GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

JUNE 2019

GRADE 10

ECONOMICS
PAPER 2

10 pages

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

ECONOMICS
(Paper 2)

TIME: 1½ hours

MARKS: 100

INSTRUCTIONS AND INFORMATION

- Answer THREE questions as follows in the ANSWER BOOK.

  SECTION A: COMPULSORY
  SECTION B: Answer any ONE of the TWO questions.
  SECTION C: Answer any ONE of the TWO questions.

- Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
- Number the answers correctly according to the numbering system used in this question paper.
- Write the question number above each answer.
- Read the questions carefully.
- Start EACH question on a NEW page.
- Leave 2–3 lines between subsections of questions.
- 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.
- Use only black or blue ink.
- You may use a non-programmable pocket calculator.
- Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1: MULTIPLE CHOICE QUESTIONS 20 MARKS-15 MINUTES

1.1 Various options are provided as answers to the following questions. Choose the answer and write only the letter (A – D) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK, e.g. 1.1.6 D.

1.1.1 The usefulness of something to satisfy a human need or want …

A Value
B Price
C Utility
D Satisfaction

1.1.2 A market form that is the least competitive is known as a/an …

A oligopoly.
B monopolistic competition.
C monopoly.
D perfect Market

1.1.3 The line that shows different combinations of goods that can be bought by a consumer is known as the ... line.

A budget
B production
C sales
D supply curve

1.1.4 A situation in which the current combination of goods and services produced and sold gives the maximum satisfaction for each consumer at their current level of income …

A Productive efficiency
B Optimum allocation
C The law of substitution
D Allocative efficiency

1.1.5 Which of the following is an example of a direct tax?

A Customs duties
B Value Added Tax
C Excise tax
D Income tax (5 x 2) (10)

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 – 1.2.6) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Non-rivalry	A The wage that ensures that all workers earn decent wages that covers their basic cost of living
1.2.2 Technology	
1.2.3 Minimum wages	B The buyers and sellers of a good or service who influences its price
1.2.4 Market	
1.2.5 Diminishing returns	C Extra resources used in production result in smaller increase in products
1.2.6 Marginal utility	D Total satisfaction gained from all the units of a good or service consumed within a given period
	E One person's consumption of a public good does not reduce the quantity or quality available to other citizens
	F The use of scientific knowledge for practical purposes
	G Additional satisfaction gained from consuming one extra unit of a good

(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 – 1.3.4) in your ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

1.3.1 An economy in which prices are formed by the interaction of buyers and sellers with little government intervention

1.3.2 The rate at which a consumer is willing to trade off one good for another

1.3.3 The price that is set below the equilibrium or market price

1.3.4 A grant of resources or a gift of money by the government

(4 x 1) (4)

TOTAL SECTION A: 20

SECTION B

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

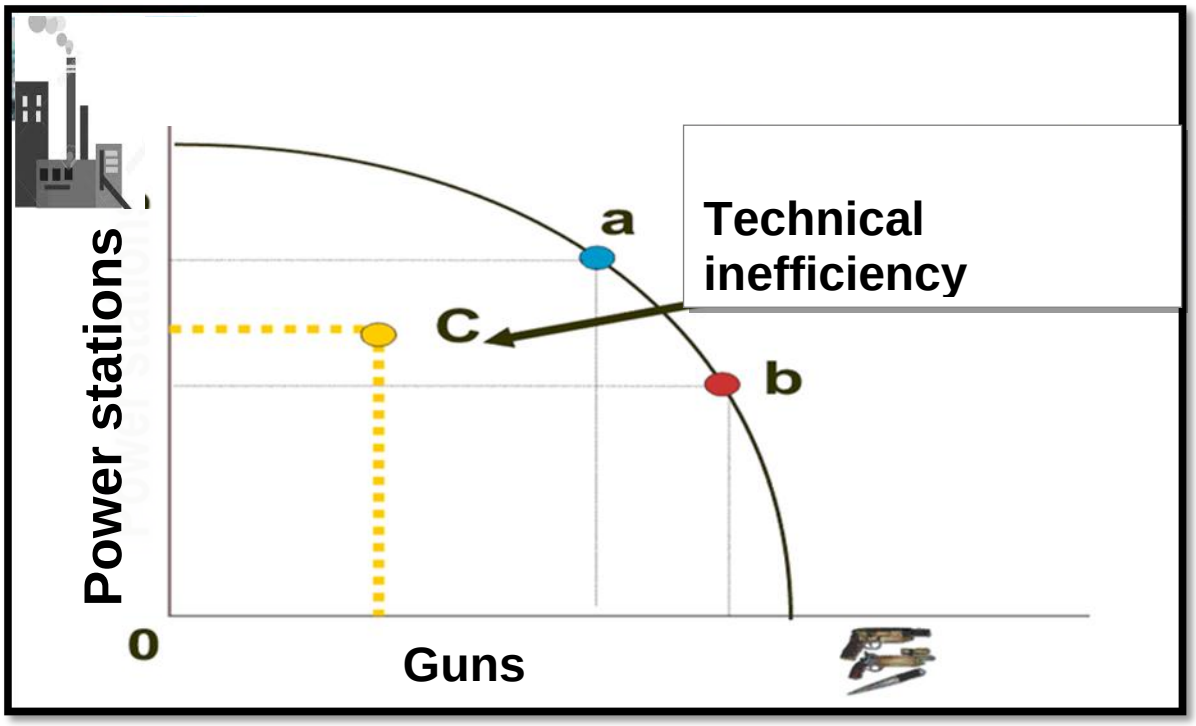
QUESTION 2: MICROECONOMICS **40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Give any TWO internal factors that may cause movement of the Production Possibility Curve. (2 x 1) (2)

2.1.2 What determines the position of PPC? (1 x 2) (2)

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



[**Source: internet pictures**]

2.2.1 Provide another name for the **production possibility curve** (1)

2.2.2 What is the above curve used for? (1)

2.2.3 Use points **a** and **b** to explain the concept of *choice.* (2)

2.2.4 Why is point **C** referred to as technical inefficiency? (2)

2.2.5 Clearly distinguish between *increasing worker productivity* and implementing *the use of better production techniques as internal factors causing movements of PPC.* (4)

2.3 Study the cartoon below and answer questions that follow.



[Source: Google cartoons]

2.3.1 Which form of tax is displayed above? (1)

2.3.2 List ONE example of the above tax. (1)

2.3.3 What is the effect of tax on the price of goods and services? (2)

2.3.4 Why does the government levy excise duty? (2)

2.3.5 Differentiate between excise duty and customs duty. (2x2) (4)

2.4 Briefly discuss how the effect of scarce resources affect the consumers and producers. (2 x 4) (8)

2.5 Analyse the reasons why the imperfect market can manipulate prices. (8)
(40)

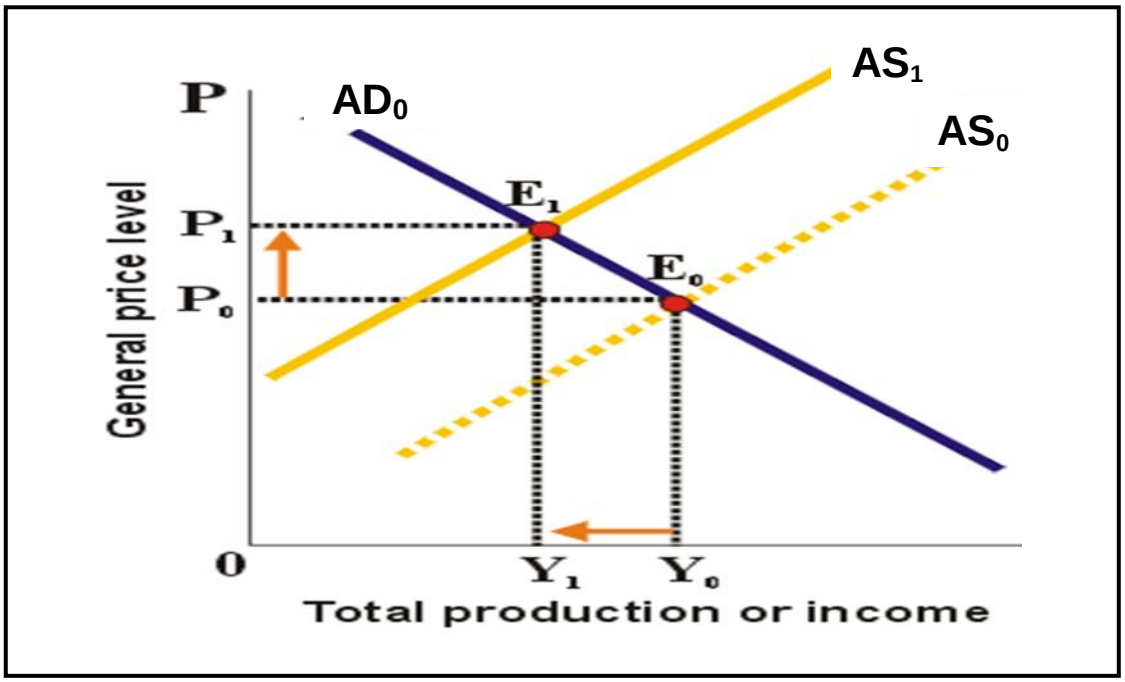
QUESTION 3: MICROECONOMICS **40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Mention any TWO properties of indifference curves. (2 x 1) (2)

3.1.2 What will happen to the demand curve if a consumer's income increases? (2)

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



3.2.1 What does the above graph illustrate? (1)

3.2.2 Identify the initial equilibrium price from the above graph. (1)

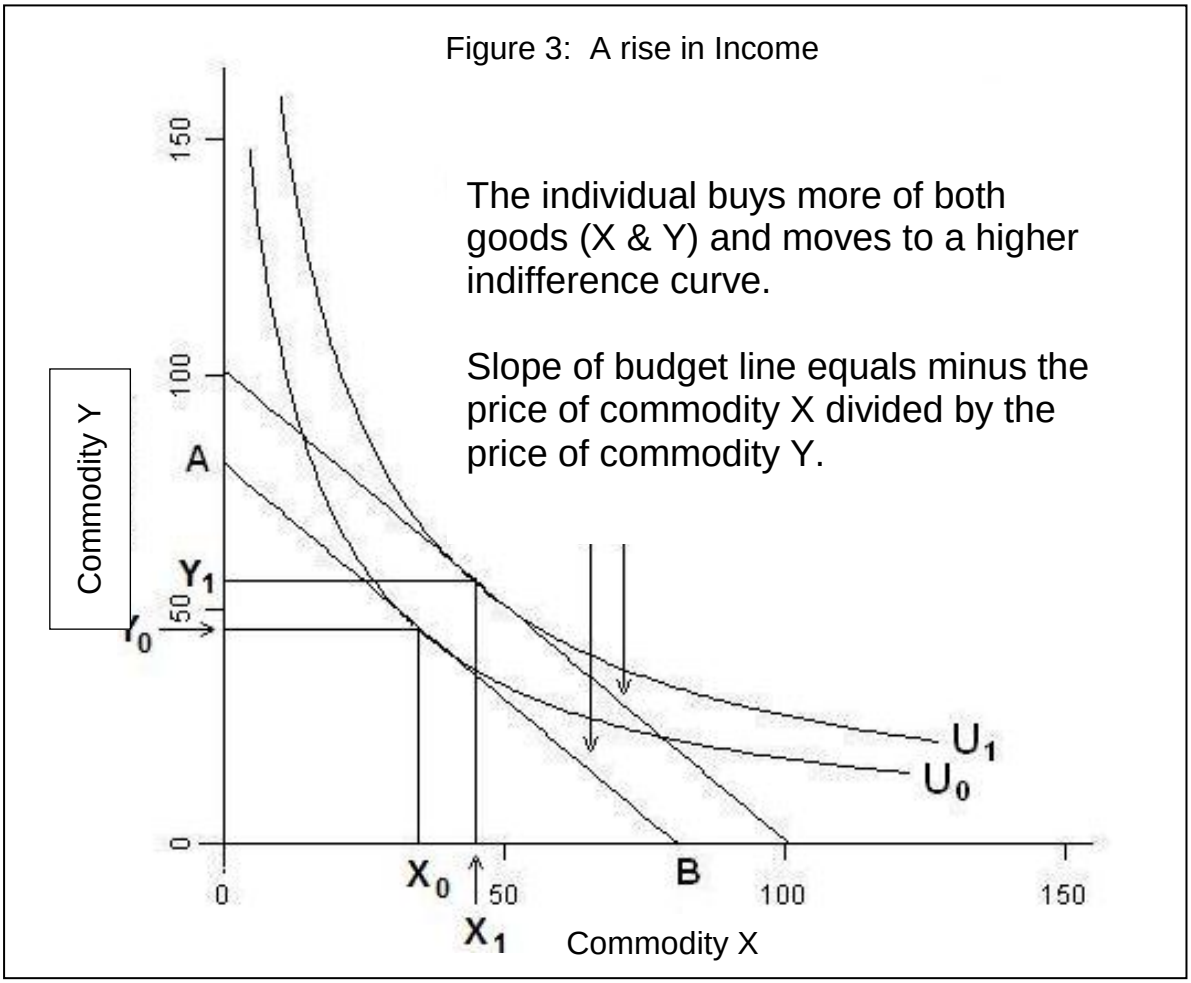
3.2.3 State the law of supply. (2)

3.2.4 Explain the positive slope of the supply curve. (2)

3.2.5 How will a graph that explain change in quantity supplied, differ from the one that illustrates change in supply? (4)

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

Figure 3: A rise in Income



3.3.1 Identify the curve in the graph that illustrates maximum utility. (1)

3.3.2 Why does curve U in the graph become flatter at the bottom moving to the right? (1)

3.3.3 How do we determine a consumer's optimum choice of combinations of two goods? (2)

3.3.4 What does a shallow slope of an indifference curve indicate? (2)

3.3.5 Differentiate between a *budget line* and an *indifference curve*. (2x2) (4)

3.4 Briefly distinguish between *production subsidy* and *employment subsidy*. (2 x 4) (8)

3.5 Evaluate the conditions that the economy must meet before it can achieve productive efficiency. (8)

(40)

TOTAL SECTION B: 40

SECTION C

Answer any ONE of the two questions in 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 the main concept related to the question topic. • Do not include in your introduction any part of the question. • 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 / Distinguish / Differentiate / Explain / Analyse / Evaluate / Assess / Examine / Critically discuss / Debate • **Additional part**: Use / Draw / Sketch a graph / Draw a graph and explain / Deduce / Outline / Briefly explain / Expand on ... / Compare / Interpret / Distinguish / Calculate	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. • Any opinion or value judgement on the facts discussed. • Additional support information to strengthen the discussion / analysis. • A contradictory viewpoint with motivation, if so required. • Recommendations	Max. 2
TOTAL	**40**

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

- Discuss in detail, with the aid of graphs, the following methods of government intervention to prevent market failure in our economy.

  -Maximum prices (13 marks)
  -Minimum prices (13 marks) (26)
- How successful is the SA government's welfare programme as a form of public sector involvement? (10)

(40)

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

- Discuss the characteristics of *perfect* and *imperfect markets*. (26)
- Briefly explain the composition of markets. (10)

(40)

TOTAL SECTION C: 40

TOTAL: 100

END