GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

JUNE 2023

GRADE 10

ECONOMICS

PAPER 2

EXEMPLAR

TIME: 1½ hours

MARKS: 100

10 pages

INSTRUCTIONS AND INFORMATION

1. Answer THREE questions as follows in the ANSWER BOOK:

   - SECTION A: COMPULSORY
   - SECTION B: Answer ONE of the two questions.
   - SECTION C: Answer ONE of the two questions.

2. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.

3. Number the answers correctly according to the numbering system used in this question paper.

4. Read the questions carefully.

5. Start EACH question on a NEW page.

6. Leave 2 – 3 lines between subsections 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. Use only black or blue ink.

9. You may use a non-programmable calculator.

10. Write neatly and legibly.

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SECTION A (COMPULSORY)

QUESTION 1 30 MARKS – 20 MINUTES

1.1 Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A – D) next to the question number (1.1.1 to 1.1.5) in the ANSWER BOOK.

1.1.1 The law of diminishing marginal utility states that …

A marginal utility increases as more units of a good are consumed.
B marginal utility remains the same as more units of a good are consumed.
C marginal utility decreases as more units of a good are consumed.
D marginal utility decreases as less units of a good are consumed.

1.1.2 A perfect market is characterised by …

A differentiation of products.
B imperfect information of products.
C homogeneous products.
D unique products.

1.1.3 Market failures occurs when …

A there is no demand for a product.
B governments intervene in markets.
C there is an excess supply of a product.
D inefficiencies occur in the allocation of resources and income.

1.1.4 The concept of scarcity is illustrated on the production possibility curve with points …

A inside the production possibility curve.
B outside the production possibility curve.
C on the production possibility curve.
D inside and outside the production possibility curve.

1.1.5 Black markets are a consequence of …

A taxation.
B minimum prices.
C minimum wages.
D maximum prices. (5 x 2) (10)

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1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A – G) next to the question number (1.2.1 to 1.2.6) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Demand	A The quantity sold at a certain price within a certain period of time.
1.2.2 Value	B Minimum price set above the equilibrium price.
1.2.3 Pareto efficiency	C Refers to how much something is worth in terms of money or other goods for which it can be exchanged.
1.2.4 Sacrifice	D When resources are so allocated that it is not possible to make anyone better off without making someone else worse off.
1.2.5 Sin tax	E Levied on consumption of products which are harmful to human health.
1.2.6 Price floor	F The quantity bought at a certain price within a certain period of time.
	G This refers to a trade-off between two products.

(6 x 1) (6)

1.3 Give ONE term for EACH of the following descriptions. Write only the term next to the question number (1.3.1 to 1.3.4) in the ANSWER BOOK. Abbreviations, acronyms, and examples will NOT be accepted.

1.3.1 The point where the quantity demanded is the same as the quantity supplied

1.3.2 A market with many suppliers who sell differentiated goods.

1.3.3 When the producer does not produce at the lowest possible cost.

1.3.4 Taxes levied on goods and services before they reach the consumer but ultimately paid by the consumer as part of the market price. (4 x 1) (4)

TOTAL SECTION A: 20

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SECTION B

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

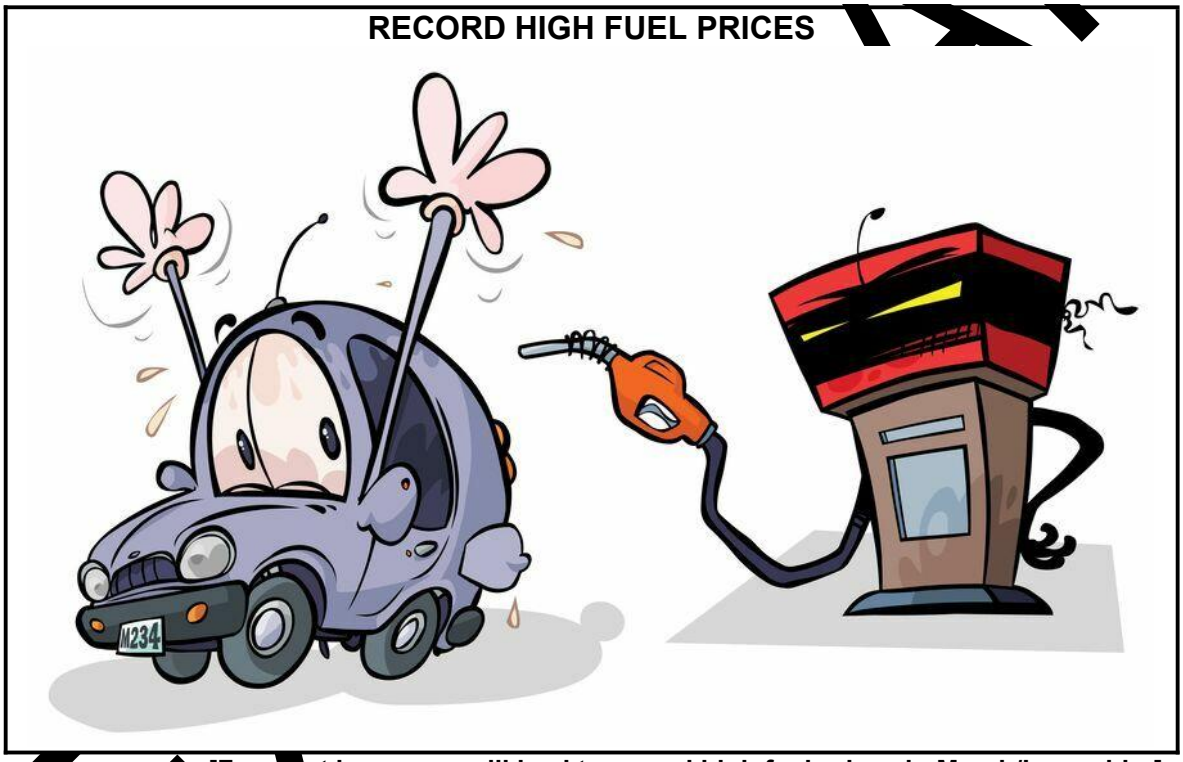
QUESTION 2: MICROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 List any TWO types of workers who qualify to receive minimum wage in South Africa. (2 x 1) (2)

2.1.2 What is an opportunity cost? (1 x 2) (2)

2.2 Study the following cartoon and answer the questions that follow.



[Forecast increases will lead to record high fuel prices in March/Lowvelder]

2.2.1 Give ONE factor that can influence the demand for a product. (1)

2.2.2 What determines the market price of goods in a free market economy? (1)

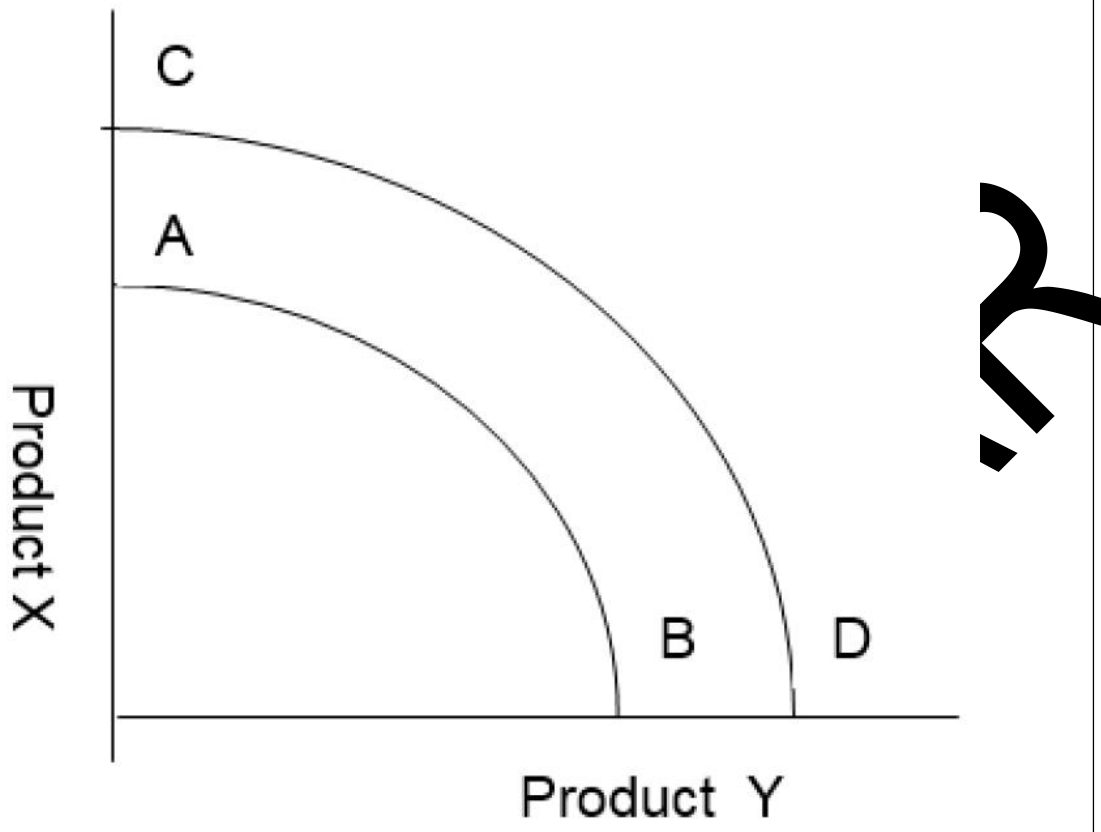
2.2.3 Describe the term *supply*. (2)

2.2.4 Describe the slope of the demand curve. (2)

2.2.5 Why will an increase in fuel prices negatively impact the consumer? (4)

2.3 Study the following graph and answer the questions that follow.

PRODUCTION POSSIBILITY CURVES OF TWO PRODUCTS (PRODUCT X AND PRODUCT Y)



2.3.1 Identify the curve that will yield better production combinations. (1)

2.3.2 What is the slope of this curve? (1)

2.3.3 Describe the term *production possibility curve.* (2)

2.3.4 What does the shift in the curve from AB to CD show? (2)

2.3.5 Discuss TWO possible reasons for the outward shift of a production possibility curve. (4)

2.4 Explain FOUR factors that will determine the existence of a market. (8)

2.5 Evaluate the reasons why the government grants subsidies. (8)

[40]

EXEMPLAR

QUESTION 3: MICROECONOMICS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO social welfare grants which are received by South Africans. (2 x 1) (2)

3.1.2 What is the law of supply? (1 x 2) (2)

3.2 Study the following table and answer the questions that follow.

MARGINAL UTILITY OF BOTTLES ICE TEA CONSUMED

QUANTITY OF BOTTLES ICE TEA	MARGINAL UTILITY (MU)	TOTAL UTILITY (TU)
1	90	90
2	75	165
3	50	215
4	35	250
5	10	260
6	5	265
7	0	265

3.2.1 Which bottle of ice tea gives the greatest satisfaction? (1)

3.2.2 Identify which bottle of ice tea gives no extra satisfaction when consumed. (1)

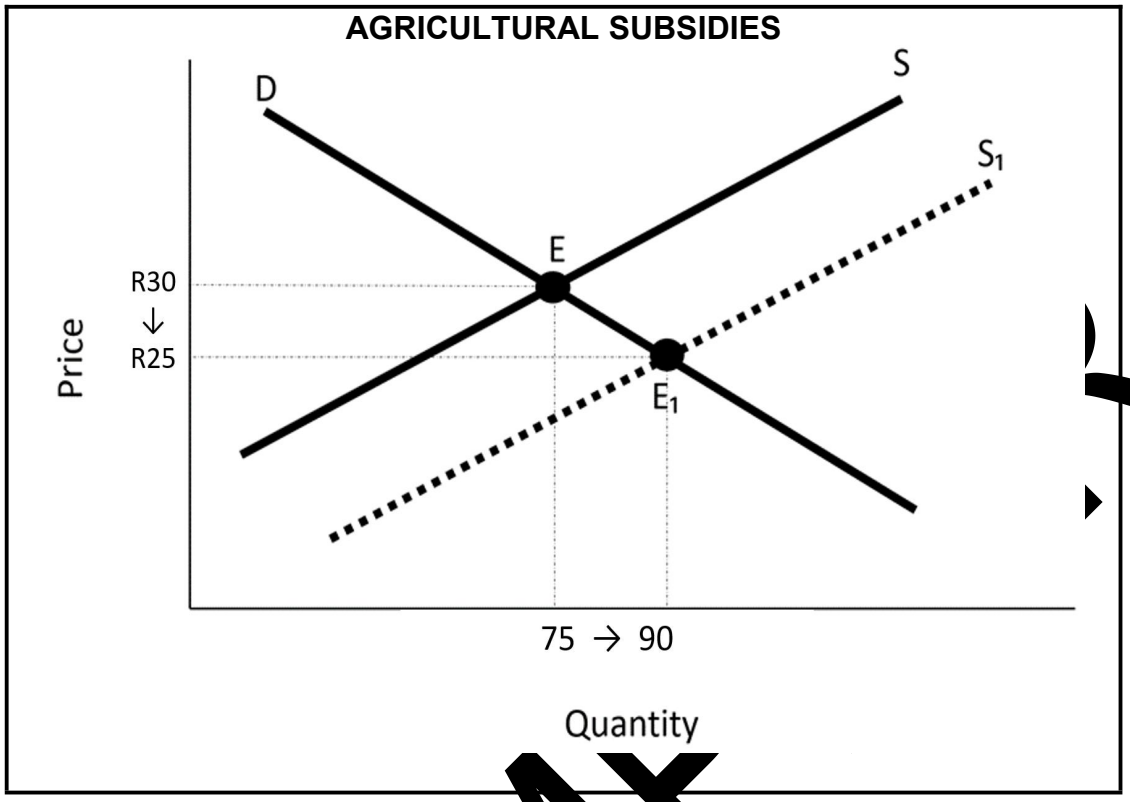
3.2.3 Briefly explain the slope of the marginal utility *curve*. (2)

3.2.4 What is the relationship between utility and the demand for a product? (2)

3.2.5 Use the information from the table above to draw a clearly labelled marginal utility graph. (4)

EXEMPLAR

3.3 Study the following graph and answer the questions that follow.



3.3.1 Give ONE example of subsidies that the South African government provides to farmers. (1)

3.3.2 Identify the quantity produced before the subsidy was granted. (1)

3.3.3 Describe the term *subsidy*. (2)

3.3.4 What is the effect of subsidies on the price of maize to consumers? (2)

3.3.5 How would a subsidy on petrol benefit the economy? (4)

3.4 Differentiate between *productive inefficiency* and *allocative inefficiency*. (8)

3.5 Evaluate the positive impact of world markets on the economy. (8)
[40]

TOTAL SECTION B: 40

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SECTION C

Answer ONE of the two question from this section in the ANSWER BOOK.
Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. • 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.	Max. 2
Body: • **Main part:** Discuss in detail/In depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Explain/Assess/Debate. • **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/Why?/Suggest/Use the information and argue/Debate/Evaluate.	Max. 26 Max. 10
Conclusion Any relevant higher-order conclusion that should include: • A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body. • An opinion or value judgement on the facts discussed. • Additional supporting information to strengthen the discussion/analysis. • A contradictory viewpoint with motivation, if required. • Recommendation.	Max. 2
TOTAL	40

EXEMPLAR

QUESTION 4: MICROECONOMICS **40 MARKS – 40 MINUTES**

- Discuss, in detail, the characteristics of imperfect markets. (26 marks)

- How can the government protect consumers against exploitation by imperfect markets? (10 marks) **[40]**

QUESTION 5: MICROECONOMICS **40 MARKS – 40 MINUTES**

- Discuss, in detail, state intervention as a consequence of market failures, under the following headings:
  - Maximum prices (10)
  - Minimum prices (8)
  - Taxation (8)

- How does the South African government attempt to solve the problem of income inequality? (10 marks) **[40]**

TOTAL SECTION C: 40

TOTAL: 100

EXEMPLAR

END