GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2019

GRADE 10

ECONOMICS
PAPER 2

TIME: 2 hours

MARKS: 150

13 pages

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INSTRUCTIONS AND INFORMATION

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

   SECTION A: COMPULSORY
   SECTION B: Answer TWO of the three 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. Write the question number above each answer

5. Read the questions carefully.

6. Start each question on a NEW page.

7. Leave 2–3 lines between sub-sections of questions.

8. 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.

9. Use only black or blue ink.

10. You may use a non-programmable pocket calculator.

11. 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 answer and write only the letter (A–D) next to the question number (1.1.1 to 1.1.8) in the ANSWER BOOK, e.g. 1.1.9 D

1.1.1 What do we call the utility that a consumer derives from each additional product he / she consumes?

A Marginal utility
B Ownership utility
C Total utility
D Price utility

1.1.2 … means that all the economy's resources are being used and there is no waste of resources.

A Allocation
B Choice
C Inefficiency
D Efficiency

1.1.3 The amount of money that consumers are willing to sacrifice for a good or a service is known as …

A satisfaction.
B value.
C price.
D a market.

1.1.4 The table that indicates the quantity of a product that producers are willing and able to offer at specific prices is called a …

A demand schedule.
B price formation schedule.
C supply schedule.
D production possibility curve.

1.1.5 A complementary good for bread is …

A butter.
B sweets.
C rice.
D flour.

1.1.6 The labour absorption rate is:

A The number of unemployed people expressed as a percentage of the labour force
B The percentage of the population of working age who are unemployed
C The total number of people in the country's labour force
D None of the above

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1.1.7 NEDLAC is an organization that …

A strives to regulate SMME's.
B strives to promote the goals of economic growth.
C strives to regulate and control the Banking Association in the country.
D strives to ensure efficient production within the country's borders.

1.1.8 Which institution is the authoritative body that regulates skills and development within a specific economic sector?

A LRA
B ASAA
C SADC
D SETA (8 x 2) (16)

1.2 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 to 1.2.8) in the ANSWER BOOK

COLUMN A	COLUMN B
1.2.1 Monopoly	A How a nation's total GDP is distributed among its population
1.2.2 Complementary Goods	B A programme launched by the government to redress inequalities
1.2.3 Opportunity Cost	C Social service by the government to promote the basic physical and material well-being of people in need
1.2.4 Value-added tax	D Only one provider of a good or a service, there is no close substitute
1.2.5 Black Economic Empowerment	E The loss of alternatives when another alternative is chosen
1.2.6 Income redistribution	F Examples of this type of market is Vodacom, Cell C and MTN
1.2.7 Supplementary good	G Tax that we pay on everyday household goods and services
1.2.8 Oligopoly	H Goods that are used together that share the use of the goods
	I Goods that can be used in the place of another good

(8 x 1) (8)

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

Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 The average price level in a country continues to increase while there is very little or no economic growth.

1.3.2 Money that is paid to poor people in a country in the form of grants

1.3.3 A programme to reduce poverty by providing temporary work for the unemployed to carry out socially useful activities

1.3.4 Policies that encourage positive discrimination in employment to counter the effects of discrimination in the past

1.3.5 Movement of people to a new area or country for better living conditions

1.3.6 The process whereby the market corrects the price of a product until the equilibrium price is reached

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the three questions from this section.

QUESTION 2: MICRO-ECONOMICS 40 MARKS – 30 MINUTES

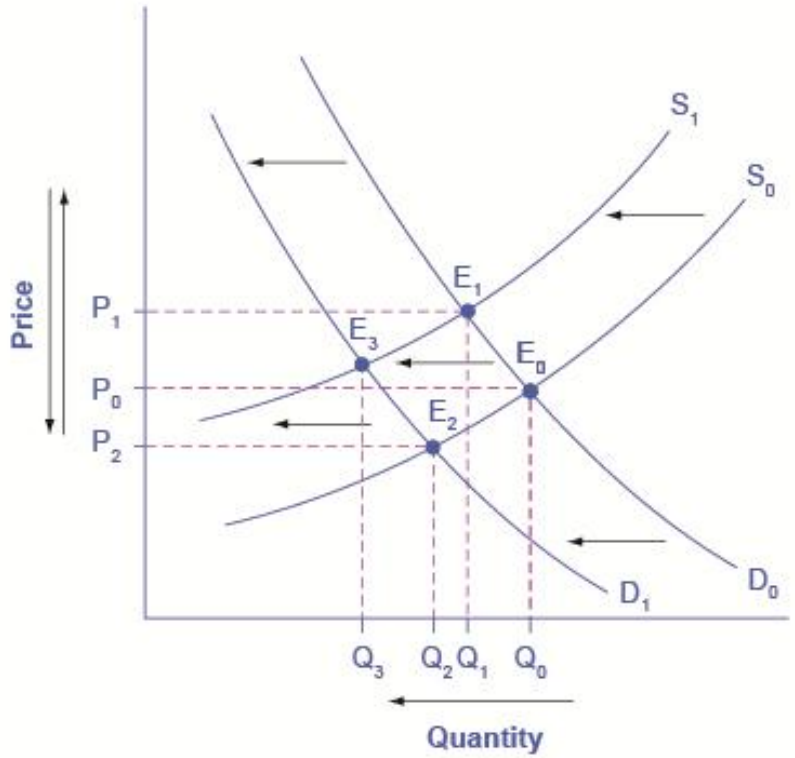
2.1 Answer the following questions.

2.1.1 State any TWO characteristics of utility. (2 x 1) (2)

2.1.2 How does the law of diminishing marginal utility affect the quantity consumed? (1 x 2) (2)

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

THE CHANGE IN PRICE OF FRESH PRODUCE



2.2.1 What is represented by E_0? (1)

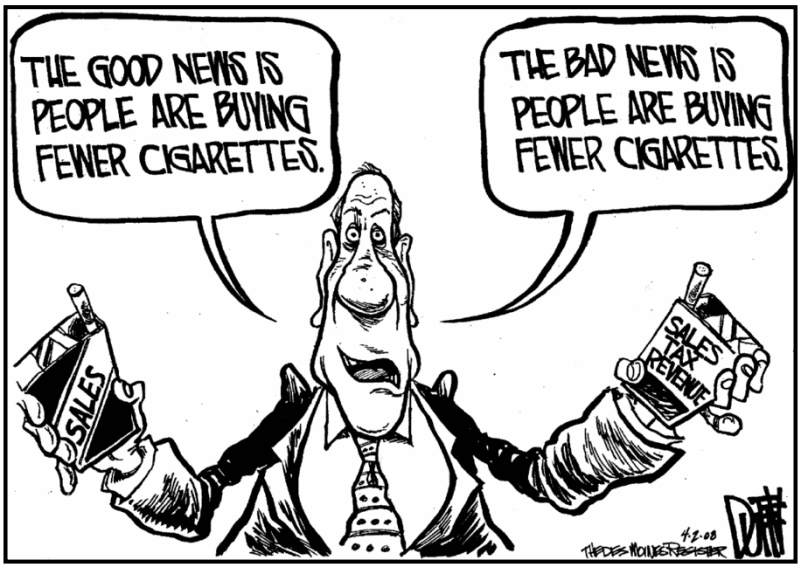
2.2.2 Identify the quantity produced for P_0 and S_0. (1)

2.2.3 Describe what has happened to the price and quantity in the graph. (2)

2.2.4 Explain *the law of demand*. (2)

2.2.5 What causes a shift in the demand curve? (2 x 2) (4)

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



[Source: https://www.google.com/tax]

2.3.1 Identify the source from which this cartoon was obtained. (1)

2.3.2 Which form of tax is depicted in the cartoon above? (1)

2.3.3 Briefly explain the term *budget*. (2)

2.3.4 Why does the government impose the form of tax named in 2.3.2? (2)

2.3.5 Explain the impact of tax on the economy. (2 x 2) (4)

2.4 Why does government intervene in the market? (4 x 2) (8)

2.5 Discuss any FOUR criteria that a good or a service must meet to enter the world market. (4 x 2) (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name TWO objectives of the Labour Relations Act. (2 x 1) (2)

3.1.2 What is the purpose of the Unemployment Insurance Fund? (1 x 2) (2)

3.2 Read the following extract and answer the questions that follow.

Strike over labour dispute grounds flights at Kenya's main airport

INTERNATIONAL - A strike over a labour dispute disrupted flights at Kenya's main international airport in Nairobi early on Wednesday, Kenya Airports Authority said, though the transport minister expected them to resume soon.

Hundreds of passengers were waiting outside the international and domestic terminals and riot police dispersed picketing ground staff, a Reuters witness said, adding that three planes took off at about 05:30 GMT despite the strike.

Transport Minister James Macharia said replacement staff had been found to screen passengers and luggage.

The strike at Jomo Kenyatta International Airport follows a labour dispute over contracts and job security between the Kenya Aviation Workers Union (KAWU) and Kenya Airways.

[Source: https://www.iol.co.za/business-report]

3.2.1 Identify the city affected by the strike in the extract above. (1)

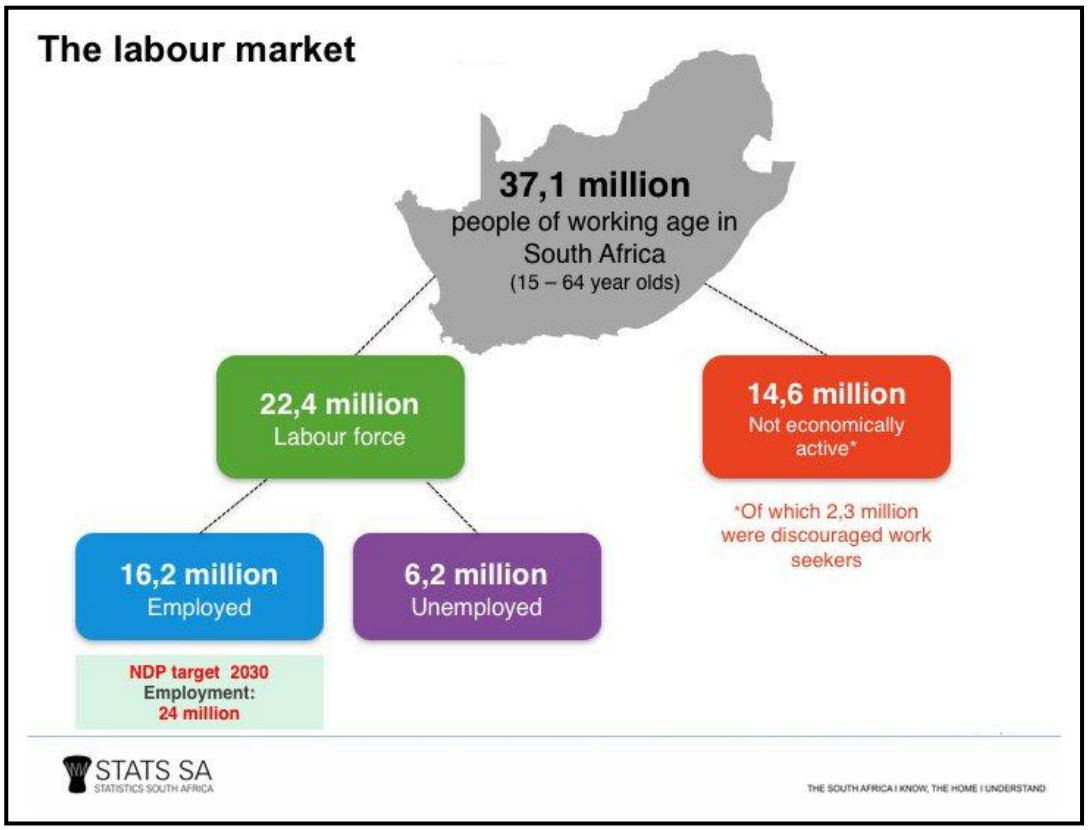
3.2.2 What is the cause of the dispute in the extract above? (1)

3.2.3 Briefly explain the term, *trade union*. (2)

3.2.4 Explain the importance of the Basic Conditions of Employment Act to workers. (2)

3.2.5 How can unemployment affect the economy? (2 x 2) (4)

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



[Source: www.statssa.com]

3.3.1 Identify in the information above, the number of people who were not actively involved in the economy. (1)

3.3.2 What is the main reason for the high rate of unemployment in South Africa? (1)

3.3.3 Briefly explain the term, *unemployment*. (2)

3.3.4 Why should the government be concerned with the high unemployment rate in our country? (2)

3.3.5 How can the government intervene to ensure participation of the marginalized groups in the economy of the country? (2 x 2) (4)

3.4 Briefly discuss the different types of unemployment. (4 x 2) (8)

3.5 Evaluate the impact of mechanization on the demand for labour in a country. (8)
[40]

QUESTION 4: MICRO-ECONOMICS AND CONTEMPORARY ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the questions that follow.

4.1.1 Give TWO examples of public goods and services. (2 x 1) (2)

4.1.2 How can the government implement maximum prices? (1 x 2) (2)

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

Tito Mboweni allocates nearly R1 billion to help thousands buy their own homes

Treasury will provide relief for thousands of people who are too rich to quaify for government-subsidised housing but too poor to qualify for a home loan.

In his budget speech on Wednesday, finance minister Tito Mboweni said that government will provide R950m over three years as part of its "Help to Buy" subsidy to help first-time buyers purchase a home.

In its budget statement, Treasury said the subsidy scheme will ensure that 18 185 households can obtain subsidies to access mortgages.

"There is not sufficient provision of housing finance for individuals who earn too much to qualify for a fully-subsidised house but too little to qualify for a home loan," Treasury said in the budget statement on Wednesday.

[Source: www.timeslive.co.za/politics]

4.2.1 Over how many years will this subsidy scheme take place? (1)

4.2.2 In which month is our National Budget Speech presented? (1)

4.2.3 Explain the concept, *price ceiling*. (2)

4.2.4 Give a reason why the government decided to implement a minimum wage? (2)

4.2.5 How will indirect taxes negatively impact the economy? (4)

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

CONSUMER INDIFFERENCE CURVE FOR CLOTHING AND FOOD

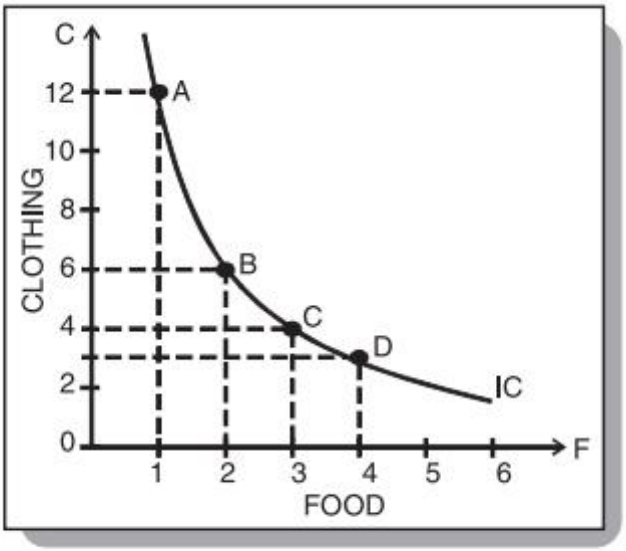


Fig. 1 : A Consumer's Indifference Curve

4.3.1 Identify the shape of the curve as shown in Fig. 1. (1)

4.3.2 What is the main reason for the shift in a consumer's indifference curve? (1)

4.3.3 What is the difference between an indifference curve and a production possibility curve? (2)

4.3.4 What does an indifference curve analyse? (2)

4.3.5 Explain *the law of substitution*. (4)

4.4 Discuss FOUR factors that determine the demand for labour. (4 x 2) (8)

4.5 South Africa's labour legislation corresponds with international laws. Explain FOUR labour rights. (4 x 2) (8)

[40]

TOTAL SECTION B: 80

SECTION C

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

Ensure that your answer follows the structure indicated below in order to obtain maximum marks.

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. • A good starting point would be to define 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 mentioning 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 / Differentiate / Explain **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 / Compare / Explain / Distinguish / Interpret / Briefly debate / How? / Suggest	Max. 26 Max. 10
Conclusion Any high-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgment on the facts discussed • Additional support information to strengthen the discussion/ analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max. 2
TOTAL	**40**

QUESTION 5: MICRO-ECONOMICS 40 MARKS – 40 MINUTES

"While no market has clearly defined perfect competition, all real markets are classified as imperfect. That being said, a perfect market is used as a standard by which the effectiveness and efficiency of real-world markets can be measured."

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

- What steps can government take to prevent market failure? (10 marks)

[40]

QUESTION 6: CONTEMPORARY SOCIO-ECONOMIC ISSUES
40 MARKS – 40 MINUTES

"The government has made a number of changes concerning the way in which natural resources should be utilized."

- Explain how the redress occurred with regards to land, minerals and energy in South Africa. (26 marks)

- What are the challenges faced by mining industries in South Africa? (10 marks)

[40]

TOTAL SECTION C: 40

GRAND TOTAL: 150

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