



# **basic education**

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

## **SENIOR CERTIFICATE EXAMINATION**

**ECONOMICS P1**

**2015**

**MEMORANDUM**

**MARKS: 150**

**This memorandum consists of 19 pages.**

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

- 1.1.1 A (final) ✓✓
- 1.1.2 B (government spending) ✓✓
- 1.1.3 A (parastatals) ✓✓
- 1.1.4 A (appreciation) ✓✓
- 1.1.5 B (infant) ✓✓
- 1.1.6 C (human capital) ✓✓
- 1.1.7 C (manufacturing) ✓✓
- 1.1.8 A (productivity) ✓✓ (8 x 2) (16)

**1.2 MATCHING ITEMS**

- 1.2.1 C – where labour, entrepreneurship, land and capital are traded ✓
- 1.2.2 D – caused by changes in the building and construction industry ✓
- 1.2.3 A – human resources used to maximum capacity ✓
- 1.2.4 G – all currencies of other countries in the possession of the South African Reserve Bank ✓
- 1.2.5 I – the use of fiscal policy to stimulate spending in the economy ✓
- 1.2.6 B – no restrictions or limitations to global trade ✓
- 1.2.7 E – cash incentives for businesses in information technology ✓
- 1.2.8 F – headline inflation ✓ (8 x 1) (8)

**1.3 GIVE ONE TERM**

- 1.3.1 Terms of trade ✓
- 1.3.2 Business cycles / Cyclical trends ✓
- 1.3.3 Market ✓
- 1.3.4 State budget/Budget/National budget ✓
- 1.3.5 Expanded Public Works programme/EPWP/EPW/PWP ✓
- 1.3.6 Export promotion ✓ (6 x 1) (6)

**TOTAL SECTION A: 30**

**SECTION B**

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

**QUESTION 2: MACROECONOMICS**

2.1 Answer the following questions.

2.1.1 Name TWO methods to calculate national account aggregates.

- Income method/GDP(I) ✓
- Expenditure method/GDP (E) ✓
- Production method/Value Added/GDP (P) ✓ (Any 2 x 1) (2)

2.1.2 Why are GNP figures generally lower than GDP figures in South Africa?

- Compared to our own factors of production in foreign countries, there are more foreign factors of production involved in our country ✓✓
- Foreigners contribute more than what we contribute to their countries ✓✓ (1 x 2) (2)

2.2 Data Response

2.2.1 What has happened to the contribution of gold since 2011?

It has declined/decreased ✓ (1)

2.2.2 Define the term *current transfers*.

Receive money without any counter performance / These are the transfers e.g. donation and gifts from residents to non-residents and vice versa ✓✓ (2)

2.2.3 Calculate the trade balance for 2013. Show ALL calculations.

Merchandise exports	853 715	}	✓	(3)
<i>Plus</i> Net gold exports	63 887	}		
<i>Less</i> Merchandise imports	<u>991 186</u>		✓	
Trade balance	-73 584		✓	

2.2.4 What impact will the deficit on the current account have on the economy?

- It will have a negative effect on the economy ✓✓
  - Foreign exchange reserves will be reduced to settle international debts ✓✓
  - Domestic prices of goods and services will increase/lead to inflation/imported inflation ✓✓
  - It will have a negative effect on economic growth ✓✓
- (Accept any other relevant response) (2 x 2) (4)

2.3 **Data Response**

2.3.1 **Which government department received the highest allocation of the budget?**

Education ✓ (1)

2.3.2 **When does the financial year of the government begin?**

1<sup>st</sup> April ✓ (1)

2.3.3 **Name any TWO items in the above pie chart that are related to social spending.**

- Housing ✓
- Health ✓
- Education ✓ (Any 2 x 1) (2)

2.3.4 **Why do you think the government should spend more on infrastructure development?**

- To promote industrial development ✓✓
- To promote economic growth ✓✓
- To reduce unemployment and improve the standard of living ✓✓
- To reduce poverty ✓✓  
(Accept any other relevant response) (Any 1 x 2) (2)

2.3.5 **Why does the government allocate 60% of the entire budget to social spending?**

- To improve the quality of life of all the citizens ✓✓
- To promote the literacy and numeracy ✓✓
- To provide shelter to the indigent ✓✓  
(Accept any other relevant response) (Any 2 x 2) (4)

2.4 **Explain the endogenous reasons (Keynesian theory) for business cycles.**

- The Keynesians view is that markets are inherently unstable ✓✓
- The level of economic activities constant and erratically overshoots and undershoots the economy's potential ✓✓
- The price mechanism fails to coordinate demand and supply of goods and services ✓✓
- Prices are simply not flexible enough to be adjusted downwards ✓✓
- These mismatches cause business cycles ✓✓
- The government should intervene to smooth peaks and troughs as they occur ✓✓

(Allocate 2 marks for appropriate graph. Accept any other relevant response) (4 x 2) (8)

**2.5 Argue in favour of import substitution.**

- More local businesses can be established/diversification ✓ Its often argued that the industrial base of the economy need to be strengthened and expanded and this will make them less dependent on foreign countries and give them more control over their own economies ✓✓
- A natural starting point therefore is to substitute imports because there are certainties that the domestic market exists for those products ✓✓
- A greater variety of businesses can exist or continue to exist ✓✓
- Trade ✓ developing countries rely on their natural resources as a base for their economic growth and development ✓✓
- Increased employment ✓ the establishment of new industries demands more employment and thus improve the standard of living of the people ✓✓

(Accept any other relevant argument)

(4 x 2)

(8)  
**[40]**

**QUESTION 3: ECONOMIC PURSUITS****3.1 Answer the following questions.****3.1.1 Name any TWO economic indicators that are related to employment.**

- Economically Active Population (EAP) ✓
- Employment rate ✓
- Unemployment rate ✓

(Any 2 x 1) (2)

**3.1.2 What is the main aim of South Africa's National Development Plan (NDP)?**

- Eliminate poverty and reduce inequality by 2030 ✓✓
  - Reduce unemployment 14% by 2020 and 6% in 2030 ✓✓
  - Grow an inclusive economy ✓✓
- (Accept any other relevant response)

(Any 1 x 2) (2)

**3.2 Data Response****3.2.1 Name the SDI indicated by A.**

Wild Coast SDI ✓✓

(2)

**3.2.2 Define *spatial development initiatives*.**

Regional development initiative in South Africa to attract infrastructure and business investments to neglected and under developed areas ✓✓

(2)

**3.2.3 What is the main focus of SDIs?**

- Stimulate growth ✓✓
- Create employment ✓✓

(Accept any other relevant response)

(1 x 2) (2)

**3.2.4 What is the difference between *industrial development zones* and *special economic zones*?**

IDZ - Purpose-built industrial estate that are physically enclosed and linked to an international port or airport ✓✓

SEZ - Sets the basis for a broader range of industrial parks and economic infrastructure provision for effective clustering of value-adding employment, enhancing manufacturers ✓✓

**OR**

The key difference between SEZ and IDZ is that the latter focuses solely on exports and hence located near port and airports ✓✓

SEZ have a wider industrial development objective and can be located in any area ✓✓ and investment are complimented by incentive packages and cluster development ✓✓ Tax incentives expanded in SEZ ✓✓

(2 x 2) (4)

3.3 **Data Response**3.3.1 **According to the extract, what is the misconception regarding the BEE policy?**

- That BEE is affirmative action ✓
- That the meaning of existing wealth should be redistributed ✓ (1)

3.3.2 **What is the focus of the BEE policy instrument?**

- To eradicate inequality ✓
  - Stimulate further economic growth ✓
  - Create employment ✓
  - Broaden the economic base ✓
- (Accept any other relevant response) (1)

3.3.3 **How can broad-based growth be achieved?**

- BEE should focus on ALL the sectors and levels of the economy ✓✓
  - The government should establish more charters/agreements between the Department of Trade and Industry (DTI) and industries in private sector ✓✓
- (Accept any other relevant response) (2 x 2) (4)

3.3.4 **Do you think that BEE is successful as a measure to redress inequalities of the past? Motivate your answer.**

- Yes ✓
- There are many previously disadvantaged people participating in the economy of the country than before ✓✓
- There is more participation and competition in the market /business environment ✓✓

**OR**

- No ✓
  - There are still many previously disadvantaged people who are excluded from economic participation ✓✓
  - In some industries there is still a shortage of previously disadvantaged role players ✓✓
- (Accept any other relevant response) (2 x 2) (4)

**3.4 Differentiate between *economic growth* and *economic development*.****Economic growth**

- It is the increase in the real GDP over a period of time ✓✓
- It focus on the production of goods and services ✓✓
- Increase the production capacity of the economy ✓✓ (2 x 2)

**Economic development**

- It is the increase in the real per capita GDP ✓✓
- It focus on the increase in living standards ✓✓  
(Accept any other relevant fact) (2 x 2) (8)

**3.5 How can the South African government ensure that its industrial policies comply with international benchmarks?**

- Ensure macroeconomic stability ✓✓
  - Achieve high rates of savings and investment ✓✓
  - Allow markets to allocate resources ✓✓
  - Have committed, credible and capable government ✓✓  
(Accept any other relevant response) (4 x 2) (8)
- [40]**



**QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS****4.1 Answer the following questions.**

**4.1.1 Name TWO growth sectors of South Africa's Integrated Manufacturing Systems (IMS).**

- Exports ✓
  - Tourism ✓
  - Agriculture ✓
  - Information Technology and Communication ✓
  - Cultural ✓
- (Any 2 x 1) (2)

**4.1.2 How can extrapolation be used in predicting business cycles?**

By extending the current trend line/To base forecasting on information already known ✓✓ (1 x 2) (2)

**4.2 Data Response**

**4.2.1 What do dotted lines a and b represent?**

Amplitude ✓✓ (2)

**4.2.2 Define the term *real (actual) business cycles*.**

Real changes in economic activities over a period of time ✓✓ (2)

**4.2.3 What is the importance of the length ( $T_2-T_3$ ) of a business cycle?**

- The length of the business cycle is the amount of time it takes to move through one complete cycle ✓✓
  - Longer cycles show strength – shorter cycles show weakness ✓✓
  - The length in this instance is approximately 3 years and we can predict that the following one will also take approximately 3 years or shorter ✓✓
- (Accept any other relevant response) (2)

**4.2.4 What can the government do to ensure that high inflation does not occur during peaks of the business cycles?**

- Government can increase taxes ✓✓
  - Government expenditure can be reduced ✓✓
  - Monetary policy instruments e.g. increased interest rates, inflation targeting ✓✓
- (Accept any other relevant responses related to fiscal and monetary policy) (2 x 2) (4)

4.3 **Data Response**4.3.1 **What message is depicted in the cartoon above?**

Africa is being destroyed while the North are watching/North South divide/ North responsible for damaging the environment at the expense of Africa ✓✓

(Accept any other relevant response) (2)

4.3.2 **Name TWO countries that belong to the G8 group of countries.**

- USA ✓
- Russia ✓
- Canada ✓
- England ✓
- Italy ✓
- France ✓
- Japan ✓
- Germany ✓

(Any 2 x 1) (2)

4.3.3 **Give a reason why African countries feel that the G8 countries neglect Africa.**

- The G8 countries are industrialised and seem to care very little for the development of African countries, except the need for their natural resources ✓✓
- These countries are the major polluters in the world and it seems that they do not care what impact their production levels have on world pollution ✓✓
- Trade agreements seem to favour the G8 countries more than the major African countries ✓✓

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

4.3.4 **Why will the Gini-coefficient of G8 countries in the North differ from that of countries in the South?**

- The G8 countries have a higher per capita income due to high GDP and low unemployment ✓✓
- The Gini coefficient in the North will be closer to 0 due to more equitable distribution of income compared to countries in the South where the Gini coefficient was closer to 1 because of an inequitable distribution of income ✓✓
- Reasons could be: experiencing high unemployment, low industrialisation, past political policies in the South ✓✓

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

4.4 **Explain the methods to promote exports.**

- **Tax concessions** ✓ these are reductions in taxes on profits and volumes exported and also refunds of the taxes exporters have to pay on their goods in foreign countries ✓✓
- **Tax-free grants (tax exemptions)** ✓ these grants compensate exporters for the extra costs they incur in exporting ✓✓
- E.g. set up operations in an IDZ/SEZ ✓
- **Rebates** ✓ refunds on import tariffs ✓
- **Export credit and export credit guarantees** ✓
- **Identifying markets** ✓ information on export markets, research with regard to new markets ✓✓
- **Subsidies are money** (cash) paid to businesses to decrease their cost of operation ✓✓
- **Export subsidies** ✓ these are amounts that the government pays to the producers of exported goods to compensate them for some of their expenses, which enable them to sell their goods at a reduced price in foreign countries ✓✓ e.g. reduction in the freight cost ✓
- **Incentives** ✓ information on export markets, research on new markets, concessions on transport tariffs ✓✓ (4 x 2) (8)

4.5 **Evaluate the success of economic growth and price stability as a part of government's macroeconomic objectives.**

- **Economic growth**  
Economic growth has been on a decreasing trend for the past five years ✓✓  
The average growth rate has been lower than 5% ✓✓  
This has been having a negative impact on the capacity of the economy to create employment ✓✓
  - **Price stability**  
Inflation has generally been within the target range of 3 to 6% ✓✓  
However, in 2014 it edged out of the range ✓✓  
due to high cost of production like wages and oil price ✓✓  
(Accept any other relevant response with reference to current data)  
(Any 2 x 4) (8)
- [40]**

**TOTAL SECTION B: 80**

**SECTION C**

Answer any ONE of the two questions in this section in the ANSWER BOOK.

<b>STRUCTURE OF ESSAY</b>	<b>MARK ALLOCATION</b>
<b>Introduction</b>	Max. 2
<b>Body:</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/ Critically discuss/Analyse/Compare/Evaluate/Distinguish/ Differentiate/Explain/Assess/Debate	Max. 26
<b>Additional part:</b> Give own opinion/Critically discuss/ Evaluate/Critically evaluate/Draw a graph and explain/Use the graph given and explain/Complete the given graph/ Calculate/Deduce/Compare/Explain/Distinguish/Interpret/ Briefly debate	Max. 10
<b>Conclusion:</b> Any higher-order conclusion should include: <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating facts already mentioned in the body</li> <li>• Any opinion or valued judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion/analysis</li> <li>• A contradictory viewpoint with motivation, if required</li> <li>• Recommendations</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40</b>

**QUESTION 5: MACROECONOMICS**

**Economists present the economy as a simplified circular-flow model to show how the different participants interact with each other.**

- **Discuss, in detail, without the use of a diagram, the interaction of all the participants in the open economy circular flow model. (26 marks)**
- **Explain the multiplier process by using a fully labelled graph. (10 marks)**

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

The circular flow model of the economy is a simplification showing how the economy works and the relationship between income and spending in the economy as a whole. The circular flow model of an open economy shows the workings of an economy that is open to foreign trade. It is different to a closed economy because it includes the foreign sector ✓✓

(Accept any other relevant introduction)

(Max. 2)

**BODY****MAIN PART**

There is a flow of money and goods and services between the **household sector and business sector** ✓✓

- Households earn income in the form of wages by selling their factors of production to business ✓✓
- Business use factors of production to produce goods and services on which the household sector spends money ✓✓
- Thus the business will receive an income in return from the households for goods and services ✓✓

There is a flow of money and goods and services between the **household sector and state** ✓✓

- Household sector provides the state with labour and receive income ✓✓
- The state provide the households with public goods and services and receives tax as income in return ✓✓
- (e.g.) parks, hospitals ✓ for which they pay taxes which is an income to the state ✓✓

There is a flow of money and goods and services between the **business sector and state** ✓✓

- The business sector provides the state with goods and services for which the state pays ✓✓
- The state provides the business sector with public goods and services for which they pay taxes ✓✓

There is a flow of goods (imports) to the **business from the foreign sector** which the business pays for ✓✓

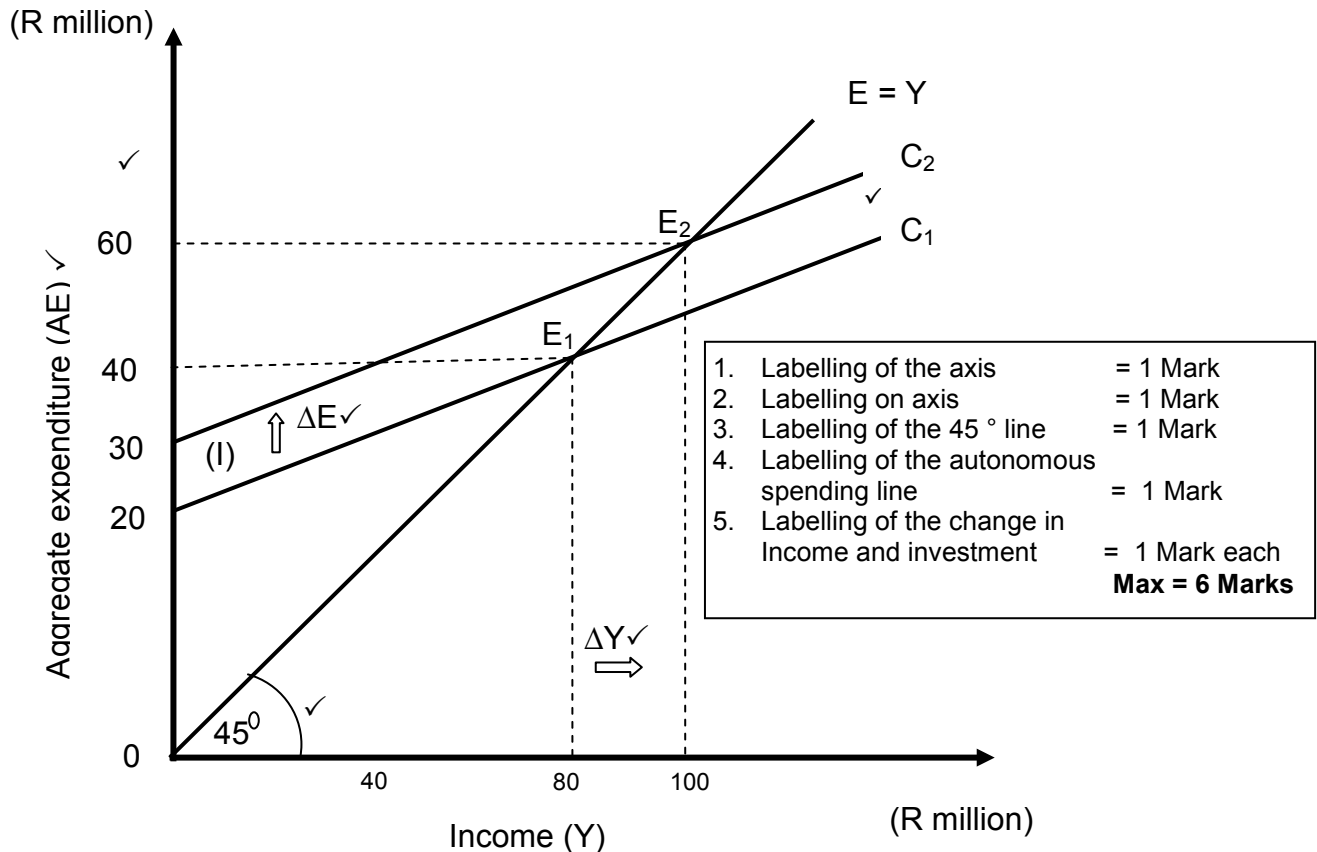
- This will be regarded as expenditure for the business ✓✓
- There is also a flow of goods from the business to the foreign sector ✓✓
- This will be income for the business ✓✓

The **financial markets** consist of banks, insurance companies and pension funds ✓✓

- They act as a link between **households and firms** who have surplus money and others in the economy who require funds ✓✓
- The money which households and firms provide to the financial sector is known as savings ✓✓
- The spending on capital equipment by firms is regarded as investment ✓✓  
(Accept any other relevant response) (Max. 26)

**ADDITIONAL PART**

Explain the multiplier process by using a fully labelled graph.

**GRAPH: EXPENDITURE AND INCOME****EXPLANATION**

- A change in investment of R10 m. will result in a change in income of R20 m. ✓✓
- The income increase by more than a proportionate change in investment ✓✓

**OR**

- An increase in investment causes the expenditure function to shift upwards from  $C_1$  to  $C_2$  so that  $C_1$  is parallel to  $C_2$  ✓✓
- The effect of the increase in investment is that the total expenditure will increase from R20 m to R30 m. ✓✓
- In other words the increase in investment results in an increase in expenditure and an equilibrium level of income and output ✓✓
- The increase in the value of the output ( $Y$ ) is greater than the increase in the expenditure ( $E$ ) ✓✓

(Explanation must comply with the figures supplied in the graphical presentation)

(Max. 6)

**CONCLUSION**

The circular flow ensures continued interdependence and coordination of the economic activities in the economy ✓✓

(Accept any other relevant response)

(Max. 2)

**BODY****MAIN PART**

There is a flow of money and goods and services between the **household sector and business sector** ✓✓

- Households earn income in the form of wages by selling their factors of production to business ✓✓
- Business use factors of production to produce goods and services on which the household sector spends money ✓✓
- Thus the business will receive an income in return from the households for goods and services ✓✓

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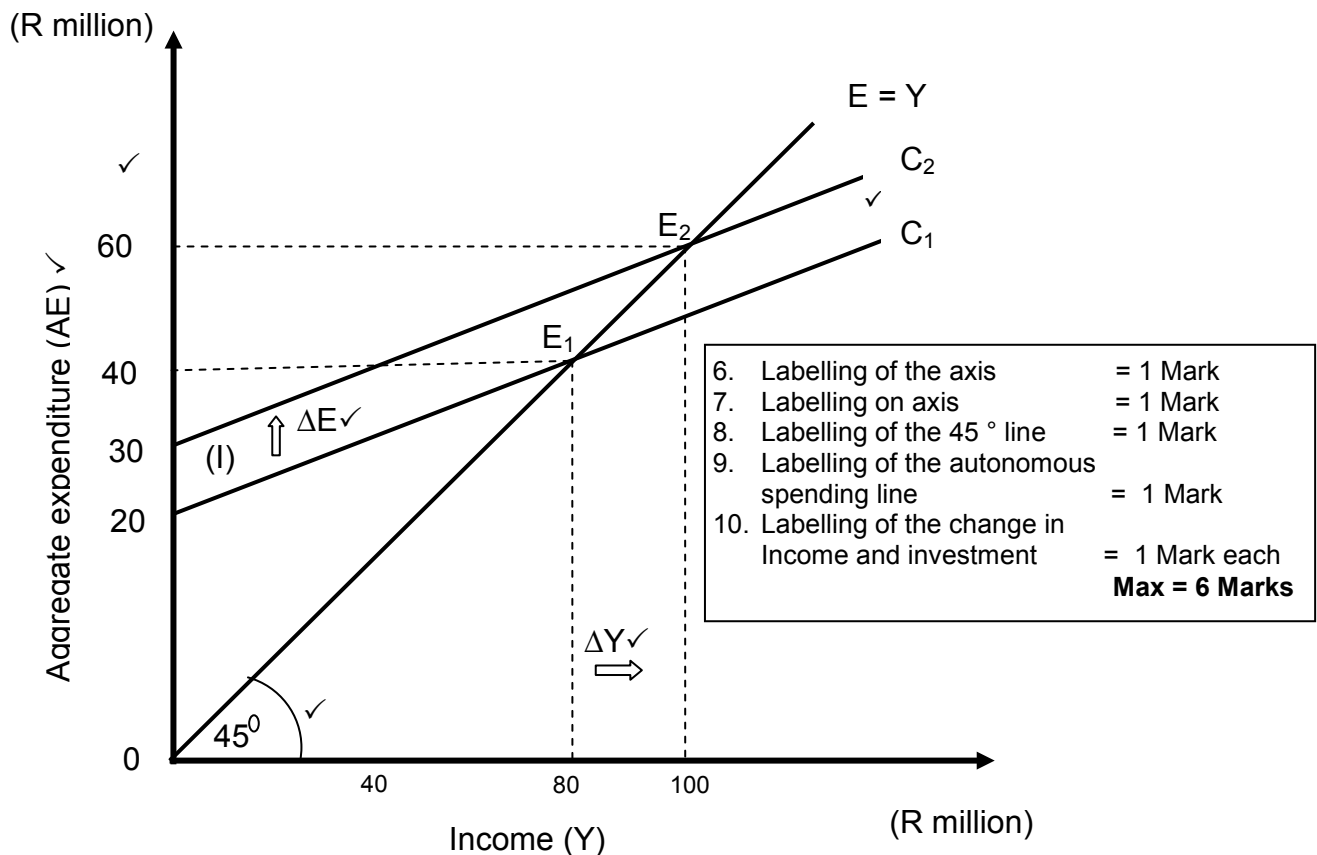
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- The money which households and firms provide to the financial sector is known as savings ✓✓
- The spending on capital equipment by firms is regarded as investment ✓✓  
(Accept any other relevant response) (Max. 26)

**ADDITIONAL PART**

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**OR**

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- The increase in the value of the output ( $Y$ ) is greater than the increase in the expenditure ( $E$ ) ✓✓

(Explanation must comply with the figures supplied in the graphical presentation)

(Max. 6)

**CONCLUSION**

The circular flow ensures continued interdependence and coordination of the economic activities in the economy ✓✓

(Accept any other relevant response)

(Max. 2)

**[40]**



**QUESTION 6: ECONOMIC PURSUITS**

The wellbeing and development of society is very important; therefore the government prioritises the provision of goods and services to enhance social development.

- Analyse in detail the following social indicators:
  - Demographics
  - Nutrition and health
  - Services (26 marks)
- In your opinion, how can economic development be promoted through the use of these indicators? (10 marks) [40]

**INTRODUCTION**

Social indicators are a measure that economists or government use to evaluate the performance of a country in terms of the social well-being of its citizens. ✓✓  
(Accept any other relevant response) (Max. 2)

**BODY**

- **DEMOGRAPHICS:**

This deals with the characteristics of the population, e.g. population size/race/age/sex/ income/geographic distribution/language/education/occupation/religion/birth rate/ fertility rate/life expectancy at birth/infant mortality rate/death rate ✓✓

This information can be used by government to plan for e.g. infrastructure development ✓✓ and implementation of social programmes ✓✓ it is also important to business as it indicates the size and characteristics of business' targets markets ✓✓

- **The population growth** ✓ In 2006 the South African population was estimated at 47.4 million ✓✓ and with recent 2011 census the population stood at 50,5 million ✓✓ South Africa has a relatively high population growth compared to other developed countries ✓✓ the population growth rate is an important indicator to the government ✓✓ in terms of the number of social services that are needed ✓✓
- **Life expectancy** ✓ This expresses the number of years a new-born infant will live if the prevailing patterns of mortality remained the same throughout his or her life ✓✓ in South Africa, life expectancy went down from 62,8 years in 1991 to 47 years in 2005 ✓✓ and started increasing again in 2011 to 52 years ✓✓ it is important for the government to know the average life expectancy of the population since working human beings require a range of social services ✓✓ and also the tax base of the country ✓✓ assurance companies in particular are interested in the life expectancy ✓✓ unexpected reductions in life expectancy reduce the number of years policy holders can pay their premiums ✓✓ and can have detrimental effect on the services of such businesses ✓✓

- **Nutrition and health:** These are two related social indicators.
  - **Nutrition:** This is an important indicator for the well-being of infants and young children ✓✓ two important conditions of nutrition in child malnutrition and overweight ✓✓ which are both particularly important for children under the age of five years of age:
  - **Child malnutrition** ✓ Malnutrition is expressed in two ways, namely weight for age (underweight) ✓✓ and height for weight (stunted or dwarfism) ✓✓ the proportion of children who are underweight is the most important indicator of malnutrition ✓✓ it is important to monitor malnutrition ✓✓ and weight because being overweight increases the risk of death ✓✓ and inhibits cognitive development in children ✓✓
  - **Overweight children** ✓ the prevalence of overweight children is growing concern in South Africa ✓✓ there is an association between obesity in children and the high prevalence of diabetes, respiratory diseases, high blood pressure, and psychological and orthopaedic disorders ✓ being overweight can lead to numerous adverse health conditions which affect people's ability to work and take care of themselves ✓✓ obesity is a killer ✓✓ governments often legislate that health supplements such as vitamin A be added to basic food stuffs such as bread ✓✓ while the health department also encourage breast feeding ✓✓ malnutrition and obesity in children are indicators taken into account when deciding on feeding schemes and their extent ✓✓
- **HEALTH:** A number of indicators are used both nationally and internationally to monitor the health of a population ✓✓
  - **Infant mortality** ✓ This is measured in terms of the number of infants who die before reaching one year of age per thousand live births in a given year ✓✓ in South Africa in 2010, it was at 34% per thousand ✓✓
  - **Under five mortality** ✓ This is measured in terms of the probability that a new born baby will die before reaching the age of five years, if subject to present age-specific mortality rates ✓✓ the probability is expressed as a number per thousand ✓✓ and in South Africa it was at 50 per thousand in 2010 ✓✓
  - **Health expenditure** ✓ This is measured in terms of the amount of public and private expenditure on healthcare as a percentage of GDP ✓✓ IN 2009 South Africa's expenditure was 8,4% ✓✓ compared to the 6,6% in the Sub-Saharan Africa ✓✓ and 5,3% in the North Africa ✓✓
  - **Access to safe and drinking water** ✓ This is measure in terms of the percentage of the population that a reasonable access to safe and drinking water ✓✓ (treated or uncontaminated) - in 2009 91% of the South African population had access compared to 60% in Sub Saharan Africa and 92% of North Africa ✓✓
  - **Access to sanitation facilities** ✓ This is measured in terms of the percentage of a population with at least adequate sanitation facilities that can effectively prevent human/animal/and insect contact ✓✓ in 2009, 77% of the South African population had access to improved sanitation ✓✓, compared to 31% in sub-Saharan Africa ✓✓ and 89% in North Africa ✓✓ a healthy population saves on medical and other costs, produces income and contributes to a stronger economy ✓✓

- **SERVICES:** Services are vital to enhance people's lifestyles and level of economic and social development ✓✓

In South Africa, in terms of the Constitution's requirements of human dignity and social justice the following are identified:

- **Electricity** ✓ The national Electricity Regulator reports that 83,1% of households has access to electricity in 2010 compared to 50% in 1995 ✓✓
- **Refuse removal** ✓ Some 61% of households in South Africa had access to refuse removal by the local authorities once a week ✓✓
- **Water supply** ✓ Some 89% of households had access to clean water in 2010 ✓✓ this is the average of urban and rural access to improved water Schemes ✓✓ improved water resources refers to an adequate amount of water from sources. e.g. households' connections/taps inside the yard/ public taps/boreholes/protected springs/and rainwater collection ✓✓
- **Sanitation** ✓ Just over 71% of households in South Africa had access to functioning basic sanitation in 2010 ✓✓ e.g. flush toilets/pit toilets with ventilation pipes/and chemical toilets ✓✓

(Accept any relevant current statistics)

(Max. 26)

### ADDITIONAL PART

**In your opinion, how can economic development be promoted through the use of these indicators.**

- Assist the government to look into other areas of need through the budget ✓✓
- Improve social cohesion and interdependence ✓✓
- Focus on the areas of dire need in communities and spend on them ✓✓
- Improve health and educational facilities ✓✓
- Invest more in the future quality labour force for the progression of the economy ✓✓
- Spend more on the improvement of the quality of life of the general population and reduce social tensions ✓✓

(Accept any other relevant response)

(Max. 10)

### CONCLUSION

Social indicator can serve as a focal point in directing government expenditure on issues that will guarantee social development and quality lifestyle ✓✓

(Accept any other relevant response)

(Max. 2)

[40]

<b>TOTAL SECTION C:</b>	<b>40</b>
<b>GRAND TOTAL:</b>	<b>150</b>