



EXAMINATIONS COUNCIL OF ESWATINI
Eswatini General Certificate of Secondary Education

ECONOMICS

6899/01

Paper 1

October/November 2019

Confidential

MARK SCHEME

{6899/01}

MARKS: 80

This document consists of **5** printed pages.

Section A

1. A
2. D
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10. C

[Total marks: 9]

Section B

- 1 Government/ State/ Central Planning Board. [1]
- 2 wages and salaries, bonuses, overtime pay, paid time off, profit sharing and commission
Any 2 identified [2]
- 3 costs that change (1) as the level of production changes(1) [2]
- 4 capital intensive production is the usage of machinery in the production of goods and services (1) as opposed to using labour (1) [2]
- 5 characteristics of money may include durability, scarcity, portability, acceptability, uniformity and divisibility
Any 2 explained [4]
- 6 policies to alleviate poverty may include
 - improving the quantity and quality of education
 - increase in aggregate demand
 - raising national minimum wage
 - providing more generous benefits
 - attract more multinationals to set up in a country
 - population policy
 - expansionary policy
 - supply side policy
Any 2 explained [4]
- 7 - will raise price
 - stimulate workers to press for wage increase
 - reduce consumption of demerits goods
 - increase government revenue
 - causes poverty as it falls heavily on the poor
Any three explained [6]
- 8 - equity
 - economy
 - convenient
 - flexibility
 - certainty
 - efficiency
Any three identified [3]
- 9 A reduction in unemployment might result to inflation as more people will earn income (1) thus their purchasing power will increase. Aggregate demand will increase leading to inflation (1) if such demand is not met with an increase in supply (1). [3]
- 10 The effects of HIV/AIDS on the economy
 - It increases government expenditure (1) government has to cater for the vulnerable and orphans (1)
 - It involves opportunity cost(1) funds that could be used for other projects are

- diverted to HIV/AIDS (1)
- It increases poverty (1) it weakens people's ability to work and earn income (1)
- Creates employment opportunities (1) people will be employed as care givers (1)
- Reduces GDP (1) if employees are sick they will be absent thus reduce the production of goods and services (1)
- Reduces life expectancy (1) shortens the number of years people can live decreasing the production potential of the country (1) [4]

Section C

- 1 (a) (i) XYZ company produces in several countries [1]
- (ii) Benefits of multinational companies to the host country
- increase in employment
 - increase in government revenue
 - improvement in infrastructure
 - brings in new technology
 - increases GDP
- Any two described** [4]
- (b) Next best alternative forgone (2)
- Example: beautiful countryside that can be used as tourist attraction (1). [3]
- (c) Methods of trade protection could involve
- Tariffs/ taxes on imported products (1) this will increase the cost of imports making locals prefer local products (1)
 - Quota/limit placed on the quantity of a good that can be imported (1) this will make goods available from outside countries limited thus increase the chances of buying locally (1)
 - embargo (1) a complete ban on the import of a product or trade with another country (1)
 - exchange controls/ government restricting the availability of foreign currency (1) thus locals will find it hard to purchase from other countries if they do not have their currency (1)
 - quality standards (1) a country may require imports to reach artificially high standards to make it almost impossible to supply foreign products(1)
 - subsidy (1) reduces the cost of production making local products more competitive (1)
- Any two methods discussed** [4]
- (d) **Advantages to the company:**
- New markets
 - Obtaining raw materials nearer
 - Avoid trade barriers
 - Spread risks
 - Low labour costs
 - May get financial assistance from host country government
- Disadvantages to the company:**
- Language barrier
 - Double tax treaty

- Cultural differences
- Difficulty to control due to their size
- Disasters and political changes
- Need to hedge currency

3 marks for advantages and 3 marks for disadvantages. 2 marks for a stand and a new point either for or against

To gain maximum marks, application is necessary.

2 (a) Causes of inflation:

- Excess demand or more demand than supply
- Excess money supply
- Increase in the cost of production or increase in the price of imports

Any two identified

[2]

(b) Initiatives for Entrepreneurial Skills:

- SIPA – to promote free enterprises in the country by promoting a centre where potential investors can receive all assistance and information they need
- SWEEP – to develop Swazi owned SMEs to create employment and income opportunities
- SEDCO – to allow for Swazi SMEs to come together and operate their enterprises
- Skills Centres e.g. VOCTIM, MITC – to train Swazis on how to run and operate their SMEs
- JA- this is a program in schools that teaches learners on financial literacy and starting businesses
- Teaching of Business studies/entrepreneurship in schools

[2]

(c) Effects of Demand and Supply on the market for Maize:

Demand and supply analysis – 2 marks for labels, shift of the supply curve to the left (1), new equilibrium position (1). There will be a shortage of maize in the market (1) due to the adverse weather conditions (1) causing a shift in supply curve to the left (1)); therefore prices will be forced to go up (1) until a new equilibrium price is reached.

[8]

(d) Points for low inflation include the following:

- Certainty (1) individuals can be able to plan ahead when the rate of inflation is kept low (1)
- International competitiveness (1) if the country's inflation is below that of its rival countries then the country's' products will stand a better chance in the market (1)
- Reduces industrial unrest (1) low rate of inflation will not cause workers to be bargaining for higher salaries (1)
- Boosts confidence to save (1) individuals and firms can safely place their monies in savings with confidence that the value of the currency will not fall (1)

- Increases the value of currency (1) if the local products are lower than rival countries people will demand the local currency to purchase products thus increasing the value of the currency (1)

Points against inflation include the following:

- Disadvantageous to borrowers (1) if the rate of interest is lower than inflation then the real value of their money will be lower (1)
- May not be an incentive to expand for firms (1) as prices will be lower (1)

2 points for inflation: 1 developed and 1 identified (3)

2 points against inflation: 1 developed and 1 identified (3)

2 marks for a stand and a new point either for or against

[8]