the proposed project is a good decision ✓✓
- it helps to bring greater objectivity to decision making ✓✓
- it ensures that the project's benefits exceed the cost of implementing the project ✓✓

(Accept any other correct relevant response) (2 x 2) (4)

**2.4 Explain the *nature of the product* and *market entry* as characteristics of perfect competition.**

*Nature of the product*

- All products are homogeneous/the same ✓✓
- The products are identical regarding appearance and quality ✓✓
- Customers in such a market consider one business's product to be as good as another's ✓✓ (Max 4)

*Market entry*

- There are no barriers to entry that stop new businesses entering the market ✓✓
  - There is complete freedom to entry and to exit the market ✓✓
  - Sunk costs are low – money invested in a business that cannot be recovered if the business close down ✓✓
  - Entry is not subjected to any kind of restriction in the form of legal, financial, technological or other barriers ✓✓
  - Less capital is required to enter the market ✓✓
- (Accept any other correct relevant response) (Max 4) (8)  
(Allocate a maximum of 4 marks for mere listing of facts/examples)

**2.5 How will a monopolistic competitor, like KFC, compete with other fast food chicken outlets to increase its market share?**

- The monopolistic competitor can increase its market share by competing on non-price factors ✓✓
  - KFC might use unique spices (recipe) or new product lines (e.g. mealie pap) to offer a differentiated product ✓✓
  - Using unique red/white packaging to promote KFC-branding ✓✓
  - Aggressive advertising campaigns can be launched by focusing on the use of bill boards / sponsor ships like mini cricket ✓✓
  - Extending shopping hours at more KFC branches, will be more convenient for customers in close vicinity to make use of their services (e.g. 24 hour service) ✓✓
  - Providing more free deliveries within a certain range of the business will ensure an edge over other competition ✓✓
  - The monopolistic competitor can increase its market share by competing on promotional specials based on price ✓✓
- (Accept any other correct relevant response)  
(Allocate a maximum of 2 marks for mere listing of facts/examples) (8)

(8)  
[40]

**QUESTION 3: CONTEMPORARY ECONOMIC ISSUES****3.1 Answer the following questions.**

**3.1.1 Name any TWO examples of transport infrastructure needed for tourism.**

- Roads ✓
- Railway lines ✓
- Airports ✓
- Harbours / ports ✓
- Car parks ✓

(Accept any other correct relevant response) (Any 2 x 1) (2)

**3.1.2 How can a reduction in income tax rates contribute to demand pull inflation?**

It increases disposable income and consumer spending. ✓✓

(Accept any other correct relevant response, NB: all responses should relate to fiscal policy and not monetary policy) (1 x 2) (2)

**3.2 DATA RESPONSE**

**3.2.1 Identify the index that is used to measure South Africa's inflation rate.**

Consumer Price Index / CPI ✓ (1)

**3.2.2 Give the main reason for the increase in the CPI Inflation above.**

- Severe drought ✓
- Hike in maize and wheat prices ✓ (1)

**3.2.3 Briefly describe the term *Core inflation*.**

Core Inflation:

- Is a consumer inflation that is based on an adjusted CPI inflation rate ✓✓
- Volatile elements such as fuel and subsidised elements such as food have been removed from the calculation ✓✓
- Affected by government intervention and policy ✓✓

(Accept other correct relevant response – accept tabular format) (2)

**3.2.4 How can the South African Reserve Bank ensure that the CPI fluctuates within the 3%–6% band?**

- SARB will adjust the repo/interest rate ✓✓
- Selling or buying government bonds to commercial banks (open market transactions) ✓✓
- Adjust the cash reserve requirement ✓✓
- Appeal to banks to limit the granting of credit (moral suasion) ✓✓ (2)

**3.2.5 Calculate the percentage change in the inflation rate between June 2016 and December 2016. Show all calculations.**

$$= \frac{6,4 - 5,8}{5,8} \times \frac{100}{1} \checkmark$$

$$= 0,6 / 5,8 \times 100/1 \checkmark$$

$$= 10,3\% \checkmark \checkmark$$

|  |
|--|
| $(6.4 / 5.8 - 1) \checkmark \times 100 \checkmark$<br>$= 10.3\% \checkmark \checkmark$ |
|--|

|   |
|---|
| $6.4 - 5.8 = 0.6 \checkmark$<br>$0.6/5.8 \times 100/1 \checkmark$<br>$= 10.3\% \checkmark \checkmark$ |
|---|

(4)

**3.3 DATA RESPONSE**

**3.3.1 Identify the African name for the plant *Aloe Ferox* in the extract.**

Ikhala ✓

(1)

**3.3.2 According to the information, what is the reason for the high international demand for the *Aloe Ferox* products?**

It is used for medicinal purposes ✓

(1)

**3.3.3 Briefly describe the term *Indigenous Knowledge System*.**

A knowledge that is unique to a particular society / refers to knowledge that has practical application for daily survival of local communities ✓✓

(Accept any other correct relevant response)

(Any 1 x 2)

(2)

**3.3.4 How can commercial use of *Aloe Ferox* contribute to government revenue?**

They can contribute by:

- paying tax through involvement in production of aloe products / export taxes ✓✓
  - paying VAT on the sale of products of aloe ✓✓
- (Accept any other correct relevant response) (Any 1 x 2)

(2)

**3.3.5 How can *Aloe Ferox* plants be used to reduce unemployment in rural and urban areas?**

The *Aloe Ferox* plant will reduce unemployment in rural areas by:

- involving small-scale farmers in the production of aloe plants ✓✓
- employing people in the production of *Aloe* products ✓✓
- using people in the harvesting of the aloe juice ✓✓

The *Aloe Ferox* plant will reduce unemployment in urban areas by:

- employing people in the factories to produce the different aloe-based products ✓✓
  - employing people in the marketing and selling of the final products at different sale points/outlets ✓✓
- (Accept any other correct relevant response) Any (2 x 2)

(4)

**3.4 Explain the government's use of *subsidies* and *permits* as measures to ensure environmental sustainability.**

Subsidies

- Government can use income from taxes to provide subsidies to activities that reduce environmental damage. ✓✓

Subsidy could be given for activities such as:

- The development of new techniques for example to save energy ✓✓
- The encouragement of production of environmentally friendly substitutes such as unleaded petrol ✓✓
- The encouragement of recycling of waste such as bottles and cans ✓✓
- The subsidy should be equal to the marginal external benefit ✓✓
- Private individuals who install solar panels/energy saving light bulbs ✓✓

(Max 4)

Permits

- Government can decide on the maximum desired level of pollution in an area ✓✓
- It then can issue a licence to firms to pollute up to a particular limit ✓✓
- Firms are allowed to sell their licenses (or part of) to other businesses that have larger pollution levels ✓✓
- Impose user fees and charges on individuals who use or damage the environment ✓✓

(Accept any other correct relevant response)

(Max 4)

(8)

(Allocate a maximum of 4 marks for mere listing of facts/examples)

**3.5 How effective has inflation targeting in South Africa been to ensure price stability?**

Inflation targeting has been effective by:

- curbing demand–pull inflation through limiting consumption expenditure ✓✓
- managing consumers' expectations about future trends in inflation ✓✓
- ensuring the central bank adjust interest rates if inflation is outside the target range of 3-6% ✓✓
- stimulating economic activity due to the relative small changes in input prices ✓✓
- allowing businesses to make investment decisions knowing that prices will be stable ✓✓
- providing an explicit measure that serve to improve discipline and accountability of the SARB ✓✓

Inflation targeting has not been effective in:

- controlling cost-push inflation since it was designed to control the aggregate demand ✓✓
- controlling many factors, because the increase in costs of production is influenced by factors that fall outside the control of the monetary policy ✓✓
- e.g. increase in oil price ✓

(Accept any other correct relevant response)

(Allocate a maximum of 2 marks for mere listing of facts/examples)

(8)

**[40]**



**QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES****4.1 Answer the following questions.**

**4.1.1 State any TWO ways in which households can benefit from tourism.**

- Income ✓
- Job opportunities ✓
- Infrastructure ✓
- Skills ✓

(Accept any other correct relevant response) (2 x 1) (2)

**4.1.2 How will a national minimum wage influence the supply of labour?**

The supply of labour will increase ✓✓

(Accept any other correct relevant response) (1 x 2) (2)

**4.2 DATA RESPONSE**

**4.2.1 Identify the products produced by the businesses above.**

Cement products ✓ (1)

**4.2.2 Which market structure is depicted above?**

Oligopoly ✓ (1)

**4.2.3 Why will a new business find it difficult to enter into this type of market?**

- The initial set-up cost is high which means that new entrants will have to sell at a higher cost than established businesses (barriers to entry) ✓✓ e.g. licenses ✓
  - Companies already in the market will use branding to crowd-out new competition ✓✓
  - Advertising extensively is costly ✓✓ (1 x 2) (2)
- (Accept any other correct relevant response)

**4.2.4 What does the *interdependency of businesses* in this market structure imply?**

Only a few sellers dominate the market, therefore each seller is influenced by the action of the other sellers ✓✓

(Accept any other correct relevant response) (2)

**4.2.5 Explain, without the use of a graph, why businesses in this industry will be reluctant to decrease the price of their product.**

Businesses in this industry will be reluctant because:

- decreasing the price might lead to a price war which will drive prices down ✓✓
- a decreased price can result in lower profits ✓✓
- due to the kinked nature of the demand curve, they will lose more revenue than they would gain via increased sales ✓✓

(Accept any other correct relevant response) (2 x 2) (4)

**4.3 DATA RESPONSE**

**4.3.1 Identify any TWO holiday attractions that people on this bus are going to visit.**

- Robben Island ✓
- God's Window ✓
- Sterkfontein Caves ✓
- iSimangaliso Wetland Park ✓
- Kruger National Park ✓
- Table Mountain ✓

(Any 2 x 1) (2)

**4.3.2 Briefly describe the term *tourism*.**

Tourism is the activities of people travelling to and staying in places outside their usual environment for no more than one consecutive year for leisure, business and other purposes ✓✓

(Accept any other correct relevant response) (2)

**4.3.3 How can local communities benefit from nearby tourist attractions?**

Communities will benefit from tourist attractions by:

- providing formal/immediate employment such as work at hotels and informal employment such as selling artefacts ✓✓
- providing an opportunity for the on the job training for those hired in the tourism sector ✓✓
- using infrastructure provided by government to benefit the tourism industry ✓✓

(Accept any other correct relevant response) (Any 1 x 2) (2)

#### 4.3.4 Which strategies can be used to promote tourism in South Africa?

Tourism can be promoted by:

- improving marketing and advertising of tourism destinations ✓✓
- improving infrastructure used by tourists such as communication and transport ✓✓
- improving the quality of services given to the tourists so that they can return ✓✓
- developing new tourist attraction sites and properly maintain the existing ones ✓✓
- welcome campaigns – aims to encourage people to offer better services ✓✓
- welcome awards – recognizes those businesses and individuals who improve the quality of tourist offerings. The awards recognizes high standards and excellent service ✓✓
- shot'left campaign – aims to promote a culture of local holiday travel ✓✓
- Tourism Indaba – one of the largest tourism marketing events it show cases a variety of the Southern Africa's best tourism products and attracts international visitors and media from across the world ✓✓

(Accept other correct relevant responses)

(Any 2 x 2)

(4)

#### 4.4 Explain the negative effects of inflation on *investors* and *people with a fixed income*.

Inflation will influence investors negatively by:

- decreasing the value of the investors' assets with a fixed nominal value ✓✓
- giving the investors a fixed return if the assets are held until maturity ✓✓  
E.g. fixed deposits/government bond as it decrease in value as inflation increases ✓
- discouraging foreign investors from investing money in a country with a high inflation rate ✓✓ (Max 4)

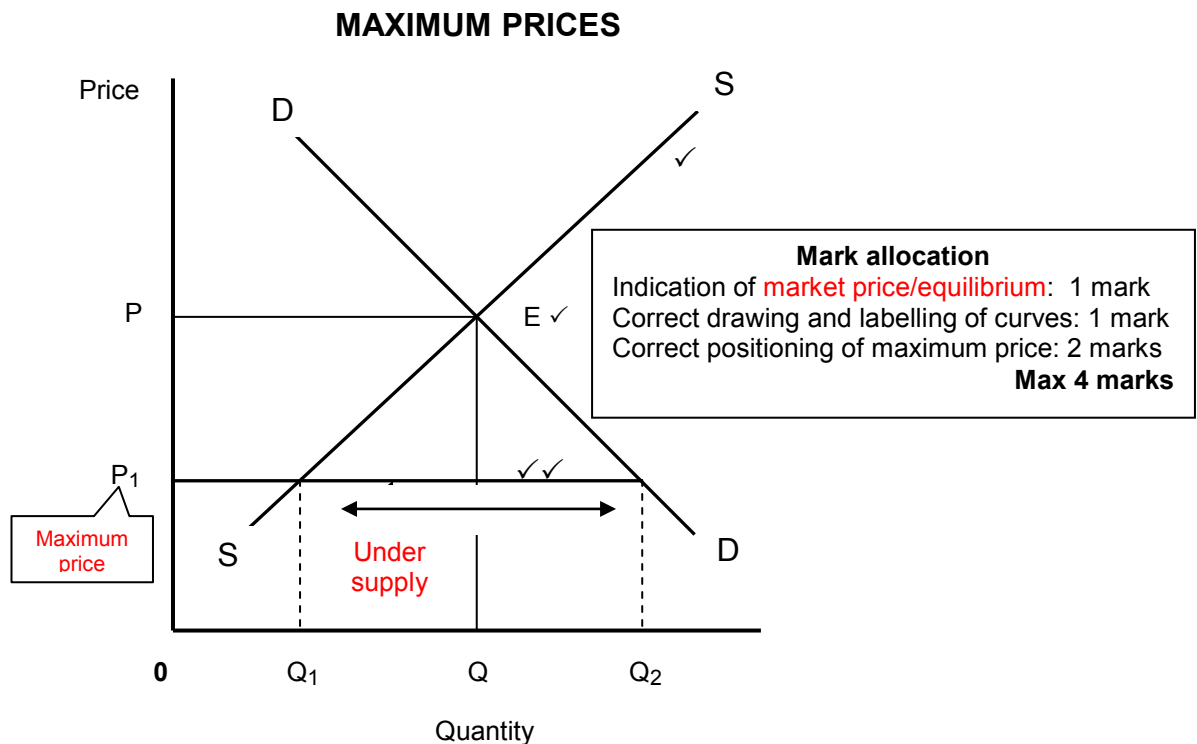
Inflation will influence people with fixed income negatively by:

- increasing at a faster rate than the fixed income people earns ✓✓
- decreasing their buying power to purchase fewer goods and services, as prices increase ✓✓ e.g. the poor who receive social grants/pension/retired people ✓
- saving less because they became poorer ✓✓ (Max 4) (8)

(Accept other correct relevant responses)

(Allocate a maximum of 4 marks for mere listing of facts/examples)

4.5 Explain, with the aid of a neatly labelled graph, the impact of maximum prices on the market.



- The government might set the price of a good or service at a maximum level ( $P_1$ -maximum price) that lies below the market price  $P$  ✓✓
  - The drop in price will cause the demand for the good or service to increase while producers will decrease their supply (under supply) ✓✓
  - The quantity demanded will increase from  $Q$  to  $Q_2$ , and the quantity supplied will decrease from  $Q$  to  $Q_1$  ✓✓
  - This will cause a shortage of goods and services on the market ✓✓
  - This leads to the development of black markets ✓✓ (Max 4)
- (Accept any other correct relevant answer) (8)
- (Allocate a maximum of 2 marks for mere listing of facts/examples) [40]

**TOTAL SECTION B: 80**

**SECTION C**

Answer ONE of the two questions in this section in the ANSWER BOOK.  
Your answer will be assessed as follows:

**QUESTION 5: MICROECONOMICS**

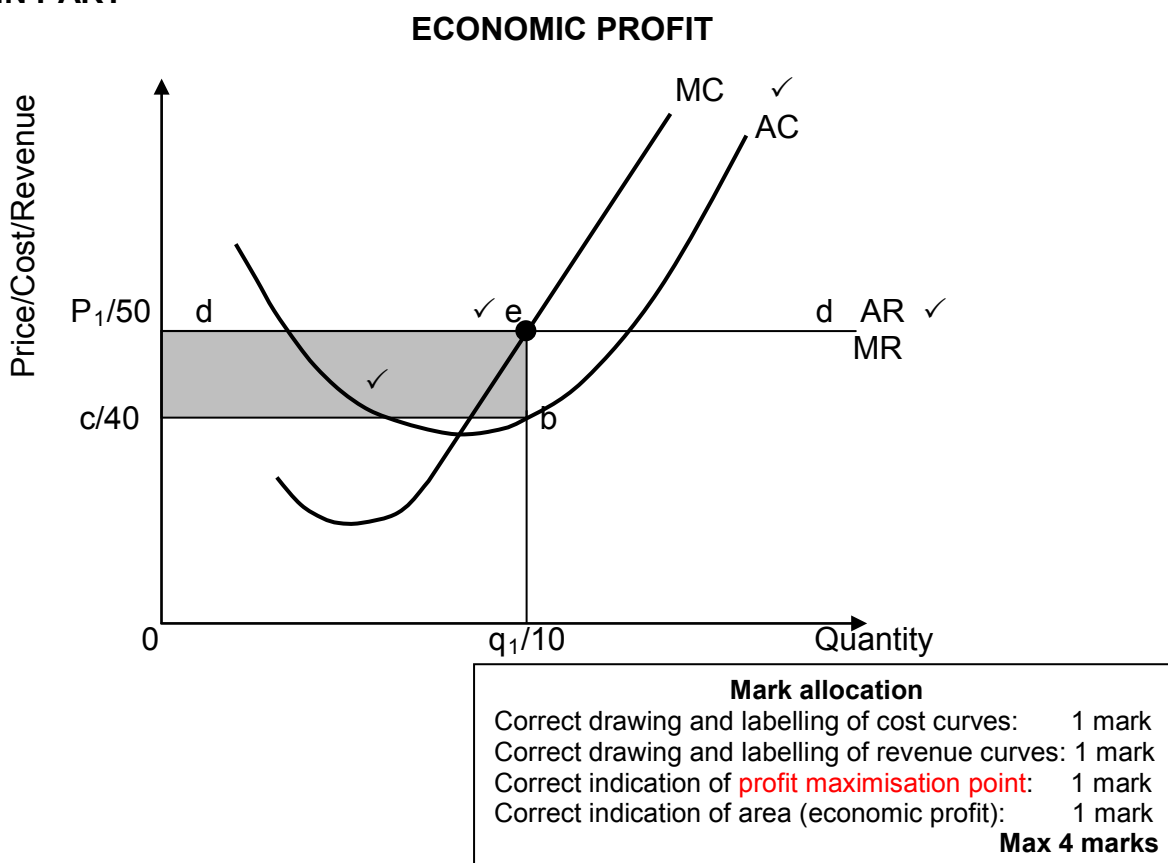
- With the aid of three separate graphs, explain the following short term equilibrium positions in a perfect market:
  - Economic profit (10 marks)
  - Economic loss (8 marks)
  - Normal profit (8 marks) (26 marks)
- How successful is the competition policy in promoting a more competitive economy? (10 marks)

[40]

**INTRODUCTION**

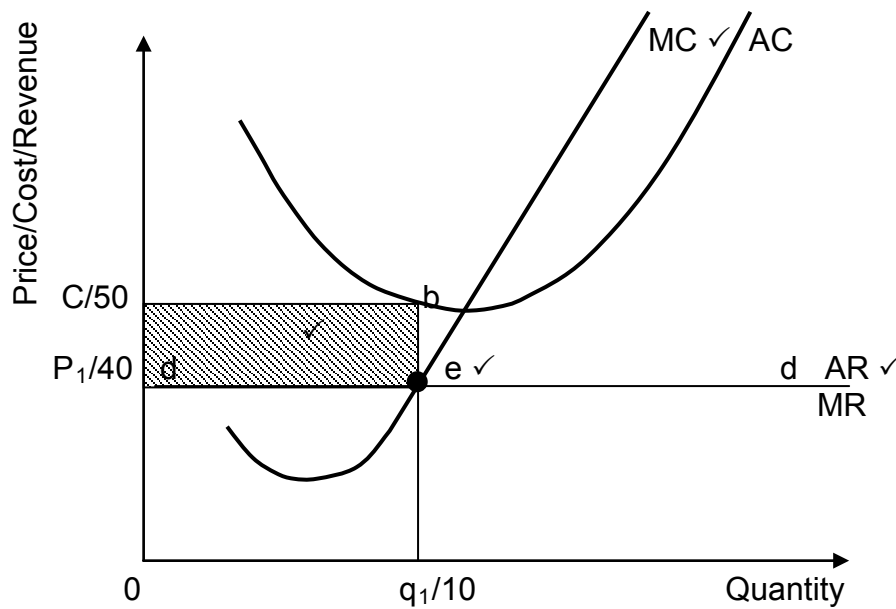
A perfect competition is a market structure with a large number of buyers and sellers  
✓✓ (Accept any other relevant introduction) (Max 2)

**MAIN PART**



- The minimum point of the short-term average cost curve (AC) is lower than the market price ✓✓
- The business is in equilibrium (it is maximising profits) at point e where MR = MC and the business will produce at quantity  $q_1$  and market price  $P_1$  ✓✓
- Total revenue is equal to  $0q_1 \times 0P_1$  ( $50 \times 10$ ) and total cost is equal to  $0q_1 \times 0c$  ( $40 \times 10$ ) ✓✓
- The economic profit is represented by the area  $cP_1eb$  (R100) ✓✓ (6) (Max 10)  
(Accept any other correct relevant response)

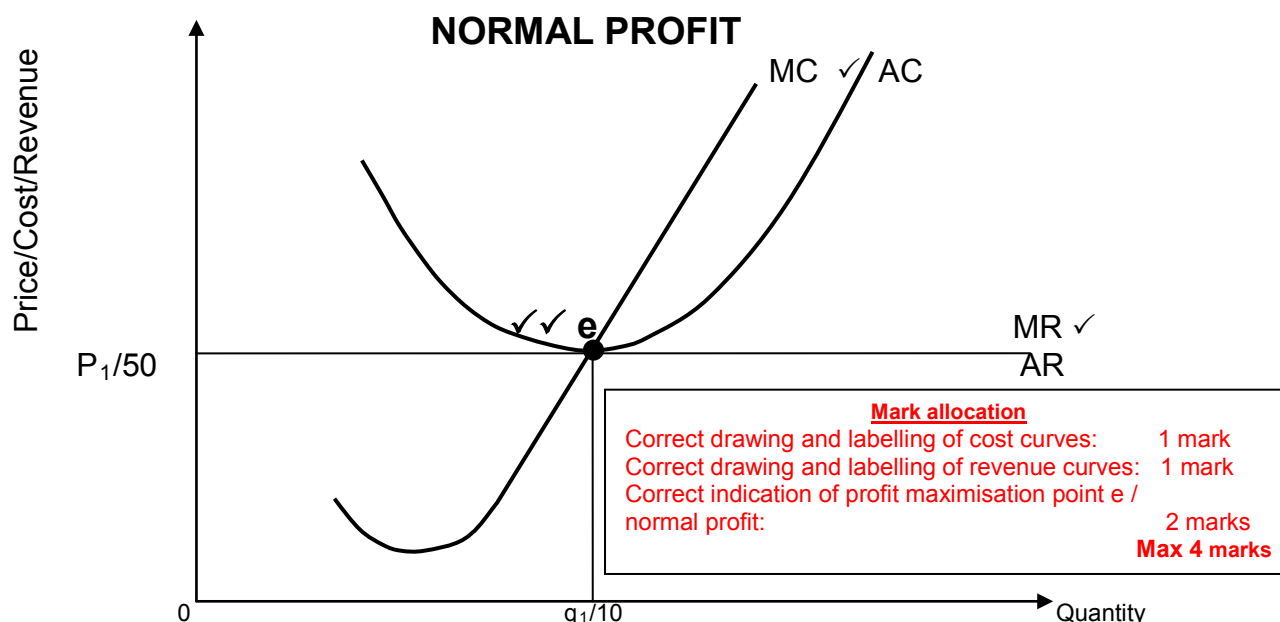
### ECONOMIC LOSS



**Mark allocation**

Correct drawing and labelling of cost curves: 1 mark  
 Correct drawing and labelling of revenue curves: 1 mark  
 Correct indication of loss minimizing point: 1 mark  
 Correct indication of area (economic loss): 1 mark  
**Max 4 marks**

- The minimum point of the short-term average cost curve (AC) is higher than the market price ✓✓
- The business is in equilibrium (it is maximising profits) at point e where MR=MC and the business will produce at quantity Q and market price P ✓✓
- Total revenue is equal to  $0q_1 \times 0P_1$  (40 x 10) and total cost is equal to  $0c \times 0q_1$  (50 x 10) ✓✓
- The economic loss is represented by the area  $P_1cbe$  (100) ✓✓  
(Accept any other correct relevant response) (4) (Max 8)



- At point e where  $MR = MC$  the business will produce at quantity  $q_1$  and market price  $P_1$  ✓✓
  - The lowest point of AC is tangent to the AR/MR curves ✓✓
  - This implies that  $AC=AR$  and total cost is equal to total revenue ( $OP_1eq_1/500$ ) ✓✓
  - Normal profit is minimum earnings required to prevent the entrepreneur from leaving the market ✓✓
- (6) Max (8)**  
**Max 26**

### ADDITIONAL PART

The competition policy is successful by:

- making provision for institutions like the Competition Commission, Competition Tribunal and Appeal Court to investigate any unfair competition in the country ✓✓
- functioning as an investigator and evaluator of restrictive business practices ✓✓
- making recommendations about penalties for businesses found guilty of abuse ✓✓
- implementing the Competition Tribunal who accepts or rejects the investigation and recommendation of the Competition Commission and confirms penalty imposed ✓✓
- making it possible for businesses to appeal for a penalty imposed by the Competition Appeal Court ✓✓
- curbing the economic power of big conglomerates to arrive at a more equitable distribution of income and wealth ✓✓
- regulating mergers and takeovers to regulate market power of mergers ✓✓  
(Accept practical examples where Competition policy has succeeded)  
(Accept any other correct relevant response)

The competition policy is not successful because of

- frequency of investigations into collusive behaviour ✓✓ e.g. cement / steel / bread / bank industries ✓
  - fines were too lenient and not acceptable to some parties ✓✓
  - too many competitors still preventing affirmative action/young black industrialists entering into the market (BEE) ✓✓
- (Max 10)**

### CONCLUSION

Businesses under perfect competition can only realise normal profits in the long-run due to the number of businesses entering in the market to share in the profits being made in the short run ✓✓

**(Max 2)**

(Accept any other correct relevant higher order response)

**QUESTION 6: CONTEMPORARY ECONOMIC ISSUES**

- **Discuss the FIVE major environmental problems and the international measures taken to solve these problems to ensure a sustainable environment.**  
(26 marks)
- **How does South Africa use conservation to ensure a sustainable environment?**  
(10 marks)

**[40]****INTRODUCTION**

Environmental sustainability is the ability of the environment to survive its use for economic activities /

Environmental issues are global issues, as such the following five environmental problems are areas of concern ✓✓ (Max 2)

(Accept any other correct relevant response)

**MAIN PART****Biodiversity loss** ✓

- Biodiversity is the variety of species of plants and animal in a particular area ✓✓
- It is concerned with the genetic variety among individuals within the same species and the number of species within a community of organisms ✓✓
- The diversity of species in the world decreases rapidly due to extinction and extinction is an irreversible process ✓✓
- Modern techniques such as gene transplant can help to limit the loss of species.
- The **United Nations' Convention on International Trade in Endangered Species (CITES)** prohibits trade in endangered plant and animal species ✓✓
- Monitoring and regulation of trade in endangered species is carried out using permits and quotas ✓✓
- In South Africa, a permit is needed for one to import plants and animals ✓✓ (Max 6)

**Chemical wastes** ✓

- Chemical waste are toxic and their effect on an organism can be death or infertility ✓✓
- Chemical waste needs to be carefully managed to ensure that it does not leak in to the ground water ✓✓
- The **Stockholm Protocol** bans the twelve of the deadliest manufactured chemicals ✓✓
- The **Rotterdam Convention** protects countries that lack adequate infrastructure to monitor the import of and export of dangerous chemicals ✓✓ (Max 6)

**Hazardous waste** ✓

- Hazardous waste is more than a chemical waste and it includes toxic metal waste such as lead ✓✓
- Hazardous waste has a slow decomposition rate (It stays poisonous for a long time) ✓✓
- Hazardous waste can endanger all life forms and entire ecosystem ✓✓
- The **Basel Convention** on the control of Trans boundary Movement of Hazardous waste allows trade between countries that have signed the convention ✓✓
- Hazardous waste is dumped illegally because it is convenient and cheap ✓✓ (Max 6)



**Climate change** ✓

- Climate change is the change in the composition of the atmosphere that is related to human activity ✓✓
- A build-up of certain gases such as carbon dioxide in the atmosphere causes the heat to be captured in to the atmosphere, which leads to global warming ✓✓
- Effects of climate change include change in temperature and weather patterns ✓✓
- The **United Nations' Framework Convention on Climate Change (UNFCCC)** sets objective to reduce greenhouse gases ✓✓
- **Kyoto Protocol** was signed as an agreement in which greenhouse gases emission level for developed countries were agreed upon ✓✓
- The objectives of the agreement were not achieved ✓✓ (Max 6)

**Loss of indigenous Knowledge** ✓

- Indigenous people have knowledge about the natural environment, which they often use to make a living ✓✓
- Indigenous people use organic methods and natural processes in dealing with the environment ✓✓
- Local capacity building is important as it can help indigenous people to learn more of the environment beyond their traditional life style and experiences ✓✓
- **UNESCO's** management of social transformation programme (MOST) is a global effort to document local/indigenous knowledge before it is lost for ever ✓✓  
(Accept any other correct relevant response) (Max 6)  
(Allocate a maximum of 8 marks for mere listing of facts/examples)  
(At least **TWO** marks should be allocated for the **international measure** used to solve each problem)  
(Accept other major environmental issues) (Max 26)

**ADDITIONAL PART**

Conservation in South Africa can ensure a sustainable environment by:

- bringing a balance in the ecosystem ✓✓ as animals and plant interacts and depends on one another for continued survival ✓✓
- protecting forests, as they are important for producing oxygen and absorbing greenhouse gases ✓✓
- reducing the amount of greenhouse gases that reach the atmosphere thereby decreasing global warming ✓✓
- using water wisely, as it is basic to plant and animal existence ✓✓ Various local municipalities impose restrictions on water consumption to ensure conservation ✓✓
- reusing, reducing and recycling people use fewer resources and production of things such as plastics can decrease ✓✓
- policies help to conserve renewable stocks (e.g. trees) and non – renewable stocks (e.g. Fossil fuels) ✓✓
- a market economy has an interest in conservation as it helps maintain renewable stocks e.g. timber and fishing ✓✓
- achieving sustainability of industries through forces of demand and supply ✓✓
- direct controls: the government maintains the stock level of environmental resources through the issuing of permits and quotas ✓✓
- e.g. setting quotas for fishing by government, to stop catches being so large that they exceed the growth of the fish population ✓✓
- setting quotas for cutting down trees to ensure deforestation does not exceed the rate renewal ✓✓ (Accept any other correct relevant response) (Max 10)

**CONCLUSION**

The success in protecting the environment will take a united effort from consumers, businesses and governments ✓✓ (Max 2)

(Accept any other correct higher order conclusion)

**[40]**

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**