



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 10

**ECONOMICS P2
EXEMPLAR 2012
MEMORANDUM**

MARKS: 150

This memorandum consists of 13 pages.

SECTION A (COMPULSORY)**QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

- | | | | | |
|-------|--|----|---------|------|
| 1.1.1 | C (nationalisation) | ✓✓ | | |
| 1.1.2 | B (global) | ✓✓ | | |
| 1.1.3 | A (budget) | ✓✓ | | |
| 1.1.4 | B (state hospital) | | | |
| 1.1.5 | A (underpinned by supply and demand of labour) | ✓✓ | | |
| 1.1.6 | C (employed and unemployed) | ✓✓ | | |
| 1.1.7 | B (convention) | ✓✓ | | |
| 1.1.8 | C (poverty) | ✓✓ | (8 x 2) | (16) |

1.2 MATCHING ITEMS

- | | | | | |
|-------|---|---|---------|-----|
| 1.2.1 | H | ✓ | | |
| 1.2.2 | E | ✓ | | |
| 1.2.3 | A | ✓ | | |
| 1.2.4 | I | ✓ | | |
| 1.2.5 | C | ✓ | | |
| 1.2.6 | D | ✓ | | |
| 1.2.7 | B | ✓ | | |
| 1.2.8 | G | ✓ | (8 x 1) | (8) |

1.3 WORDS IN BRACKETS

- | | | | | |
|-------|-----------------------|---|---------|-----|
| 1.3.1 | marginal | ✓ | | |
| 1.3.2 | maximum | ✓ | | |
| 1.3.3 | Opportunity cost | ✓ | | |
| 1.3.4 | RDP | ✓ | | |
| 1.3.5 | Employment Equity Act | ✓ | | |
| 1.3.6 | forum | ✓ | (6 x 1) | (6) |

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2**2.1 FOUR characteristics of utility**

Utility differs from person to person✓

Utility is subjective✓

Utility differs from time to time✓

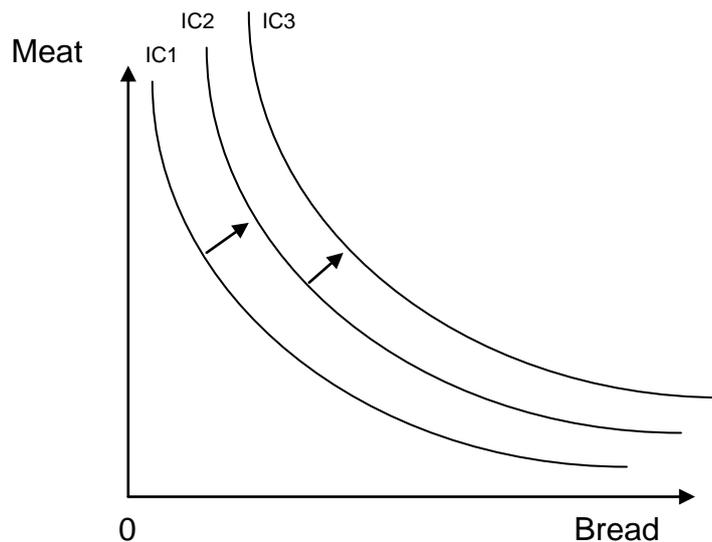
Utility differs from place to place✓

Utility doesn't necessarily mean usefulness.

(4 x 1) (4)

- 2.2 2.2.1 Refers to the inverse relationship between price and quantity, i.e. when price is high, demand is low and vice versa✓✓ (2)
- 2.2.2 R10 ✓ (1)
- 2.2.3 It has a positive slope✓/upward slope✓/tends to slope upward from left to right.✓ (1)
- 2.2.4 (a) R 13 ✓
(b) Demand = R8 ✓, Supply = 30✓, therefore surplus $30 - 8 = 22$ ✓ (4)
- 2.2.5 Producers can decrease price ✓✓ or cut back on production. ✓✓ (2)
- 2.3 2.3.1 Show all possible combination of goods that can be produced✓ with a given set of resources. ✓ (2)
- 2.3.2 No✓ because it is outside the production possibility curve ✓✓ OR It will be impossible to produce with the given resources. ✓✓ (3)
- 2.3.3 W – It is not the best combination because it is inside the PPC And there are wasted resources. ✓✓ (3)
- 2.3.4 600 apples ✓✓ (2)

2.4 Characteristics of indifference curves with the aid a graph



- They do not cross ✓✓
 - Higher indifference curves are preferred to lower ones ✓✓
 - They bend inwards ✓✓ (convex)
 - They are negatively sloping ✓✓
- (4 x 2) (8)

2.5 Complementary goods and substitute goods

Complementary goods are goods that are combined together to satisfy a need, ✓✓ e.g. CD and a CD player. ✓✓ They cannot be used independently. ✓✓

(2 x 2) (4)

Substitute goods are goods that can replace other goods to satisfy the same need, ✓✓ e.g. butter and margarine. ✓✓ Usually the substitute good is cheaper ✓✓.

(2 x 2) (4)

[40]

QUESTION 3**3.1 FOUR functions of trade unions**

- Represent members in negotiations ✓
- Promote the general interests of their members. ✓
- Manage the affairs of the union in terms of the requirements of the Act. ✓
- Helps to settle members' grievances ✓
- Promote members' training and education ✓
- Protect members' job security ✓

(Any other relevant answer)

(Any 4 x 1)

(4)

3.2 3.2.1 KwaZulu-Natal ✓

(1)

3.2.2 Gauteng

$$\frac{18}{100} \times 8\,170\,386$$

$$= 1\,470\,669 \text{ m}$$

(3)

3.2.3 • Through education and AIDS awareness programmes (HIV/Aids) ✓✓

- Provision of ARV (antiretrovirals) ✓✓

(Any other relevant answer)

(2)

3.2.4 • Business profitability is often affected because of declining productivity and absenteeism. ✓✓

- Low productivity affecting profits negatively. ✓✓
- Negative impact on trading partners ✓✓
- Creates instability in the workplace. ✓✓

(Any other relevant answer)

(2 x 2)

(4)

- 3.3 3.3.1 Is a government programme to provide employment ✓✓ on a temporary basis/and to create infrastructure and render certain services.✓✓.
(Any other relevant answer) (2)
- 3.3.2 Infrastructure is the facilities like transport and communication that support the production process.✓✓
(Any relevant answer) (2)
- 3.3.3
- The Public Works Department ✓✓
 - Provincial governments ✓✓
 - Local governments (municipalities) ✓✓ (Any 1 x 2) (2)
- 3.3.4
- The EPWP arranges for and creates jobs for the poor and the vulnerable, such as rural women, households without breadwinners, the youth and disabled people.✓✓
 - It sees to it that the projects are started and finished✓✓.
 - The work is labour intensive.✓✓
- (Any other relevant answer) (Any 2 x 2) (4)

3.4 **Cost reduction and markets as a characteristic of mass production**

Cost reduction – Industrial inventions and the application of electronics brought with them the technique of mass production.✓✓
Production increased tremendously despite the cost of machinery.✓✓

Markets – mass production had a huge effect on domestic markets.✓✓
Big businesses provided most of the consumption goods traded in markets.✓✓
Competition became very fierce and competitive.✓✓ (2 x 4) (8)

3.5 **Seasonal and structural unemployment**

Seasonal unemployment – occurs when workers are only needed during certain periods of the year. ✓✓ The workers are unemployed during the quiet periods of the year and are employed in the busy time of the year again,✓✓ e.g. farming sector and tourism sector.✓✓

Structural unemployment – occurs when fundamental or big changes occur in a country's economy.✓✓ Reason for these changes can be (i) production methods and techniques change,✓✓ (ii) foreign competition increases ✓✓ (iii) important industry changes ✓✓ (2 x 4) (8)

(8)
[40]

QUESTION 4**4.1 FOUR factors that can change the demand for a good**

Change in:

- Price✓
- Income of household✓
- Tastes and preferences ✓
- Price of related goods✓
- Number of households

(Any 4 x 1) (4)

- 4.2 4.2.1 Monopoly✓✓ He is the only baker in the town✓✓ (4)
- 4.2.2 Eskom✓
Telkom✓ (Any 1 x 1) (1)
- 4.2.3 Oligopoly ✓
Monopolistic competition✓ (Any 1 x 1) (1)
- 4.2.4 • More variety ✓✓
• Improved quality✓✓
• More efficient service✓✓ (Any 2 x 2) (4)
- 4.3 4.3.1 Commission for Conciliation Mediation and Arbitration ✓✓ (2)
- 4.3.2 • Collectively bargain to determine wages ✓✓
• Formulate industrial policy ✓✓
• Provide a mechanism promoting orderly collective bargaining✓✓
• Employment participation in decision making in the workplace ✓✓
• The effective resolution of labour disputes.✓✓ (Any 1 x 2) (2)
- 4.3.3 They should be totally independent (biased). ✓✓/Integrity plays a very important part in the CCMA. ✓✓
(Any other relevant answer) (2)
- 4.3.4 Production is affected (decreases)✓✓/Profits are lost ✓✓
(Any other relevant answer) (2)
- 4.3.5 The total number of working days lost as a result of industrial action decreased by 68% since the introduction of the new Labour Relations Act.✓✓ (2)

4.4 **TWO internal factors which can result in a change of the production possibility curve**

Technology ✓✓

This leads to more efficient production methods which will increase output.
PPC will shift to the right. ✓✓

Training and Motivation ✓✓

Increased training and motivation will improve productivity and shift the PPC to the right. ✓✓

(4 x 2)

(8)

4.5 **Impact on individual as an effect of unemployment**

- Unemployment causes people's living standards to fall. ✓✓
 - It is the most important cause of poverty in South Africa. ✓✓
 - When people are out of work they are more likely to suffer from poor physical and mental health. ✓✓
 - Unemployment affects the dignity and pride of individuals. ✓✓
 - Absence from work reduces human capital of workers. ✓✓
 - They lose work skills and are not being trained in the latest developments in their occupation. ✓✓
 - Loss of confidence reduces the chances of finding employment again. ✓✓
- (Any other relevant answer)

(Any 4 x 2)

(8)

[40]

TOTAL SECTION B:

80

SECTION C

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

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction	Max. 3
Body:	
• Main part: Discuss/Distinguish/Differentiate/Explain/Analyse/Evaluate/Assess	Max. 24
• In addition: Using a graph/diagram .../Deduce .../Outline/Briefly explain/Expand on .../Your own opinion	Max. 6
Conclusion	Max. 2
Interpretation/Rubric	Max. 5
TOTAL	40

QUESTION 5

Discuss the various ways in which the government intervenes in the economy.

In addition, outline the reasons why the government needs to intervene in the economy.

INTRODUCTION

The government intervenes in various ways in the economy due to the market failing to meet the need of the people. ✓✓✓
(Any other relevant introduction) **(Max. 3)**

BODY**Indirect tax** ✓✓

- An indirect tax is paid indirectly by consumers through the purchase of goods and service. ✓✓
 - There are three kind of indirect tax, e.g. VAT ✓✓, excise duties –charged on locally produced goods ✓✓ and custom duties which are charged on imports. ✓✓
 - By imposing the tax the government directly influences the price which increases the price the consumer pays. ✓✓
- (Any other relevant answer)

Subsidies ✓✓

- Subsidies are provisions by government of finance and other resources that lend assistance to a business. ✓✓
 - Subsidies can be given to consumers e.g. communities are enabled to access water supplies and sanitation services. ✓✓
 - It can also be given to producers to assist suppliers of agricultural products so that they supply their goods at a fair price. ✓✓
 - In South Africa there are four types of subsidies.
 - They are production ✓, employment ✓, export ✓ and income subsidies. ✓
- (Any other relevant answer)

Welfare✓✓

- Due to the uneven distribution of wealth, welfare grants are provided for people to meet their basic needs. ✓✓
- The government provides merit goods✓✓ and also supplements the income of poor people. ✓✓
- Cash grants ✓✓ e.g. old-age pensions, disability and childcare grants are used. ✓✓
(Any other relevant answer)

Maximum prices and minimum prices✓✓

- Maximum prices are fixed at some level below the market prices.✓✓
- The retail price of prescribed medicines, petrol and paraffin are controlled at fixed maximum price levels.✓✓
- In times of war prices may be controlled to prevent inflation.✓✓
- This helps to protect the consumer. ✓✓
- Minimum prices are fixed above the market price.✓✓
- It is generally used in agricultural sector where incomes are believed to be low.✓✓
- This helps to protect the producer. ✓✓
(Any other relevant answer)

Production✓✓

- Government provides goods and services which are not provided by the private sector.✓✓
- These goods are non-rival✓✓ and non-excludable,✓✓, e.g. protection services, parks, streets, refuse removal etc. ✓✓
(Any other relevant answer)

Minimum wages✓✓

- The reason for this is that workers should earn wages which is enough to cover the basic cost of living.✓✓
- This helps to protect workers and re-allocate resources.✓✓
- In 2002 minimum wages were introduced for domestic workers.✓✓
- This was also extended for farm workers and also to non-unionised industries. ✓✓
(Any other relevant answer) **(Max. 24)**

Reasons for intervention

- Inefficiencies in the economy✓✓ such as monopolies.✓✓
- The market is not able to provide goods and services for the people,✓✓ e.g. health services and infrastructure. ✓✓
- Unequal opportunities in the market place. ✓✓
- To guard against market prices that may be detrimental to the economy's economic health.✓✓ **(Max. 6)**
(Any other relevant answer)

CONCLUSION

The government intends to get more involved in the economy to increase development so that the citizens can benefit. ✓✓ **(Max. 2)**

Use the following rubric to assess the above discussion:

MARKS	INTERPRETATION OF TOPIC
1	Learner has shown limited understanding of topic and has given an inadequate response. (1–10)
2	Learner has interpreted topic correctly but has not given the desired response. (11–19)
3	Learner has interpreted topic correctly and has given some elements of the desired response. (20–25)
4	Learner has interpreted topic correctly and has linked some relevant substantive facts to the topic. (26–30)
5	Learner has interpreted topic correctly and has linked the relevant substantive facts to the topics. (31–35)

[40]

QUESTION 6

South Africa's transformation to democracy in 1994 has led to serious efforts towards the total change of the lives of ordinary South African lives.

Write an essay on the redress efforts since 1994 and outline the training programmes introduced by the government to transform lives.

INTRODUCTION

Redress means to put right a wrong. ✓✓✓

27 April 1994 was a very historic event for South Africa. ✓✓✓

These efforts focused on transferring the factors of production and control over them. ✓✓✓

(Any other relevant introduction)

(Any 1 x 3)

BODY

Human resources ✓✓

- As a factor of production, focuses on the quality and quantity of the labour force ✓✓
- The quality of labour depends on people's education training and experience. ✓✓
- Depends on both birth and mortality rates. ✓✓
- Relative to the availability of wage and self-employment. ✓✓

Education ✓✓

- South Africa was all-equipped to enter the global arena in terms of the training of the majority of its workforce. ✓✓✓
- There was a severe shortage of professionals, technical and managerial experience. ✓✓
- Position of South African Qualifications Authority Act (58 of 1995) which created the South African Qualification Authority (SAQA) which had to implement the Act. ✓✓
- Address the uneven expenditure and resources according to race and the consolidation of education structures. ✓✓
- Introduction of the Outcomes Based Education (1998). ✓✓
- Literacy and numeracy as the special domain of OBE. ✓✓

- Produce learners that are better equipped to enter self-employment, wage employment and higher education. ✓✓
- Economy will greatly benefit from impairment in the quality of entrants in the labour force. ✓✓

Training ✓✓

- To be taught a particular skill and is usually a post-school experience. ✓✓
- Most training happens at workplaces, although instruction can take place at technical colleges, universities and at the premises of other training providers. ✓✓

Skills Development Act (1998) ✓✓

- Providers for a national skills training strategy. ✓✓
- Providers for the establishment of a mechanism of training. ✓✓
- Make arrangements for financial training. ✓✓

Objectives

- Improve quality of working life for workers to improve productivity of the workplace. ✓✓
- Promotes self-employment. ✓✓
- Improvement of social services delivery. ✓✓
- Previously disadvantaged people to benefit. ✓✓
- Encourage employers to make their workplaces available as active learning environments. ✓✓

Mechanism for training ✓✓

- Department of Labour established the National Skills Authority (NSA) has 25 sector education and training authorities. ✓✓
- SETAs are responsible for identifying the skills and developing plans and targets for training within each sector. ✓✓
- SETAs consult with employer, workers and other professional and civic organisations. ✓✓

Prohibition of unfair discrimination ✓✓

- Focuses on unfair discrimination both past and present. ✓✓
- Requires employers to remove unfair discriminatory policies and practices. ✓✓
- Must ensure that their present employment policies and practices promote equity and redress the effects of the past discrimination. ✓✓
- Some unfair grounds for unfair discrimination are age, belief, colour, conscience, disability. ✓✓

Employment Equity

- Development of mechanism of redress for those who were previously discriminated against. ✓✓
- Mechanism awards them preferential access to the mainstream of the economy. ✓✓
- Provides for Employment Equity Act (55 of 1998). ✓✓

Affirmative action ✓✓

- Refers to policies and practices aimed at redressing social economic and educational imbalances or inequalities arising out of unfair discrimination. ✓✓
 - Act authorises discrimination that amount to affirmative action and discrimination on the basis of the requirements of the job. ✓✓
 - Conduct analysis of barriers to advancement and under representation of designed groups, i.e. black people, women with disabilities. ✓✓
 - Prepare an employment equity plan of one to five years duration. ✓✓
 - Report to the Director-General of Labour on an annual or bi-annual basis, depending on the side of the employer's workforce. ✓✓
 - Appoint an employment equity manager. ✓✓
 - Progress regarding implementation of the requirements of the Act, is monitored by labour inspectors. ✓✓
- (Max. 24)**

Training programmes

- Employers through help by professional bodies, seek help to develop learnership programmes that have to be approved by SAQA. ✓✓
- These Natural Qualifications have value and will be accepted in the workplaces. ✓✓

Learnerships ✓✓

- Consist of structured learning (modules and units) and work experience that leads to nationally registered qualifications. ✓✓
- Learnerships assist of unemployed people who are to enter employment. ✓✓
- Help in service workers to improve their level of skills and qualifications. ✓✓

Skills programmes ✓✓

- Aimed at the unemployed, young people out of school and SMME's. ✓✓
 - Work experience is an important element. ✓✓
- (Max. 6)**

CONCLUSION

Any relevant conclusion ✓✓ **(Max. 2)**

Use the following rubric to assess the above discussion:

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[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150