GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

JUNE 2022

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 blue or black ink.

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

10. Write neatly and legibly.

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SECTION A (COMPULSORY)

QUESTION 1: MULTIPLE-CHOICE QUESTIONS 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 numbers (1.1.1 to 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 E.

1.1.1 Which of the following is NOT an example of businesses in an oligopoly?

A MTN, Vodacom, Cell C
B BP, Total, Engen
C FNB, Capitec, Nedbank
D Burger King, MacDonalds, Steers

1.1.2 A characteristic of a monopoly is that ...

A there are many buyers and sellers in the market.
B the nature of the product is unique.
C the nature of the product is homogenous.
D suppliers are price takers.

1.1.3 A graph which shows the efficient use of all possible resources is a/an ...

A supply curve.
B demand curve.
C production possibility curve.
D indifference curve.

1.1.4 The highest price at which a product is allowed to be sold is known as the ...

A buying price.
B selling price.
C maximum price.
D minimum price.

1.1.5 Which of the following is NOT a reason for market failure?

A Undersupply of goods and services
B Unreasonable prices
C The distribution of income and welfare
D Legislation

(5 x 2) (10)

EXEMPLAR

1.2 Choose a description from COLUMN B that matches an 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, e.g. 1.2.7 H.

COLUMN A		COLUMN B	
1.2.1	Adam Smith	A	Markets are not limited to only certain countries
1.2.2	Globalisation	B	All of the economy's resources are being used effectively
1.2.3	Opportunity cost	C	Consist of the total benefits society gains from the consumption and production of goods or services
1.2.4	Efficiency	D	The father of the modern economy
1.2.5	Ad valorem tax	E	Where tax is calculated as a percentage of the product
1.2.6	Social benefits	F	The value of the alternatives that were given up as a result of a choice
		G	Money levied on the income of individuals and companies

(6 x 1) (6)

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

1.3.1 The exchange value of a good stated in terms of money

1.3.2 Products that are used together with other products

1.3.3 Goods that benefit everyone and that are available to everybody

1.3.4 Payments made by government to promote the production or use of a particular product or service (4 x 1) (4)

TOTAL SECTION A: 20

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SECTION B

Answer any ONE of the following two questions.

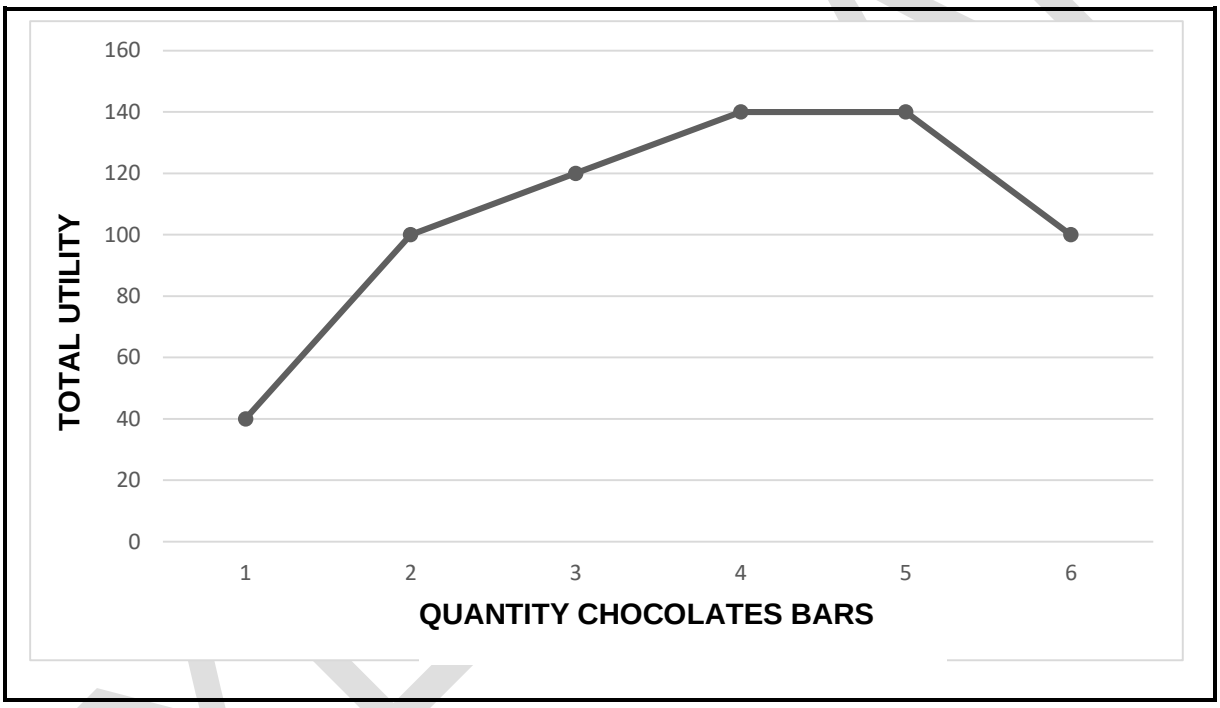
QUESTION 2: MICROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO requirements for the establishment of a market. (2 x 1) (2)

2.1.2 How does a minimum price benefit business? (1 x 2) (2)

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



2.2.1 Supply an appropriate heading for the graph. (1)

2.2.2 Identify the chocolate bar with a marginal utility of "0". (1)

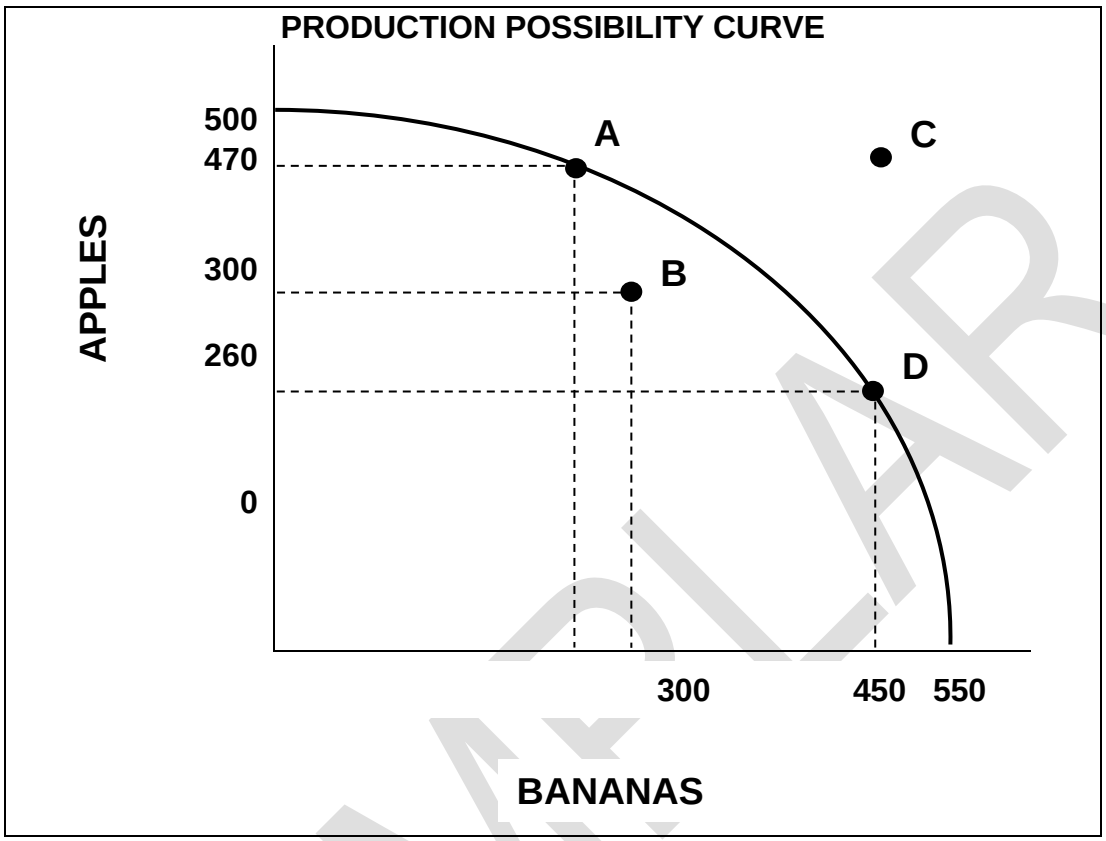
2.2.3 What does the *law of diminishing marginal utility* entail? (2)

2.2.4 Explain the relationship between utility and demand of a product. (2)

2.2.5 Distinguish between *utIility* and *marginal utility*. (4)

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



2.3.1 How many bananas can be produced at point **D**? (1)

2.3.2 Identify the point of inefficiency. (1)

2.3.3 Briefly describe the term *production possibility curve.* (2)

2.3.4 Why is it not possible to produce at point **C**? (2)

2.3.5 Calculate the opportunity cost if production shifts from point **A** to point **D**? Show your calculations. (4)

2.4 Briefly discuss any TWO characteristics of perfect markets. (8)

2.5 Draw a graph and explain the effect if government sets a maximum price on a product. (8)

[40]

EXEMPLAR

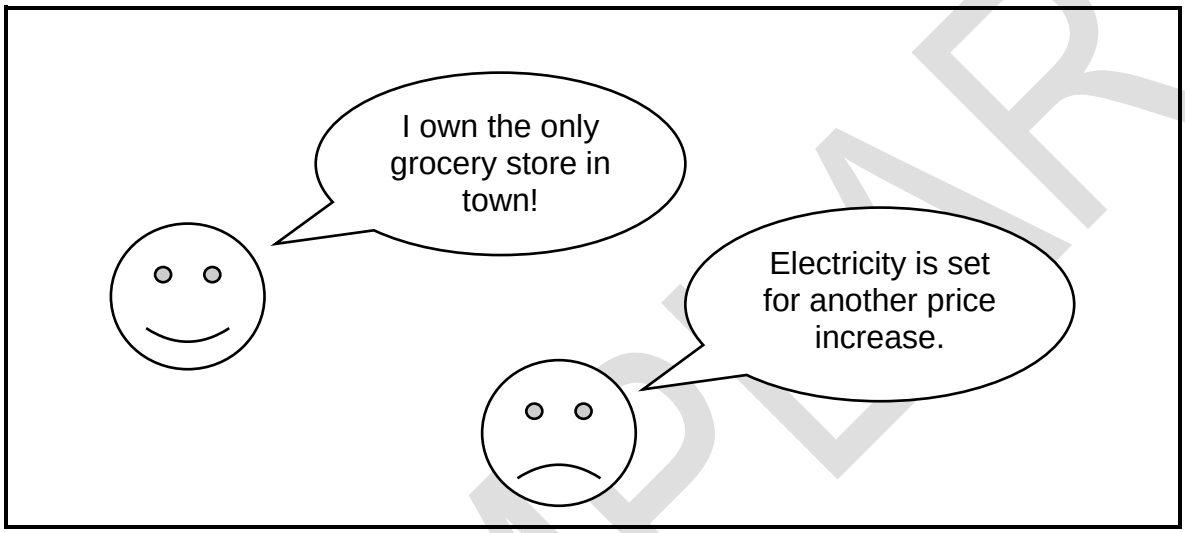
QUESTION 3: MICROECONOMICS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Give any TWO examples of geographical markets. (2 x 1) (2)

3.1.2 What is meant by production inefficiencies? (1 x 2) (2)

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



3.2.1 What type of market structure is illustrated in the cartoon above? (1)

3.2.2 Give ONE example of such a market structure in South Africa. (1)

3.2.3 Briefly describe the term *monopoly.* (2)

3.2.4 Briefly explain heterogeneous products as a characteristic of a monopoly. (2)

3.2.5 How can having more grocery stores in town benefit consumers? (4)

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



[Source: Google images/VectorStock/27422520]

3.3.1 Identify the tax applicable on the products in the image. (1)

3.3.2 Name any other example of indirect taxation. (1)

3.3.3 What is meant by *direct taxation*? (2)

3.3.4 Briefly explain why government will impose tax on products like alcohol and cigarettes. (2)

3.3.5 Using a graph, explain how an increase in indirect tax will affect the price of products. (4)

3.4 Discuss the characteristics of indifference curves. (8)

3.5 How can the government protect consumers against exploitation by imperfect markets? (8)

[40]

TOTAL SECTION B: 40

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SECTION C

Answer any ONE of the two questions 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 define a key concept that appears in the question. • 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/How?/Suggest/Use the information and argue/Debate/Evaluate	Max. 26 Max. 10
Conclusion: Any relevant higher-order conclusion should include: • A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body • 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	Max. 2
TOTAL	**40**

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

- Discuss, in detail, price formation under the following headings:

    - Equilibrium point, price and quantity
    - Change in demand and supply

    Use fully labelled graphs. (26 marks)

- In your opinion, why are subsidies given by government to the different roleplayers in the economy. (10 marks) **[40]**

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

- Discuss the reasons for, and impact of minimum wages on supply and demand in the labour market. (26 marks)

- Give recommendations to government on how they can prevent market failure. (10 marks) **[40]**

TOTAL SECTION C: 40

TOTAL: 100

EXEMPLAR

END