EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

CANDIDATE NAME	

CENTRE NUMBER						CANDIDATE NUMBER				

ECONOMICS **6899/02**

Paper 2 **October/November 2022**

2 hours

Candidates answer on the Question Paper
No Additional Materials are required

READ THESE INSTRUCTIONS FIRST

Write your candidate name, Centre number and candidate number on all the work you hand in.
Write in dark **blue** or **black** pen.
You may use a soft pencil for any diagrams, graphs or rough working.
Do **not** use staples, paper clips, highlighters, glue or correction fluid.

This paper consists of **four** questions, answer **all** questions.
You may use a calculator.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

For Examiner's Use	
Question 1	
Question 2	
Question 3	
Question 4	
Total	

This document consists of **13** printed pages and **3** blank pages.

© ECESWA 2022

Answer all **four** questions

1 Allocation of resources in an economy may be dominated by either the private or public sector. Scarcity of resources compels countries to sacrifice the production of certain products and this can be illustrated using a Production Possibility Curve (PPC). The quantity supplied of various products in an economy is influenced by the product's elasticity of supply.

(a) **(i)** State **one** example of a business organisation in the private sector.

..... [1]

(ii) State **two** factors of production.

.....

..... [2]

(b) Explain **two** causes of an outward shift of a PPC.

(i) .....

.....

.....

(ii) .....

.....

..... [4]

For Examiner's Use

(c) Analyse what determines the value of a product's price elasticity of supply.

..... [7]

For Examiner's Use

(d) Discuss whether the private sector should be responsible for allocating resources.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

For Examiner's Use

2 Nowadays most businesses are using capital-intensive methods of production, especially those operating in a perfectly competitive market structure. This practice has led to the expansion of firms which is a benefit to the consumers, although some businesses still prefer to remain small.

(a) State **three** influences on consumer spending.

(i) .....

.....

(ii) .....

.....

(iii) .....

..... [3]

(b) Describe **two** advantages of capital-intensive production.

(i) .....

.....

.....

(ii) .....

.....

..... [4]

For Examiner's Use

(c) Analyse why small firms may want to expand.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [7]

For Examiner's Use

(d) Discuss whether it is advisable for economies to promote perfect competition.

..... [6]

3 There are a variety of indicators that can be used to assess the living standards in a country, for example, real Gross Domestic Product per head. The economic cycle can indicate an increase in economic growth which would improve living standards, increase government tax revenue and reduce unemployment. Besides private individuals' participation in an economic activity, the government also operates state-owned enterprises called public corporations which are beneficial to an economy.

(a) **(i)** Explain what is meant by living standards.

.....

.....

..... [2]

(ii) Define taxation

.....

.....

..... [2]

(b) Explain what is meant by the following economic terms:

(i) The boom phase in the economic cycle

.....

.....

..... [2]

(ii) Cyclical unemployment

.....

.....

..... [2]

For Examiner's Use

(c) Analyse why real Gross Domestic Product per head as an indicator of living standards may not necessarily be the best indicator in an economy.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

For Examiner's Use

(d) Discuss whether public corporations are beneficial to an economy.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

For Examiner's Use

4 Countries usually concentrate on producing those products that their resources are best at. To enhance the movement of goods and services between countries trade agreements such as the Southern African Customs Union (SACU) have been established. Despite the benefits of these trade agreements, countries still use trade barriers to protect the local market which may result in the reduction of poverty in their economies.

(a) **(i)** State the type of poverty where two groups of people in a society are compared to determine their state of poverty.

..... [1]

(ii) Explain what is meant by absolute advantage in international trade.

.....

.....

..... [2]

(b) Explain **two** policies that can be used to alleviate poverty.

(i) .....

.....

.....

.....

(ii) .....

.....

.....

..... [4]

(c) Analyse why countries still use trade protectionism.

..... [7]

(d) Discuss whether the Kingdom of Eswatini should continue being a member of the Southern African Customs Union (SACU)? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

BLANK PAGE

BLANK PAGE

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (ECESWA) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

© ECESWA 2022