



ASSIGNMENT 2ND SEMESTER : INTERNATIONAL ECONOMICS (IE)

STUDY UNITS COVERED : STUDY UNITS 1 - 7

DUE DATE : 3.00 pm 17 AUGUST 2010

TOTAL MARKS : 100

INSTRUCTIONS TO CANDIDATES FOR COMPLETING AND SUBMITTING ASSIGNMENTS

The complete 'Instructions to Students for Completing and Submitting Assignments' must be collected from any IEX office, or the relevant Student Support Centre, or can be downloaded from the IEX website. It is essential that you study the complete instructions prior to beginning your assignment. The following points highlight only a few important notes:

- 1) You are required to submit ONE assignment per subject.
- 2) The assignment will contribute 20% towards the final examination mark, and the other 80% will be made up from the examination; however, the examination papers will count out of 100%.
- 3) Although your assignment will contribute towards your final examination mark, you do not have to earn credits for admission to the examinations; you are automatically accepted on registering for the exam.
- 4) Number all the pages of your assignment (e.g. page 1 of 4) and write your name and surname, student number and subject at the top of **each** page.
- 5) The IEX requires assignments to be presented in a typed format, and on plain A4 paper. This assignment must be completed within a limit of 1500 words, excluding the bibliography.
- 6) A separate assignment cover, which is provided by the IEX, must be attached to the front of each assignment.
- 7) Retain a copy of each assignment before submitting, in case the original does not reach the IEX.
- 8) The assignment due date refers to the day up to which assignments will be accepted for marking purposes. The deadline is 3:00 pm on 17 August 2010. Late assignments will be accepted, but **25 marks** will be deducted from the maximum mark, if received after 3:00 pm on 17 August 2010 and up to 5:00 pm the following day, after which no assignments will be accepted.
- 9) If you fail to follow these instructions carefully, the IEX cannot accept responsibility for the return of the assignment. It may even result in your assignment not being marked.

Results will be available on the IEX website, www.iex.co.za on Friday, 8 October 2010.

SPECIFIC INSTRUCTIONS:

As far as possible, express the information you research in your own words and list the sources you have consulted at the end of your assignment.

You may use bullet points to present your information and arguments, instead of essay-style writing – in fact, bullet points would be preferable. Your assignment should be presented as a business document with appropriate headings and sub-headings and should not exceed 1 500 words in length.

ASSIGNMENT**[90]**

The table below shows the average monthly gold price and the average US dollar/rand exchange rate in 2008 and 2009.

Taking into account the current pattern of South Africa's imports and exports, international economic conditions and investor sentiment, domestic policies and conditions and any other factors you consider relevant, discuss the effect that movements in the gold price today have on:

- South Africa's balance of payments
- Value of the rand
- Interest rates and inflation
- Growth and development within South Africa

2008	Gold price USD/oz	USD/ZAR	2009	Gold price USD/oz	USD/ZAR
Jan-08	888.69	6.98	Jan-09	858.21	9.88
Feb-08	923.27	7.65	Feb-09	941.46	10.03
Mar-08	969.26	7.97	Mar-09	925.13	9.94
Apr-08	909.36	7.78	Apr-09	891.27	9.01
May-08	890.40	7.62	May-09	907.01	8.37
June-08	890.49	7.94	June-09	946.74	8.04
July-08	940.47	7.63	July-09	934.25	7.96
Aug-08	839.10	7.66	Aug-09	949.61	7.94
Sept-08	827.27	8.08	Sept-09	996.06	7.52
Oct-08	809.72	9.66	Oct-09	1043.34	7.50
Nov-08	759.36	10.13	Nov-09	1126.58	7.53
Dec-08	820.34	9.96	Dec-09	1133.42	7.48

In addition to the International Economics course notes, the Introduction to International Trade notes will be useful. You will also find most of the information you need to complete this assignment in the SA Reserve Bank Quarterly Bulletins and other data available on the SA Reserve Bank web site, <http://www.resbank.co.za>.

There is scope for individual interpretation in completing this assignment and all well-argued and logical explanations will be recognised.

PRESENTATION**[10]****ASSIGNMENT TOTAL: 100**