

Module 1 Data response answers

Question 1

Learners need to study the two graphs and take note of the different patterns of consumption before answering the questions. Note that the consumption is in millions of barrels per day.

Suggested answers

1 Consumption of oil in China is increasing while consumption in Japan is decreasing ✓✓. Consumption in China is irregular during each year and from year to year but consumption in Japan has a regular pattern ✓✓. In China, consumption dropped steeply during 2008 and in Japan, consumption increased during 2008 ✓✓. (6)

2 There was a world-wide recession in that period ✓✓. Manufacturing and incomes declined ✓✓. (4)

3 Japan: 2002 6,9 ✓
2010 3,9 ✓✓

The change is 3 million barrels per day ✓✓.

$$\frac{(6,9 - 3,9)}{6,9} \times \frac{100}{1} = 43,5\% \checkmark\checkmark$$

China: 2002 3,7 ✓
2010 9

$$\frac{9 - 3,7}{3,7} \times \frac{100}{1} = 143\% \checkmark\checkmark \quad (12)$$

1.4 Japan was seriously affected by the world recession, and growth declined $\checkmark\checkmark$.
China was affected by the recession, but growth recovered very fast in 2009 $\checkmark\checkmark$. (4)

1.5 In each year there is an increase in oil use during the winter $\checkmark\checkmark$ and a decrease in summer $\checkmark\checkmark$. (6)
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Question 2

This activity helps learners to differentiate among the three methods to calculate the GDP. It is very important that learners know how to do these calculations well.

Suggested answers

Income method:

	Billions of Rand
Compensation of employees	1 198
Net operating surpluses	820
Consumption of fixed capital	352
GDP at factor cost	2 370
Plus taxes on production	45
Less subsidies on production	(10)
GDP at basic prices	2 405
Plus taxes on products	272
Less subsidies on products	(13)
GDP at market prices	2 664

Income method: GDP at market prices = R2 664 billion. (10)

Production method:

	Billions of Rand
Gross value added by the primary sector	290
Gross value added by the secondary sector	510
Gross value added by the tertiary sector	1 605
GVA (GDP at basic prices)	2405
Less taxes on products	(272)
Plus subsidies on products	13
GDP at market price	2 664

Production method: GDP at market prices = R2 664 billion. (7)

Expenditure method:

	Billions of Rand	Billions of Rand
Consumption expenditure by households		1 584
Consumption expenditure by general government		572
Gross capital formation		513
Gross fixed capital formation	522	
Less the change in inventories	(9)	
GDE		2 669
Plus exports		728
Less imports		(733)
GDP at market prices		2 664

Expenditure method: GDP at market prices = R2 664 billion. (9)

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Question 3

Remind learners that 1989 saw the collapse of the communist governments in Eastern Europe. They should be aware of the world economic crisis of 2008/9. This is a fairly difficult cartoon to interpret and there should be some discussion about world economic events between 1989 and 2009. (The period of economic boom in late 1990s and early 2000s, increasing borrowing by individuals and governments leading to huge debts, the world financial collapse of 2008/9.)

Suggested answers

- 3.1** The collapse of the communist governments in Eastern Europe ✓✓. (2)
- 3.2** The delegates to the World Economic Forum are capitalists ✓✓, as they are looking pleased with events ✓✓. (4)
- 3.3** The world was in a recession in 2009 ✓✓. This means that capitalism has also failed, which is why the delegates are no longer looking confident ✓✓. (4)
- 3.4** World recession ✓✓, increased poverty and income inequality ✓✓, high unemployment ✓✓, huge debt burden in Western countries ✓✓. (any 3 × 2 = 6)

[16]