GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2021

GRADE 10

ECONOMICS

PAPER 2

TIME: **2 hours**

MARKS: **150**

13 pages

EXEMPLAR

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. 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 1.1.8) in the ANSWER BOOK, e.g. 1.9 D.

1.1.1 Which of the following factors is NOT a factor that influences demand?

A Change in income
B Change in trends
C Advertisements
D Production costs

1.1.2 The price at which supply and demand are the same.

A Equilibrium price
B Market price
C Supply price
D Selling price

1.1.3 The value of the product given up when a choice between two products is made.

A Selling costs
B Marginal costs
C Unit costs
D Opportunity costs

1.1.4 A compulsory payment that people and businesses make to the government.

A Taxation
B Subsidies
C Government costs
D Social grants

1.1.5 The number of unemployed people expressed as a percentage of the labour force.

A Workforce participation rate
B Unemployment rate
C Labour absorption rate
D Employment rate

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1.1.6 The term which describes the replacement of labourers with machinery.

A Technological development
B Labour-intensive production
C Machining
D Mechanisation

1.1.7 This law protects the rights of the individual within the workplace.

A Skills Development Act
B Basic Conditions of Employment Act
C Labour Relations Act
D Compensation for Occupational Injuries and Diseases Act

1.1.8 The institution that focuses on the support and promotion of small, medium and micro enterprises.

A SEDA
B SAWEN
C ABSB
D SARB

(8 x 2) (16)

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1.2 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 to 1.2.8) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Utilitarian value	A	A system for the protection of people who worked and have been retrenched
1.2.2	Monopolistic competition	B	Tax levied on certain products such as tobacco
1.2.3	Efficiency	C	Employees get an opportunity to get involved in management decisions
1.2.4	Ad valorem tax	D	The effectiveness of a product to satisfy needs
1.2.5	Frictional unemployment	E	Where tax is calculated as a percentage of the product
1.2.6	Unemployment insurance	F	They have similar products, but differ due to location or advertising
1.2.7	Arbitration	G	All the resources of the economy are used at maximum capacity
1.2.8	Workplace Forum	H	The hearing and decision of a dispute by a neutral person
		I	When people are looking for a new job

(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 are NOT allowed.

1.3.1 The satisfaction gained from using a good or service

1.3.2 A graphic representation showing how a scarcity of resources forces people to make choices and how each choice has a cost

1.3.3 Costs paid by individuals or companies for goods and services

1.3.4 Those that find it difficult or impossible to participate in the economy

1.3.5 Labour is used to produce goods and services

1.3.6 A policy that seeks to give people who were excluded before 1994 easier access to economic activities (6 x 1) (6)

TOTAL SECTION A: 30

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SECTION B

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

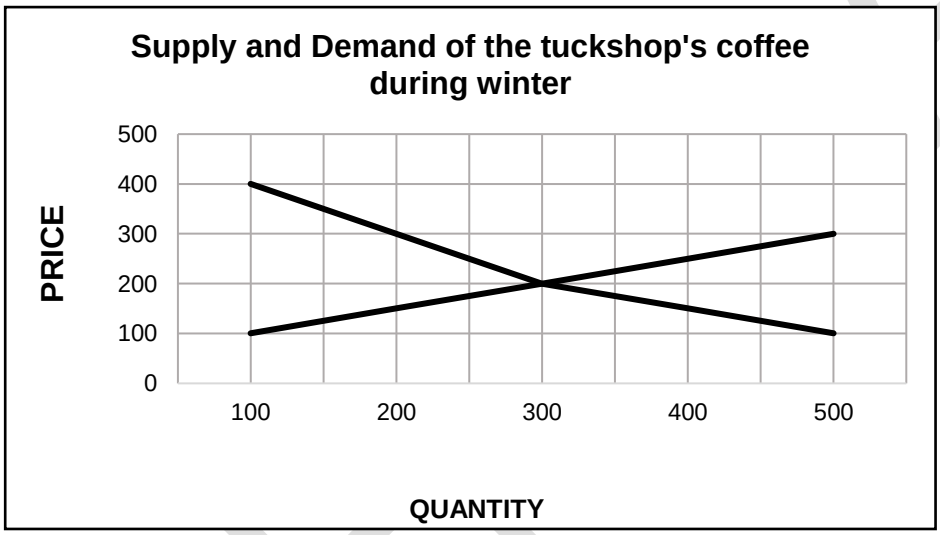
QUESTION 2: MICROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 List any TWO factors affecting supply. (2 x 1) (2)

2.1.2 Why is it impossible for a single seller to influence the price of a product in a perfect market? (1 x 2) (2)

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



2.2.1 Identify the equilibrium point on the graph. (1)

2.2.2 What is the relationship between price and quantity for the supply curve? (1)

2.2.3 How will technological advances affect supply? (2)

2.2.4 State the law of demand. (2)

2.2.5 Using a graph, show how a change in price will affect the demand curve. (2 x 2) (4)

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

Warning over South Africa's updated minimum wage coming into effect in March

The minister of Employment and Labour, Thulas Nxesi, has announced that a new minimum wage will come into effect from 1 March 2021.

While the move has been welcomed by some labour unions, others have warned that the increase could have a major knock-on impact for South Africa's already ailing economy.

"We received feedback from a wide range of farmers and other role players in the value chain, which indicates that they will be forced to make amendments to accommodate these changes," said Henry Geldenhuys, president of agricultural union TAU SA.

"Unfortunately, most of them have decided to close all labour-intensive divisions, like growing vegetables, to switch to more mechanised ways of producing food." Geldenhuys said that the changes would mostly affect unschooled workers and lead to them falling into unemployment.

"None of the role players want workers to earn an unreasonable remuneration or to lose their jobs," said Geldenhuys. "We only want the government to realise that farmers cannot afford the increased wages. Any producer must see profitability as a priority to farm sustainably. When it affects profit, a farmer must make adjustments."

[**www.businesstech.co.za/news/finance**]

2.3.1 Identify the government official who is responsible for implementing the minimum wage. (1)

2.3.2 Name ONE of the labour unions in South Africa. (1)

2.3.3 Explain what a minimum wage is. (2)

2.3.4 How will the new minimum wage affect the supply of labour? (2)

2.3.5 Why would the government introduce a minimum wage? (4)

2.4 With the aid of a graph discuss consumers' indifference curves for beef and chicken. (2 x 4) (8)

2.5 Why is it not advisable for an individual seller in a perfect market to charge a price which is above or below the market price? (4 x 2) (8)

[40]

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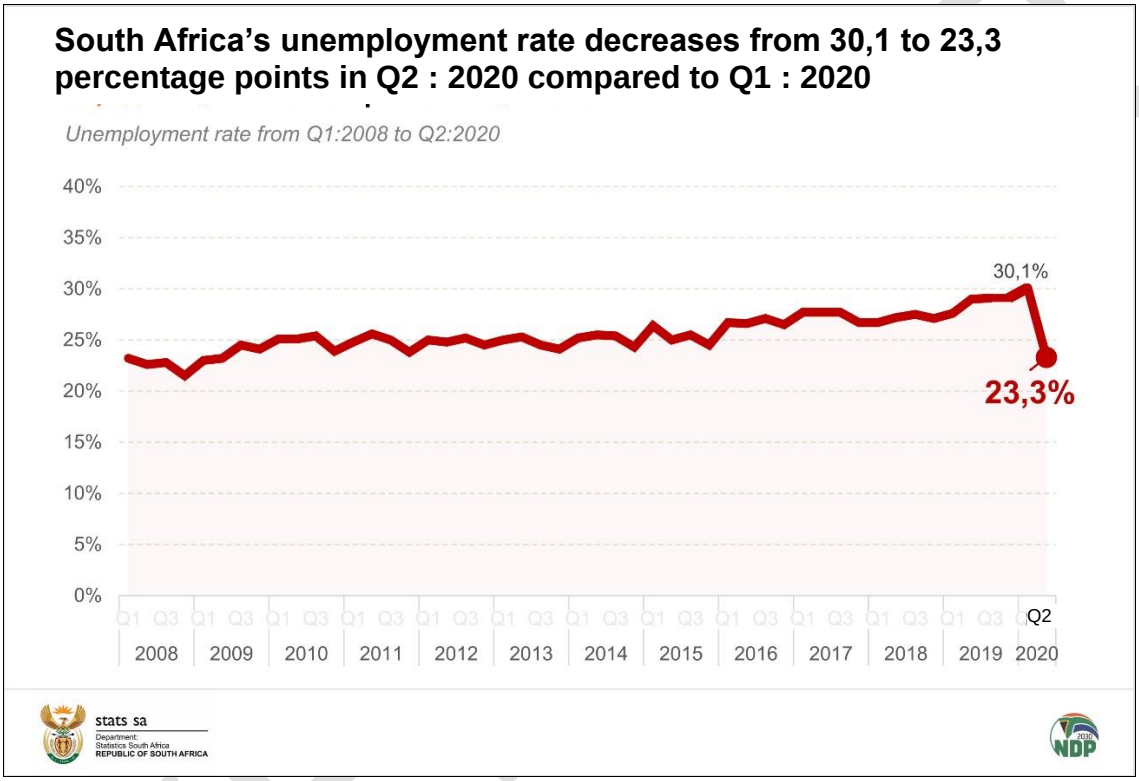
QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name TWO functions of trade unions. (2 x 1) (2)

3.1.2 Briefly describe the term *economically marginalised groups*. (1 x 2) (2)

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



[SA economy sheds 2,2 million jobs in Q2 but unemployment levels drop | Statistics South Africa (statssa.gov.za)]

3.2.1 By how many percentage points did the unemployment rate decrease from Q1: 2020 to Q2 : 2020? (1)

3.2.2 Which institution is responsible for publishing the above information? (1)

3.2.3 List TWO causes of unemployment. (2)

3.2.4 How do public works programmes help in reducing the rate of unemployment in the country? (2)

3.2.5 How can a long-term unemployment rate affect the economy? (2 x 2) (4)

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

More than 150 000 South African workers are now owners of the companies they work for and more worker ownership provisions are being put in place by companies.

This was announced by the minister of the Department of Trade, Industry and Competition (DTIC), Ebrahim Patel, during a press briefing with business leaders and unions on worker ownership structures. The briefing was held on the eve of the Workers' Day celebrations on 1 May 2021.

Minister Patel provided information on the progress with implementation of worker ownership arrangements at five companies, covering 30 000 workers.

This includes Coca-Cola Beverages South Africa (CCBSA), which has worked with **the DTIC** on the design and implementation of its worker scheme, which will provide its nearly 8 000 workers with a direct ownership stake in the company, equal to 15% of the equity, and representation on the board of the company through two worker appointed trustees.

Representatives of Coca-Cola joined Minister Patel at the press briefing to discuss their transaction, along with the senior leadership of PepsiCo South Africa (formerly Pioneer Foods and Simba), Astron Energy (owner of the Caltex refinery and service station brand), and ABInbev South Africa, all of whom have implemented worker ownership structures following agreements with Government.

[*Adapted from: *More Than 150 000 South African Workers are Now Owners of the Companies they Work for – The Department of Trade Industry and Competition (thedtic.gov.za)]

3.3.1 What does the abbreviation DTIC stand for? (1)

3.3.2 How many workers of Coca-Cola Beverages South Africa will be provided with an ownership stake in the company? (1)

3.3.3 Identify ONE other area on which the government focuses to address the inequalities of the past. (2)

3.3.4 Briefly explain the term *capital* that is needed by entrepreneurs to acquire businesses. (2)

3.3.5 Briefly explain the success of the Broad-Based Black Economic Empowerment Act. (2 x 2) (4)

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

3.5 Evaluate the impact of unemployment on individuals. (2 x 4) (8)

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QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name TWO kinds of inefficiencies related to the production possibility curve. (2 x 1) (2)

4.1.2 Why does the government charge excise duties? (1 x 2) (2)

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

QUANTITY OF TOASTED SANDWICHES	TOTAL UTILITY (TU)	MARGINAL UTILITY (MU)
0	0	0
1	80	80
2	120	40
3	**A**	25
4	150	5
5	150	0
6	145	-5

4.2.1 Which toasted sandwich gives the greatest satisfaction? (1)

4.2.2 What happens to marginal utility when the 6th toasted sandwich is consumed? (1)

4.2.3 Using the information provided, calculate the total utility of the 3rd toasted sandwich **(A)**. (2)

4.2.4 Briefly describe the term *marginal utility.* (2)

4.2.5 Explain any TWO characteristics of utility. (2 x 2) (4)

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



4.3.1 What does the abbreviation CCMA stand for? (1)

4.3.2 State ONE reason why you will seek the help of the CCMA. (1)

4.3.3 Briefly describe the term *bargaining council*. (2)

4.3.4 Why does the Labour Appeal Court have greater powers than the Labour Court? (2)

4.3.5 Distinguish between *mediation* and *conciliation* as part of the dispute resolution process. (2 x 2) (4)

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

4.5 Analyse productive inefficiency with the aid of a production possibility curve. (4 x 2) (8)

[40]

TOTAL SECTION B: 80

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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/Evaluate/Compare/Distinguish/ Differentiate/Explain **Additional part:** Give own opinion/Critically discuss/Evaluate/ Explain/Calculate/Critically evaluate/Deduce/Outline/Compare/ How?/Suggest	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 5: MICROECONOMICS **40 MARKS – 40 MINUTES**

- Discuss in detail the following methods that the government uses to intervene in the economy.

    - Indirect taxes (max. 6)
    - Subsidies (max. 8)
    - Welfare grants (max. 6)
    - Maximum prices (max. 6) (26 marks)

- Evaluate the effects of inefficiencies in market failure. (10 marks)

[40]

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 40 MINUTES

- Discuss in detail dispute resolution and dispute resolution mechanisms under the following headings:

    - Commission for Conciliation, Mediation and Arbitration (CCMA) (max.14)
    - Labour Court (max.12) (26 marks)

- Evaluate the role of bargaining councils in the workplace. (10 marks)

[40]

TOTAL SECTION C: 40

TOTAL: 150

END