



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2017
GRADE 10**

**ECONOMICS
PAPER 1**

TIME: 2 hours

MARKS: 150

14 pages

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INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK.

SECTION A: COMPULSORY
SECTION B: Answer any TWO of the THREE questions.
SECTION C: Answer any ONE of the TWO questions.
2. Number the answers correctly according to the numbering system used in this question paper.
3. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
4. Write the number of the question above each answer.
5. Read the question carefully.
6. Start each question on a NEW page.
7. Leave 2 – 3 lines between subsections of questions.
8. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the requirements of the questions.
9. Use only blue ink.
10. Non-programmable pocket calculators may be used.
11. Write neatly and legibly.

SECTION A
(COMPULSORY)**QUESTION 1****30 MARKS – 20 MINUTES****1.1 MULTIPLE-CHOICE QUESTIONS**

Various options are provided as answers to the following questions. Write only the correct letter (A – D) next to the question number (1.1.1 – 1.1.8) in the ANSWER BOOK, for example 1.1.9 C.

- 1.1.1 Economics is a social science that studies how people satisfy their unlimited needs and wants with...
- A. limited means.
 - B. unlimited resources.
 - C. limited satisfaction.
 - D. unlimited satisfaction.
- 1.1.2 The basic economic problem faced by all nations is that of...
- A. free goods.
 - B. human rights.
 - C. scarcity.
 - D. free elections.
- 1.1.3 The most important economic participants in the circular flow diagram are ...
- A. taxes.
 - B. workers.
 - C. employers.
 - D. households.
- 1.1.4 An economic indicator that tells us something about how the economy will perform in future is a ...
- A. lagging indicator.
 - B. leading indicator.
 - C. co-incidence indicator.
 - D. composite indicator.

1.1.5 In early societies every household aimed at producing all the goods and services that they needed for their upkeep, this was called ...

- A. opportunity cost.
- B. alternatives.
- C. choices.
- D. self sufficiency.

1.1.6 This is the first group of people who lived in the Southern and Western parts of Africa.

- A Khoisan
- B African tribes
- C Europeans
- D Arabs

1.1.7 Today every country has its own money known as ...

- A indigenous money.
- B community money.
- C currency money.
- D Rand.

1.1.8 The reward of labour is ...

- A wages
- B interest
- C profit
- D rent

(8x2) **(16)**

1.2 MATCHING ITEMS

Choose a **description** from COLUMN B that matches the **item** in COLUMN A. Write only the letter (A – I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

| COLUMN A | COLUMN B |
|-----------------------------|---|
| 1.2.1 Economics | A. Raw materials or natural resources are extracted, cultivated and harvested. |
| 1.2.2 Primary sector | B. The amount of money offered or asked for something that is bought or sold. |
| 1.2.3 Savings | C. A factor that hampered the economic development of South Africa in the early stages of development. |
| 1.2.4 Recession | D. The movement of people who cross boundaries to settle somewhere else. |
| 1.2.5 Price | E. Anything that is generally accepted as payment for goods and services or as a form of storage of wealth. |
| 1.2.6 Poor inland transport | F. To make use of our resources to produce goods and services. |
| 1.2.7 Money | G. A period in which there is a decline in economic activity and prosperity. |
| 1.2.8 Migration | H. Is the difference between income and spending. |
| | I. It deals with our quality of life, poverty and wealth. |

(8x1) (8)

1.3 TERMINOLOGY

Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.6) in the ANSWER BOOK.

- 1.3.1 This is a branch of economics that studies the sum total of economic whole e.g. employment rate
- 1.3.2 These are all the people who live together who make joint economic decisions as a family
- 1.3.3 A method of trading whereby a commodity is exchanged for another commodity of the same value
- 1.3.4 A stage or sector whereby the raw materials provided by primary industries are converted into products for consumers
- 1.3.5 These are financial institutions that serve as links between people who make deposits and people who get loans
- 1.3.6 People who are willing and able to work but cannot find a job

(6x1) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the three questions in this section in the ANSWER BOOK.

QUESTION 2: MACRO-ECONOMICS

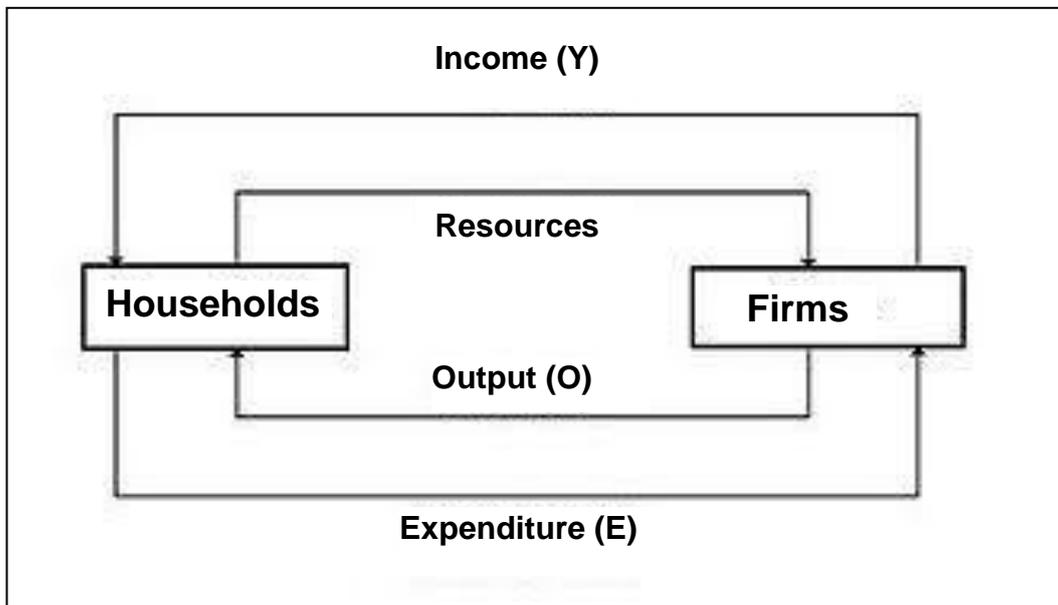
40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name any TWO factors of production for a business. (2x1) (2)

2.1.2 Why do economists use models in the study of Economics? (1x2) (2)

2.2 Study the diagram below and answer the questions that follow.



2.2.1 Name ONE main participant in the circular flow model. (1)

2.2.2 Does the above diagram represent a closed or an open economy? (1)

2.2.3 Briefly describe the term *markets* in the circular flow. (2)

2.2.4 Why is it important that the government and other South Africans buy local products? (2)

2.2.5 Differentiate briefly between GDP and GNI. (4)

2.3 Study the information below and answer the questions that follow.

SCENARIO

Total production R25 000, Savings R4 000, Exports R1 300, Income taxation R5 000, Government Spending R9 000, Investment R2 400 and Imports R3 700

- 2.3.1 Identify how much was spent on foreign goods. (2x1) (2)
- 2.3.2 Give the equation used to calculate GDP in an open economy if using the expenditure method. (2)
- 2.3.3 Explain the situation when the economy is in equilibrium. (2)
- 2.3.4 Calculate the total leakages in the above scenario. Show ALL the calculations. (4)
- 2.4 Differentiate between economic goods and free goods. (2x4) (8)
- 2.5 How are positive statements related to normative statements? (8)

[40]

QUESTION 3: ECONOMIC PURSUITS

40 MARKS-30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO banking institutions in South Africa. (2x1) (2)

3.1.2 How does an increase in income lead to the development of industries? (1x2) (2)

3.2 Study the extract below and answer the questions that follow.

Effects of Apartheid laws on Industrialisation.

In South Africa the policy of apartheid forced many South Africans to live in homelands. People were not allowed to migrate to the cities and towns until the pass laws were repealed in the 1980s.

As a result, the rate of urbanisation in this country was stable for nearly 40 years. Once the apartheid era came to an end in 1994, many more people rushed to towns in the hope of finding employment. This has put huge pressure on the infrastructure of almost every South African urban centre.

[Source: www.econrsa.org]

3.2.1 Briefly explain the term *urban migration*. (1)

3.2.2 What could be a reason for this migration? (1)

3.2.3 Explain briefly how the policy of apartheid affected the rate of urbanisation in South Africa. (2)

3.2.4 Why is rapid urban migration a problem, particularly to the government? (2)

3.2.5 Describe the relationship between urbanisation and industrialisation. (2x2) (4)

3.3 Study the table below and answer the questions that follow.

| Education Level | % of Unemployment |
|---------------------------------------|--------------------------|
| No schooling | 7,16 |
| Incomplete primary schooling | 20,87 |
| Incomplete secondary schooling | 51,40 |
| Matric | 19,76 |
| Post-matric qualification | 0,81 |

[Source: Statistics South Africa, Quarterly labour force survey]

- 3.3.1 According to the table, which education level has the highest percentage of unemployment? (1)
- 3.3.2 Briefly explain the term *labour*. (1)
- 3.3.3 How can a country benefit from the growing size of its population? (2)
- 3.3.4 Describe the link between a lack of education and unemployment. (2)
- 3.3.5 In your opinion what could be solution to unemployment? (2x2) (4)
- 3.4 How does industrialisation lead to the development of transport and communication networks? (2x4) (8)
- 3.5 Discuss the Demographic cycle with the aid of a diagram. (8)
- [40]**

QUESTION 4: MACRO-ECONOMIC & ECONOMIC PURSUITS

40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO questions that economists seek to answer. (2x1) (2)

4.1.2 Why does the government collect taxes from businesses and households? (1x2) (2)

4.2 Read the extract below and answer the questions that follow.

Budget 2017 – Still at the crossroads

There were no surprises in Budget 2017 relative to pre-Budget expectations, which maps out a credible path to the stabilisation of the government debt ratio over the medium term. This is the message from Arthur Kamp of Sanlam Investments. Importantly, government revenue is projected to exceed non interest spending on the Main budget by 2018/19. The treasury forecasts will consolidate budget deficit from -3,4% of GDP in 2016/17 to -2,6% of GDP in 2019/20, while gross loan debt, which investors must fund, is expected to peak at 52,9% of GDP in 2018/19.

[Source: www.Fin24.com]

4.2.1 Which measure is used by economists to make growth forecasts from the extract? (1)

4.2.2 What does the treasury forecast the consolidated budget deficit to be in 2019/20? (1)

4.2.3 Which branch of Economics does a budget relate to? (2)

4.2.4 Quote ONE positive and ONE normative statement in the extract. (2)

4.2.5 Distinguish between a *command* and a *traditional* economy. (2x2) (4)

4.3 Study the picture below and answer the questions that follow.



[Adopted from Internet Cartoons]

- 4.3.1 What message is depicted in the picture above? (1)
- 4.3.2 Where were diamonds discovered in South Africa? (1)
- 4.3.3 Which factors hampered development of mining activities in South Africa? (2)
- 4.3.4 Explain briefly the link between the purchasing power of the population and economic growth. (2)
- 4.3.5 Explain the consequences of the mining industry to the development of South Africa. (2x2) (4)
- 4.4 Distinguish between *leakages* and *injections* in the circular flow. (2x4) (8)
- 4.5 How does HIV/AIDS affect the labour force in South Africa? (8)

[40]

TOTAL SECTION B: 40

SECTION C
ESSAYS

Answer any ONE of the two questions in this section in the ANSWER BOOK.

Your answer will be assessed as follows:

| STRUCTURE OF THE ESSAY | MARK ALLOCATION |
|--|-------------------------------|
| <p>Introduction The introduction is a lower-order response.</p> <ul style="list-style-type: none"> • A good starting point would be to determine the main concept related to the question topic. • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body. • Avoid saying in the introduction what you are going to discuss in the body | <p>Max. 2</p> |
| <p>Body</p> <p>Main part: Discuss in detail / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Explain</p> <p>Additional part: Give own opinion / Critically discuss / Evaluate / Critically evaluate / Draw a graph and explain / Use the graph given and explain / Complete the given graph / Calculate / Deduce / Compare / Explain / Distinguish / Interpret / Briefly debate / How? / Suggest</p> | <p>Max. 26</p> <p>Max. 10</p> |
| <p>Conclusion</p> <p>Any higher-order conclusion should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion / analysis • A contradictory viewpoint with motivation, if required • Recommendations | <p>Max. 2</p> |
| <p>TOTAL</p> | <p>40</p> |

QUESTION 5: MACRO-ECONOMICS**40 MARKS – 40 MINUTES**

Economists have found that there is a more or less continuous pattern in which an economy grows.

- Discuss in detail the phases of business cycles. (26)
- Highlight the effects of business cycles to the economy. (10)

[40]**QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 40 MINUTES**

By the beginning of 2010, four major banks dominated South African banking. They were ABSA Bank, First National Bank (FNB), Nedcor Bank and Standard Bank.

- Discuss in detail the roles and functions of Commercial Banks in the development of the economy of South Africa. (26)
- Critically evaluate the importance of the South African Reserve Bank (SARB) in our country. (10)

[40]**TOTAL SECTION C: 40****TOTAL: 150****END**