

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
JUNE 2018
GRADE 10**

ECONOMICS

PAPER 1

TIME: 1½ hours

MARKS: 100

11 pages

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(Paper 1)**

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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 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 question carefully.
- 6 Start EACH question on a NEW page.
- 7 Leave 2 – 3 lines between subsections 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 blue or black ink.
- 10 You may use a non-programmable pocket calculator.
- 11 Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1****20 MARKS – 15 MINUTES****1.1 MULTIPLE-CHOICE QUESTIONS**

Various options are provided as possible answers to the following questions. Choose only the correct letter (A – D) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK, for example 1.1.6 D

- 1.1.1 Economics is a social science that studies how people satisfy their needs and wants using...
- A unlimited means.
 - B limited means.
 - C unlimited resources.
 - D unlimited needs.
- 1.1.2 This is the branch of Economics that looks at the behaviour of the economy as a whole, for example national income.
- A Microeconomics
 - B Monetary economics
 - C Macroeconomics
 - D Econometrics
- 1.1.3 The total value of all the final goods and services produced within the borders of a country in a period of a year is known as ...
- A Gross Domestic Product (GDP).
 - B Gross National Income (GNI).
 - C Gross Domestic Expenditure (GDE).
 - D Circular flow.
- 1.1.4 In a circular flow model, any factor that decreases the flow of spending is called ...
- A injections.
 - B nominal flows.
 - C leakages.
 - D real flows.

1.1.5 When there is a negative economic growth for at least two successive quarters it is called ...

- A economic growth.
- B inflation.
- C a peak.
- D a recession.

(5x2) (10)

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 – 1.2.6) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Economic efficiency	A	Businesses supply goods and services on the goods market to households, the government and the foreign sector in the form of exports.
1.2.2	A market		
1.2.3	Savings	B	The difference between income and spending
1.2.4	Peak		
1.2.5	Freedom	C	The upper turning point of a business cycle
1.2.6	Real flow	D	Brings buyers and sellers together for exchange
		E	Occurs when we make use of our resources to produce goods and services
		F	All people have a basic, human right to be free from poverty, ignorance and ownership by other people.
		G	Are those goods and services that we need to survive

(6x1) (6)

1.3 Give ONE term for each of the following descriptions. Write only the term / word next to the question number (1.3.1 – 1.3.4) in the ANSWER BOOK. Acronyms and abbreviations will not be accepted.

1.3.1 This is the branch of Economics that studies the behaviour of the individual units of an economy such as firms, households and individual consumers.

1.3.2 These are the goods of high value, such as machines and tools that are used to produce other goods.

1.3.3 This is the tax paid by households and business enterprises on their income.

1.3.4 The business cycle indicators that show us what might happen to economic activity in the future

(4x1) (4)

TOTAL SECTION A: 20

SECTION B

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

QUESTION 2
MACROECONOMICS

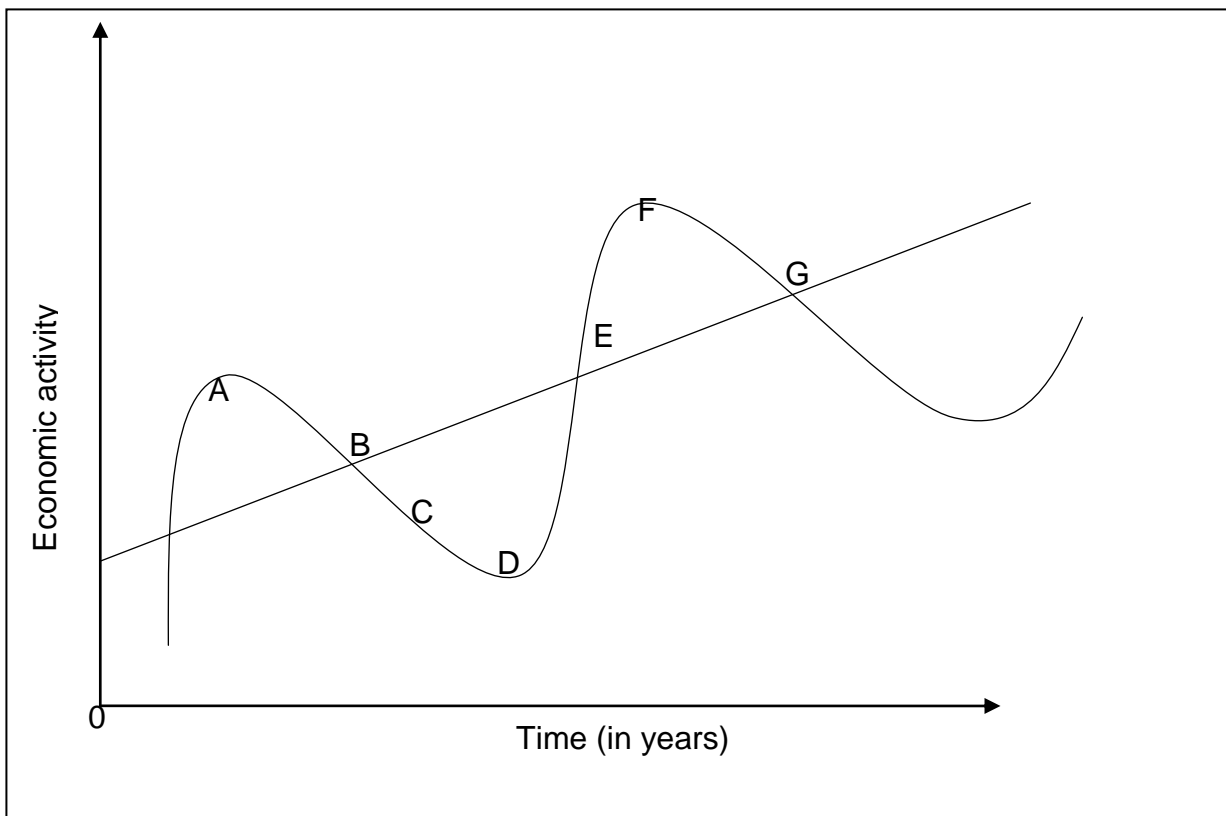
40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name any TWO fields of study that are related to Economics.
(2x1) (2)

2.1.2 What is the relationship between scarcity and opportunity costs?
(1x2) (2)

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



- 2.2.1 What is the name of the graph above? (1)
- 2.2.2 Which point on the graph may be associated with the lowest GDP? (1)
- 2.2.3 Briefly describe the term *economic growth*. (2)
- 2.2.4 Briefly explain the effect of business cycles on economic growth. (2)
- 2.2.5 How can government reduce unemployment in an economy? (2x2) (4)

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

City tours

Mike and Thabo started a new business a year ago. Their business is based in Cape Town and offers city tours to tourists. During the past year their business has performed well and they have made a net profit of R500 000, after tax. They cannot decide whether they should use the profit to purchase another tour bus for their company or whether they should use the money as a deposit on a guest house in Cape Town to diversify their business operations.

[Source: *Enjoy Economics*, Grade 10, p 5]

- 2.3.1 How much is the net profit after tax of the business above? (1)
- 2.3.2 Identify a statement from the passage above that shows that the business is efficient in its operations. (1)
- 2.3.3 What does it mean to '*diversify their business operations*' in this extract? (2)
- 2.3.4 Demonstrate how this extract illustrates the problem of scarcity of resources. (2)
- 2.3.5 Briefly discuss the relationship between production, consumption and exchange. (4)
- 2.4 Distinguish between *free goods* and *economic goods*. (2x4) (8)
- 2.5 Demonstrate how the South African government is addressing the delivery of basic services to economically disadvantaged people to improve their standards of living. (8)
- [40]**

QUESTION 3
MACROECONOMICS

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO types of markets in the circular flow. (2x1) (2)

3.1.2 How is the trend line used in business cycles? (1x2) (2)

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



[Source: www.google.com]

3.2.1 Which factor of production is depicted by the cartoon above? (1)

3.2.2 Which economic industry would be affected by the above scenario? (1)

3.2.3 Briefly describe the term *relative scarcity*. (2)

3.2.4 What can the government do to solve the water crisis? (2)

3.2.5 What effect does the above situation have on the economy? (4)

3.3 Study the table below and answer the questions that follow

Spending component	Rand (billions)
Consumption Spending	1 473
Government Spending	505
Investment	468
Exports	657
Less imports	(678)
GDP at market prices	2 425
Factor income earned abroad by South Africans	34
Factor income earned in South Africa by foreigners	(87)
Gross National Income	A

[Source: SARB Quarterly bulletin]

- 3.3.1 Which method was used to calculate GDP in the above table? (1)
- 3.3.2 Identify the institution responsible for publishing the data above. (1)
- 3.3.3 Briefly describe the term *factor income*. (2)
- 3.3.4 Name the other TWO methods used to calculate the GDP. (2)
- 3.3.5 Use the figures in the table above to calculate the value of **A**.
Show all calculations. (4)
- 3.4 Differentiate between *leakages* and *injections* in an economy. (2x4) (8)
- 3.5 How do households contribute towards the growth of the economy? (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 THE ESSAY	MARK ALLOCATION
<p>Introduction</p> <p>The introduction is a lower-order response.</p> <ul style="list-style-type: none"> • A good starting point would be to determine 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 saying in the introduction what you are going to discuss in the body. 	Max. 2
<p>Body</p> <p>Main part: Discuss in detail / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Explain / Differentiate / Assess / Debate</p> <p>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</p>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion</p> <p>Any higher-order conclusion should include:</p> <ul style="list-style-type: none"> • 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 or analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40

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

- Discuss in detail the FOUR main economic participants in the Circular Flow Model of an open economy. (26)
 - Describe the relationship between *Savings* and *Investments*. (10)
- [40]**

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

- Discuss in detail the features of a business cycle. (26)
 - Critically evaluate the effects of business cycles in an economy. (10)
- [40]**

TOTAL SECTION C: 40**TOTAL: 100****END**