



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION**

2015

GRADE 10

**ECONOMICS
PAPER 2**

MARKS: 150

TIME: 2 hours

12 pages

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INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in your ANSWER BOOK:

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

SECTION A (COMPULSORY)**30 MARKS – 25 MINUTES****1.1 MULTIPLE-CHOICE QUESTIONS**

Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – C) next to the question number (1.1.1. – 1.1.8) in the ANSWER BOOK, for example 1.1.9 C.

- 1.1.1 A market form that is the least competitive is known as a/an ...
- A oligopoly.
 - B monopolistic competition.
 - C monopoly.
- 1.1.2 A good or service has utility if ...
- A it can satisfy a consumer's tastes.
 - B it has monetary value.
 - C it can satisfy a consumer's needs.
- 1.1.3 A market form where there are many buyers and a few sellers.
- A Monopolistic competition
 - B Perfectly competitive market
 - C Oligopoly
- 1.1.4 When the economy is producing at levels under the maximum production levels there is/are ...
- A unemployed resources.
 - B high economic growth.
 - C optimum production combinations.
- 1.1.5 The monetary and fiscal policies are part of ... policies.
- A growth
 - B demand-side
 - C supply-side
- 1.1.6 The point of unemployment where all prices are stable is known as the ... employment rate.
- A 0%
 - B stable
 - C natural

1.1.7 The formal summary of the constitutional rights and liberties of a country's citizens is known as the ...

- A Bill of Rights.
- B Constitution.
- C Employment Act.

1.1.8 If the CCMA cannot resolve a dispute, the case can be referred to ...

- A the Labour Appeal Court.
- B the Labour Union.
- C the Labour Court.

(8x2) **(16)**

1.2 MATCHING ITEMS

Choose a description from COLUMN B that matches an 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 Market	A The total in a specific market
1.2.2 Exchange ratio	B Strategy used to increase labour participation for economically marginalised groups
1.2.3 Ceteris Paribus	C Extra profit gained over and above normal profit
1.2.4 Opportunity cost	D Extra use gained from consuming an additional unit of a good
1.2.5 Supply-side	E A medium that allows buyers and sellers of a specific good or service to interact in order to facilitate an exchange
1.2.6 Broad-based black economic empowerment	F Policies used by government to increase the aggregate supply of a country
1.2.7 Aggregate	G All things being equal.
1.2.8 Marginal utility	H A benefit, profit, or value of something that must be given up to acquire or achieve something else
	I The price of a product

(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)

- 1.3.1 People between the ages of 15 and 65
- 1.3.2 The most commonly used definition for unemployment
- 1.3.3 The policy that ensures qualified people from designated groups has equal opportunities in the workplace
- 1.3.4 An agreement that involves all the members of a group, such as a trade union
- 1.3.5 The quantity of a good or service that buyers are prepared to buy at different prices
- 1.3.6 A monopolist determines the price.

(6x1) **(6)**

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MICROECONOMICS

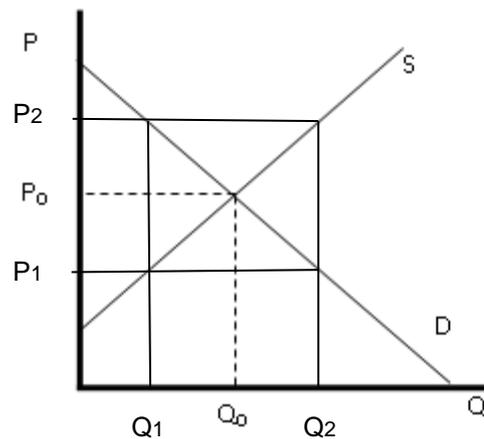
40 MARKS – 30 MINUTES

2.1 Answer the questions that follow.

2.1.1 List TWO functions of markets. (2x1) (2)

2.1.2 Explain the *law of supply*. (2)

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

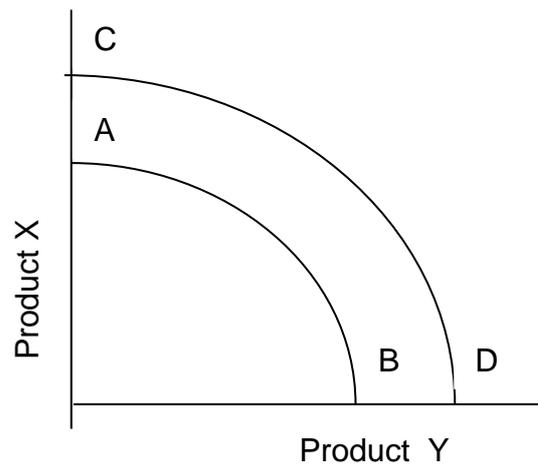


2.2.1 Give the Equilibrium Price and Quantity. (2)

2.2.2 At what price is there an excess demand? Explain your answer. (4)

2.2.3 What are TWO factors that could influence the supply and the quantity supplied? (2x2) (4)

2.3 Study the diagram below and answer the questions that follow:



2.3.1 Define the concept *production possibility curve*. (2)

2.3.2 Which curve will produce better production combinations? Give a reason for your answer. (2)

2.3.3 Give THREE possible reasons why curve AB shifted to CD. (3x2) (6)

2.4 Discuss FOUR characteristics of perfectly competitive markets. (4x2) (8)

2.5 Consider the following scenario:

There are two types of cereals in the market; Rice Crispies and No Name Rice cereal. The price of Rice Crispies increases dramatically.

- Illustrate by means of graphs what would happen to the demand for Rice Crispies and the demand for No Name Rice cereal respectively. (8) **[40]**

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the questions that follow.

3.1.1 List TWO labour rights that are protected in terms of the Constitution of South Africa. (2x1) (2)

3.1.2 Explain how *arbitration* works. (1x2) (2)

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

MTN STRIKE NOT OVER YET

Strike action against South Africa's second-biggest mobile network MTN has not ended yet, the company confirmed on Tuesday.

Reports in weekend newspapers indicated that MTN and the Communication Workers' Union (CWU) both compromised on demands to end a strike among call centre and franchise staff who want higher pay.

However, MTN has confirmed to Fin24 that while most striking workers have returned to work, the company is still embroiled in the strike more than a month after the CWU launched picketing action on May 20.

"MTN can confirm that it has not entered into an agreement with the CWU, and the original offer it has tabled still stands," MTN SA told Fin24 in an e-mailed statement.

Source: Adapted from News24 – Gareth van Zyl – 30 June 2015

3.2.1 In your own words, explain your understanding of the term *strike*. (2)

3.2.2 What is the role of a trade union? (2)

3.2.3 Give a possible effect that strikes may have on a country's economy. (2)

3.2.4 According to the article, give the reason for the strike action. (2)

3.2.5 Provide the full name of the trade union federation that the CWW is a part of. (2)

3.3 Study the extract from the article below and answer the questions that follow.

DON'T BE CHICKEN

The Small Enterprise Finance Agency has called on small businesses in the OR Tambo region to register so they can acquire funding from financial institutions.

It doesn't matter if it's a tshisanyama or you're selling amagwinya (fat-cakes) on a street corner – every business needs to register to be able to acquire funding from financing institutions and be able to grow.

The Small Enterprise Finance Agency (SEFA) has launched a direct lending initiative. The new initiative will enable small, medium and micro-enterprises (SMMEs) to access financial assistance from SEFA even if the owners cannot provide collateral and have bad credit records.

The chief executive said, "The first three years is the most difficult period for any small business. Our main objective is to make sure that they have access to funding."

Source: Adapted from *Business News* – August 2014

- 3.3.1 What is the role of SEFA? (2)
- 3.3.2 Explain what is meant by *collateral* and *bad credit records*. (2x2) (4)
- 3.3.3 Name ONE other organisation that can assist SMMEs financially. (2)
- 3.3.4 Why do you think it is important that SMMEs are promoted in the South African economy? (2)
- 3.4 The Skills Development Act is designed to enhance labour rights in South Africa. Explain any TWO other acts that enhance labour rights in South Africa. (2x4) (8)
- 3.5 Distinguish between the two types of training programmes which were created by the Skills Development Act of 1998. (2x4) (8)
- [40]**

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES4.1 **Answer the questions that follow.**

- 4.1.1 List TWO causes of market failures related to labour. (2x1) (2)
- 4.1.2 What is the effect on economic growth if the economy is not producing efficiently? (1x2) (2)

4.2 Study the newspaper extract below and answer the questions that follow.

Minimum wage 'no substitute for economic growth'

There is a broad acceptance on the need to introduce a national minimum wage, Deputy President Cyril Ramaphosa said over the weekend. The national minimum wage will apply to all employees, both in the public and private sectors, unless provided for otherwise. Currently South Africa sets minimum wages in certain sectors of the economy through sectoral determinations, set by the Minister of Labour.

Source: Extracted from *Mail and Guardian* – 22 June 2015

- 4.2.1 Distinguish between *minimum wage* and *national minimum wage*. (2x2) (4)
- 4.2.2 Name TWO sectors in which minimum wage laws currently apply. (2x1) (2)
- 4.2.3 What would be the result if a minimum wage is introduced that is higher than the equilibrium wage? (2)
- 4.2.4 Briefly explain the effect of a minimum wage on the quantity of goods supplied. (2)

4.3 Minimum wages is one way in which the government can intervene in markets. Shortly discuss FOUR other ways of government intervention. (4x2) (8)

4.4 Study the graph below and answer the questions that follow.



4.4.1 What is the labour force participation rate in the second quarter of 2015? (2)

4.4.2 Give the formula for calculating the labour force participation rate. (2)

4.4.3 Give THREE objectives of the Labour Relations Act. (3x2) (6)

4.5 Briefly explain the factors that influence the demand for labour. (4x2) (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 2
Body	
<ul style="list-style-type: none"> • Main part: For example: discuss/ distinguish/ differentiate/ explain/ analyse/ evaluate/ assess • Additional part: For example: Draw a graph or diagram/ deduce/ outline/ briefly explain/ expand on/ your own opinion/ support 	<p>Max 26</p> <p>Max 10</p>
Conclusion	Max 2
TOTAL	Max 40

QUESTION 5: MICROECONOMICS

40 MARKS – 35 MINUTES

Market forces are economic factors that affect the availability of goods and the demand for them.

- Evaluate the factors that influence demand and quantity. (26)
- By using graphs, illustrate the difference between a movement along the demand curve and a shift of the demand curve. (10)

[40]

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 35 MINUTES

South Africa has one of the highest unemployment rates in the world.

- Discuss the types of unemployment and the negative effects of unemployment on the economy. (26)
- In conclusion to your discussion briefly explain how a public works programme, unemployment insurance and the development of small, medium and micro-enterprises can help to alleviate poverty in South Africa. (10)

[40]

TOTAL SECTION C: 40

GRAND TOTAL: 150

END