

Centre Number	Candidate Number	Candidate Name
---------------	------------------	----------------

NAMIBIA SENIOR SECONDARY CERTIFICATE

ECONOMICS ORDINARY LEVEL

4347/1

PAPER 1

2 hours 30 minutes

Marks 80

2013

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 workings/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 **9** printed pages and **3** blank pages.



Republic of Namibia
MINISTRY OF EDUCATION



SECTION A

1 Explain what is meant by *scarcity*.

.....
.....
.....
.....

[2]

2 Define *division of labour*.

.....
.....
.....
.....

[2]

3 What is meant by *unlimited liability*?

.....
.....
.....
.....

[2]

4 Explain **two** features of public limited companies.

1.....
.....
2.....
.....

[2]

5 Describe a craft union as a type of trade union.

.....
.....
.....
.....

[2]

6 Name **two** functions of money.

1.....
.....
2.....

[2]

7 What does it mean if a company's shares are listed on the stock exchange?

.....
.....

[1]

8 State **two** factors which determine the demand for a product.

1.....
.....
2.....
.....

[2]

9 What is meant by *joint supply*? Give an example.

.....
.....
.....
.....

[2]

10 Describe **two** factors that might influence consumer saving.

1.....
.....
2.....
.....

[2]

11 Define *marginal cost*.

.....
.....
.....
.....

[2]

12 A firm producing cell phones incurred the following costs.

Output (000s)	Total Costs (N\$000)
0	10
1	120
2	350
3	1 050

Calculate the variable costs if 3 000 cell phones are produced. Show your calculations.

.....

.....

.....

.....

[2]

13 Describe a *conglomerate merger*.

.....

.....

.....

.....

[2]

14 Identify **two** indicators that may be used to measure the size of a firm.

1.....

.....

2.....

.....

[2]

15 Explain the term *nationalisation*.

.....

.....

.....

.....

[2]

16 Describe **two** ways that the government can use to redistribute income and wealth.

1.....
.....

2.....
.....

[2]

17 What tax is described when all taxpayers pay the same percentage of their income in tax?

.....
.....

[1]

18 Explain what is meant by *seasonal unemployment*. Give an example.

.....
.....
.....
.....

[2]

19 Describe **one** method of calculating the national income.

.....
.....
.....
.....

[2]

20 The US dollar depreciates against the Namibian dollar from U\$1 = N\$8,00 to U\$1 = N\$7,15.

What might happen to the price and volume of Namibian exports to the US?

.....
.....
.....
.....

[2]

21 Explain what is meant by *an exchange rate*.

.....
.....
.....
.....

[2]

[40]

SECTION B

22 More than 700 small and medium enterprises benefited from First National Bank's (FNB) funding and support program for small businesses. This has resulted in thousands of jobs being created and previously disadvantaged Namibians being able to become business owners.

FNB is committed to support the small business sector. Small businesses have the potential to reduce unemployment and poverty in Namibia while at the same time increasing economic growth. The government welcomes the support of FNB as employment creation and poverty reduction are two of the government's economic objectives.

FNB is aware of problems experienced by new entrepreneurs such as accessing loans, high debt rates, lack of business management skills and training, and has partly addressed these through substantial investment in the training and support of qualifying small business operators.

(a) Identify the possible problems that might be experienced by new entrepreneurs.

.....
.....
.....
.....

[4]

(b) Describe the functions of a commercial bank.

.....
.....
.....
.....
.....
.....
.....
.....

[4]

(c) Discuss how the government might use its fiscal policy to help new small business entrepreneurs.

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

[4]

(d) Consider whether small firms do play a vital role in the Namibian economy.

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

[8]

[20]

23 It is claimed that 81% of computer software programmes used in Africa, have been pirated and illegally copied. This costs governments and a software company such as Microsoft, billions of dollars in revenue and decreased economic growth. Information Technology (IT) helps with development and the reduction of poverty. It is claimed that a reduction of 10% in piracy and illegal copying might lead to increase in output and result in tax revenue of \$22.5 billion.

Companies need to convince buyers to budget for IT and buy software from legal dealers to obtain the benefits offered by them.

(a) Microsoft might be classified as a monopoly due to the company controlling more than 25% of the market. Outline the features of such an enterprise.

.....
.....
.....
.....
.....
.....
.....
.....
.....
.....

[4]

(b) Explain **two** types of tax revenues that might be gained through legal sales of computer software.

1.....
.....
.....
.....

2.....
.....
.....
.....

[4]

(c) Discuss how buyers of software programmes might be protected if the software is bought from legal dealers.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[4]

(d) Assess how IT might contribute to productivity and help to reduce poverty.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

[8]

[20]

BLANK PAGE

