EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

CANDIDATE NAME	

CENTRE NUMBER		CANDIDATE NUMBER	

ECONOMICS **6899/02**

Paper 2 Structured Questions **October/November 2021**

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 in the spaces provided.
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.

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.

Answer all **four** questions

1 Some countries have moved from planned economies to mixed economies. The mixed economy makes some use of the market system with demand and supply setting prices. However, this system has limitations which compel governments to spend money on public and merit goods.

(a) Explain what is meant by scarcity.

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.... [2]

(b) State any **three** ways of financing public expenditure.

(i) ....

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(ii) ....

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(iii) ....

.... [3]

(c) Describe an extension in supply.

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.... [2]

For Examiner's Use

(d) Demand for a luxury product falls from 500 to 200 when price rises from E2000 to E2200.

Calculate Price Elasticity of Demand. Show your working.

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.... [4]

(e) State **three** indications that Eswatini is a mixed economy.

(i) ....

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(ii) ....

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(iii) ....

.... [3]

For Examiner's Use

(f) In a planned economy the main influence is government action. Discuss whether the advantages of the planned system are greater than its disadvantages.

.... [6]

For Examiner's Use

2 Sometimes trade unions are not successful in negotiating for salary increases such that most workers then tend to borrow money from commercial banks regardless of the interest rates. Trade unions also aims at empowering their members through information which makes them more occupationally and geographically mobile.

(a) Define a trade union.

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.... [2]

(b) Give **one** main function of a commercial bank.

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.... [1]

(c) Explain any **two** characteristics of money.

(i) ....

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(ii) ....

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.... [4]

For Examiner's Use

(d) Analyse why labour may find it difficult to be geographically mobile.

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.... [6]

For Examiner's Use

(e) Do you think it is wise for a country to reduce its interest rates? Discuss.

.... [7]

3 Every government is concerned with the welfare of its citizens. This can be achieved through different macro-economic aims such as economic growth and employment. Government policies may include nationalisation and taxation.

(a) State any **two** types of unemployment.

(i) ....

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(ii) ....

.... [2]

(b) Explain any two reasons for nationalisation.

(i) ....

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(ii) ....

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.... [4]

(c) Discuss how the following aims of government might conflict with each other.

(i) Inflation and unemployment

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.... [2]

(ii) More even income distribution and a satisfactory balance of payments.

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.... [2]

For Examiner's Use

(d) Analyse any **two** effects of economic growth.

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.... [4]

For Examiner's Use

(e) Discuss whether it is wise to use the Human Development Index (HDI) as a measure of living standards between countries.

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For Examiner's Use

4 Most developed countries have strong currencies as a result of trading freely with other countries. Moreover, the developed countries population structures are different from those of developing countries.

(a) Identify any **three** characteristics of a developed economy.

(i) ....

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(ii) ....

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(iii) ....

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.... [3]

(b) Explain any **two** methods of trade protection.

(i) ....

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(ii) ....

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.... [4]

For Examiner's Use

(c) Analyse the impact of an increasing population in an economy.

.... [7]

For Examiner's Use

(d) Discuss whether it is better for a country to have an appreciating currency rather than a depreciating currency.

.... [6]

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