



EXAMINATIONS COUNCIL OF SWAZILAND
Swaziland General Certificate of Secondary Education

CANDIDATE
NAME

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CENTRE
NUMBER

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CANDIDATE
NUMBER

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ECONOMICS

6899/02

Paper 2 Structured Questions

October/November 2018

2 hours

Candidates answer on the Question Paper
No Additional Materials Required

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name 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.
You may use a calculator.

This paper consists of **six** questions, answer any **four** questions.

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	
Question 5	
Question 6	
Total (Four Questions)	

This document consists of **19** printed pages and **1** blank page.

Answer any **four** questions.

1 (a) Identify **two** causes of changes in supply.

(i)

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(ii)

..... [2]

(b) Explain any **two** features of a planned economy.

(i)

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(ii)

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(c) A fall in the price of a bag of onions from E60 per bag to E50 per bag leads to an increase in demand from 2 000 bags per month to 2 100 bags per month.

(i) Calculate the price elasticity of demand for the onions.

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- (ii) Using your answer to (c)(i), explain how the concept of price elasticity of demand can be of importance to the onion producers.

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- [7]

- 2 Partnerships are owned by only two people while public limited companies are owned by the government.

(a) Explain whether the above information is correct.

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(b) Describe **two** reasons why some firms remain small in size.

(i)

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(ii)

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..... [4]

[6]

- [7]

3 (a) Identify **three** reasons why a government may set up public corporations

(i)

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(ii)

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(iii)

..... [3]

(b) Explain what is meant by progressive tax system, giving an example.

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[7]

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4 (a) Explain the characteristics of any **two** phases of the economic cycle.

(i)

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(ii)

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(b) (i) Explain the reason why weights are assigned to a basket of goods when calculating inflation.

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- (ii) Assume consumers spend E30 on food, E40 on clothing and E30 on entertainment. The price of food and clothing rise by 5% whereas the price of entertainment falls by 10%.

Calculate the inflation rate. (Show your working)

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- (c) Analyse the effects of inflation on the balance of payments.

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5 (a) Explain what is meant by absolute poverty.

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(b) Explain any **two** policies used to alleviate poverty in Swaziland.

(i)

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(ii)

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(c) Explain what usually happens to the occupational distribution of a country as it becomes more developed.

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(d) Analyse any **two** effects of an ageing population in an economy.

(i)

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(ii)

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- [7]

6 (a) Define floating exchange rate.

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(b) The current account of the balance of payments is divided into four parts. Describe any **two** of these parts.

(i)

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(ii)

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..... [7]

- [7]

