GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

JUNE 2016

GRADE 10

ECONOMICS

(PAPER 1)

TIME: 1½ hours

MARKS: 100

9 pages

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INSTRUCTIONS AND INFORMATION

1. 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.

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

3. Write the number of the question above each answer.

4. Read the question carefully and start the answer to each question on a NEW page.

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

6. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the requirements of the questions.

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

8. Use only blue ink.

9. Non-programmable pocket calculators may be used.

10. Write neatly and legibly.

SECTION A

(COMPULSORY)

QUESTION 1

1.1 **MULTIPLE-CHOICE QUESTIONS** **20 MARKS – 15 MINUTES**

Various options are provided as answers to the following questions. Write only the correct letter (A – C) next to the question number (1.1.1 – 1.1.5), in the ANSWER BOOK.

1.1.1 Economics is a social science that studies how …

A. people satisfy their unlimited needs and wants with limited means.
B. people satisfy their limited needs and wants with unlimited means.
C. people satisfy their unlimited needs and wants with unlimited means.

1.1.2 The scarcity problem in Economics is addressed by …

A. making sure that we produce and consume everything we want.
B. satisfy everyone's needs and wants with the resources available.
C. forcing society to make choices between given alternatives.

1.1.3 What will lead to an increase in spending by households?

A. A reduction in the rate of income tax
B. An increase in the rate of unemployment
C. An increase in the interest rate

1.1.4 The Gross National Income gives us a measure of the …

A. income earned by foreign nationals that work in South Africa and abroad.
B. income earned by South African citizens in South Africa.
C. income earned by South Africans in South Africa and elsewhere in the world.

1.1.5 The lowest turning point of a business cycle is known as a …

A. recession.
B. trough.
C. depression.

(5x2) (10)

1.2 **MATCHING ITEMS**

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 – 1.2.6) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Resources	A. A group of people that live together and make economic decisions
1.2.2 Secondary	B. Refers to the period of falling economic activities, with an increase in unemployment
1.2.3 Leakages	C. Savings and imports
1.2.4 Leading	D. Things that can be used to achieve a certain goal
1.2.5 Recession	E. Manufactures and processes raw materials so that they can be in a form fit for consumption
1.2.6 Households	F. Shows us what might happen to economic activity in the future
	G. All those forces that originate inside the economy that affect the business cycle

(6x1) (6)

1.3 **TERMINOLOGY**

Give the correct term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.4) in the ANSWER BOOK.

1.3.1 The process whereby the entrepreneur combines available resources

1.3.2 With all other factors or things remaining the same

1.3.3 Goods that are plentiful and have no price

1.3.4 Periods when there is no growth

(4x1) (4)

TOTAL SECTION A: 20

SECTION B

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

QUESTION 2

MACRO-ECONOMICS **40 MARKS – 30 MINUTES**

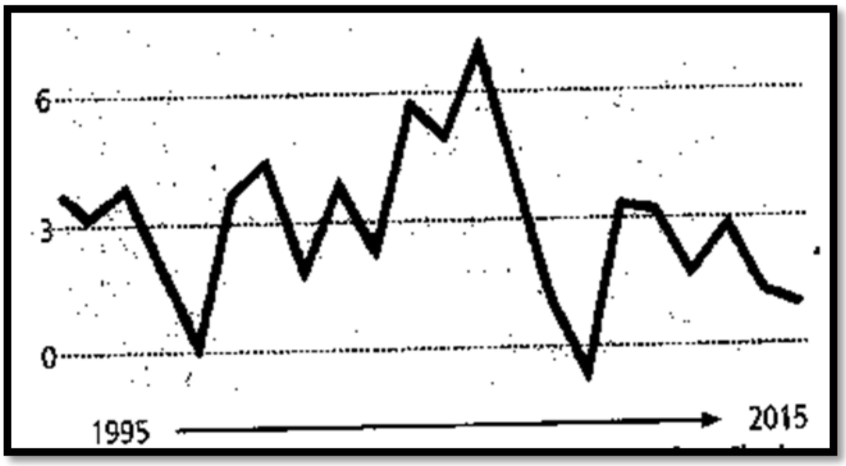
2.1 Answer the following questions.

2.1.1 Name any TWO factors of production. (2x1) (2)

2.1.2 Explain the term *economic goods*. (1x2) (2)

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

SA GDP Year-on-year 1% **1995 – 2015**



IMF Global Economic Outlook for 2015

(Outlook in latest available percentages)	**%**
Nigeria	4
Angola	3.5
Democratic Republic of Congo	7
Ghana	3.5
Zambia	7

Source: *The Star, Business Report*, Wednesday, 10 February 2016

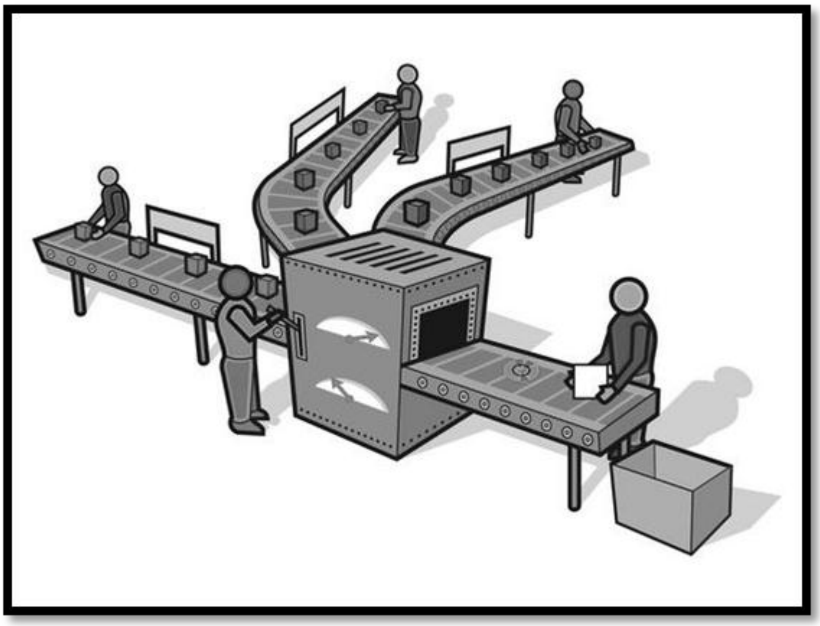
2.2.1 Mention the country with the lowest GDP percentage in 2015. (1)

2.2.2 South Africa's GDP is at a very poor growth pace of 0.7% for the year 2015. Give ONE reason for this poor growth. (1)

2.2.3 Write down any TWO reasons why the IMF's GDP calculations are important. (2x2) (4)

2.2.4 Differentiate between the *GDP* and *Economic Growth*. (2x2) (4)

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



Source: http://manpowersolutions.in/wp-content/uploads/2015/11/manufacture.jpg

2.3.1 What type of economic process is represented by the picture? (1)

2.3.2 Explain what is meant by the term *specialisation of labour*. (1)

2.3.3 Briefly explain the classification of the economic process identified in Question 2.3.1. (4)

2.3.4 Discuss the conditions necessary for exchange to take place in markets. (4)

2.4 Differentiate between *macro-economics* and *micro-economics*. (2x4) (8)

2.5 "Economic development is not just about the production of goods and services." Evaluate this statement by showing how economic issues can affect human rights. (4x2) (8)

[40]

QUESTION 3: MACRO-ECONOMICS 40 MARKS – 30MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO examples of how money flows in the circular flow model. (2x1) (2)

3.1.2 How are business cycles measured? (1x2) (2)

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

Fate of humanity rests on Economics

Thabo Mbeki, who has a degree in Economics, has quoted the call of Fidel Castro for politicians to study Economics. He said that political leaders should study Economics in order to solve the problems of equity, sustainable development and human security.
Economics is the basis on which the fate of humankind depends. It is also the basis from which our struggle for equality begins. Politicians who do not want to understand or who do not want to know economics are not worthy of exercising their duty in governing, said Mbeki.

Source: ***Sunday Argus***

3.2.1 Define the term *Economics.* (2)

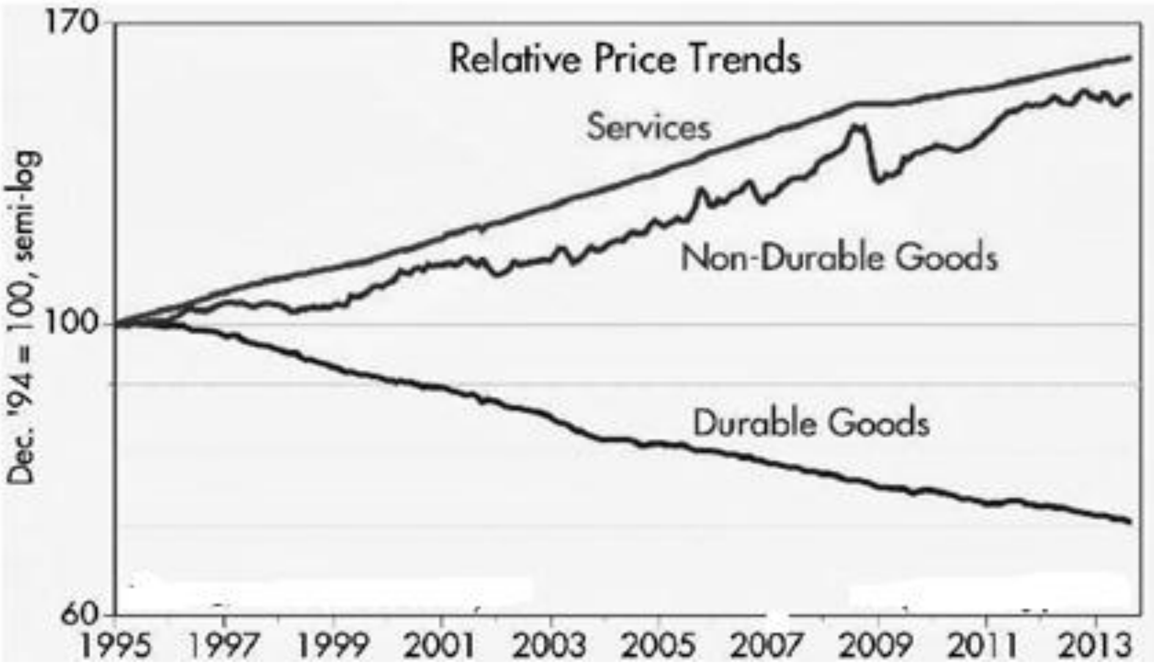
3.2.2 According to the extract, why should political leaders study Economics? (1)

3.2.3 List ONE career in the field of Economics. (1)

3.2.4 Why do economists use theories and models? (2)

3.2.5 Explain the difficulties faced by the social sciences. (4)

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



Source: ***Bureau of Economic Analysis, scottgrannis.blogspot.com***

3.3.1 Name TWO examples of non-durable goods. (2x1) (2)

3.3.2 Why is the curve of non-durable goods showing an upward trend from 1995 – 2013? (2)

3.3.3 In your opinion, what can be done by the government to alleviate the problem of the continuous increase in price levels? (2)

3.3.4 Compare semi-durable goods and durable goods as part of expenditure by consumers / households. (2x2) (4)

3.4 Explain *leakages* and *injections* in the circular flow model. (2x4) (8)

3.5 What will be the impact of changes in price levels and the changes in employment as the effects of business cycles. (2x4) (8)

[40]

TOTAL SECTION B: 40

SECTION C

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

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction	**Max 2**
Body • **Main part:** for example: Discuss / Distinguish / Differentiate / Explain / Analyse / Evaluate / Assess • **Additional part:** for example: Draw a graph or diagram / Deduce / Outline / Briefly explain / Expand on / Your own opinion / Support	**Max 26** **Max 10**
Conclusion Any higher order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned • 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**

QUESTION 4: MACRO-ECONOMICS 40 MARKS – 40 MINUTES

When you are shopping for groceries you become part of the circular flow of the economy.

- Discuss the FOUR main economic participants in the Circular Flow Model. (26)
- Briefly explain the GNI as a measure of the performance of the economy. (10)

[40]

OR

QUESTION 5: MACRO-ECONOMICS 40 MARKS – 40 MINUTES

Every country experiences cyclical patterns in its economy.

- Discuss in detail the phases of a business cycle with the aid of a diagram. (26)
- Evaluate the endogenous reasons for changes in the business cycle. (10)

[40]

TOTAL SECTION C: 40

TOTAL: 100

END