

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

NOVEMBER 2017

ECONOMICS P2

MARKS: 150

TIME: 2 hours



This question paper consists of 13 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK:
SECTION A: COMPULSORY
SECTION B: Answer any 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. Answer the questions in full sentences and the format, content and the context of your responses must comply with the cognitive requirements of the questions.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Write the question number above each answer.
6. Read ALL the questions carefully.
7. Start EACH question on a NEW page.
8. Leave 2–3 lines between subsections of questions.
9. Use only black or blue ink.
10. You may use a non-programmable pocket calculator.
11. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1****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 number (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 D.

1.1.1 World markets are also known as ... markets.

- A collective
- B money
- C global
- D perfect

1.1.2 A characteristic of an imperfect market:

- A There is one supplier or a few large suppliers
- B Products are homogenous
- C There are no barriers to entry
- D There are many buyers and sellers

1.1.3 This factor will lead to an outward movement of the PPC:

- A Improved technology
- B Unavailability of labour
- C Lack of raw materials
- D Unproductive labour

1.1.4 The following is regarded as a general cause of unemployment:

- A A large skilled labour force
- B A poor education system
- C Sufficient growth in the economy of a country
- D Labour intensive industries

1.1.5 Labour unions ...

- A have the power to force employers and employees to comply with the Labour Relations Act.
- B negotiate improved wages and working conditions for their members.
- C make proposals about labour policies and laws.
- D help settle labour disputes by conciliation or arbitration.

1.1.6 An increase in the wage rate will, *ceteris paribus*, lead to ...

- A a decrease in quantity demanded for labour.
- B a decrease in the demand for labour.
- C an increase in quantity demanded for labour.
- D an increase in the demand for labour.

1.1.7 Border taxes on imported products:

- A Value added tax
- B Excise duties
- C Customs duties
- D Green tax

1.1.8 In 1996 this policy was put in place to improve school performance:

- A SETA
- B LRA
- C SASA
- D SDA

(8 x 2) (16)

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 (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A		COLUMN B	
1.2.1	Labour force participation rate	A	promotes collective bargaining and consultation in the workplace
1.2.2	Budget line	B	formal activities that improve individuals' ability to reach their full potential
1.2.3	<i>Ceteris paribus</i>	C	provides unemployment figures according to both narrow and broad definitions of unemployment
1.2.4	Human Resource Development	D	when the government subsidises people who are in social distress through transfer payments
1.2.5	CCMA	E	all other things remain constant
1.2.6	BBBEE	F	different combinations of goods and services we can buy from a given income
1.2.7	Welfare grant	G	provides a basis for transformation of the South African economy
1.2.8	Statistics South Africa	H	a tool used to determine which part of the population is economically active
		I	arbitrate disputes that remain unresolved after conciliation

(8 x 1) (8)

- 1.3 Give the correct concept/term for each of the following phrases:
- 1.3.1 A graph showing all the combinations of two commodities that give a consumer an equal amount of satisfaction
 - 1.3.2 Additional satisfaction gained from consuming one extra unit of a good or service in a given period
 - 1.3.3 Goods supplied by the government as they are beneficial to society
 - 1.3.4 A situation where a person is not employed to his or her full capacity
 - 1.3.5 Workers negotiate as a group with employers with regard to working conditions
 - 1.3.6 This Act was introduced in order to develop and improve the quality of skills and enhance productivity in the workplace (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

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

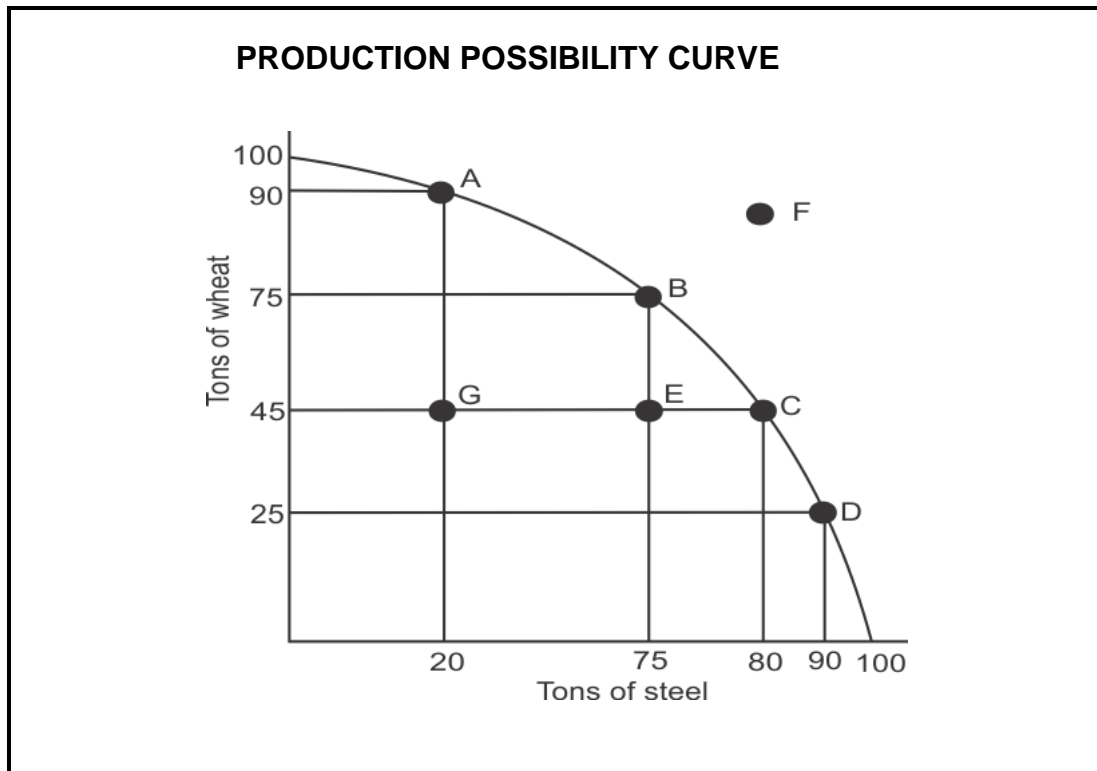
2.1 Answer the following short questions.

2.1.1 Name TWO functions of a market. (2 x 1) (2)

2.1.2 What are perfect markets? (1 x 2) (2)

2.2 DATA RESPONSE

Study the graph below and answer the questions that follow.



2.2.1 How many tons of wheat and tons of steel will be produced at point B? (2 x 1) (2)

2.2.2 For what purpose is the production possibility curve used? (2)

2.2.3 Explain the term *scarcity*. (2)

2.2.4 Why is production at point G regarded as inefficient? (2 x 2) (4)

2.3 DATA RESPONSE

Study the table below and answer the questions that follow.

Price	Quantity demanded	Quantity supplied
R10	20	100
R6	60	60
R2	100	20

- 2.3.1 Identify the equilibrium price and quantity. (2)
- 2.3.2 State the Law of Supply. (2)
- 2.3.3 Explain *cost of production* as a factor that can cause a change in quantity supplied. (2 x 1) (2)
- 2.3.4 Calculate the *excess supply*. Show all your workings. (4)
- 2.4 Distinguish between *national* and *international* markets. (2 x 4) (8)
- 2.5 What are the characteristics of indifference curves? (4 x 2) (8)
- [40]**

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following short questions.

3.1.1 Name any TWO approaches to solve unemployment. (2 x 1) (2)

3.1.2 What is meant by an *economically active population*? (1 x 2) (2)

3.2 **DATA RESPONSE**

Study the extract below and answer the questions that follow.

COSATU WANTS SUGAR TAX DELAYED UNTIL JOBS SECURED

Trade union federation, Cosatu, has called for a delay in the implementation of the tax on sugar-sweetened beverages, saying a comprehensive transition and jobs plan has to be developed first. While Cosatu agreed that diabetes and obesity were contributing to a national health crisis, it was concerned about the loss of jobs that would result from the tax which is intended to reduce the consumption of sugary drinks.

“Obesity, diabetes and many other diseases caused by over consumption of sugar have a terrible and devastating impact on working-class families. Our status as the most obese nation in Africa encapsulates this crisis.”

[Source: *BusinessLive*, Linda Ensor 2017]

3.2.1 Identify TWO negative effects of sugar consumption from the extract above. (2 x 1) (2)

3.2.2 Which labour union represents workers in the extract above? (2)

3.2.3 According to the extract, what is the purpose of the sugar tax? (2)

3.2.4 How will the sugar tax affect the economy? (2 x 2) (4)

3.3 DATA RESPONSE

Study the information below and answer the questions that follow.



The seda was established in December 2004 as an agency under the Department of Trade and Industry. The establishment was done by merging three organisations, namely the Ntsika Enterprise Promotion Agency, National Manufacturing Advisory Centre and Community Public Private Partnership Programme.

Seda provides business development and support services for small enterprises through its national network. Seda also implements programmes targeted at business development in areas prioritised by the government.

[Source: www.thedti.gov.za]

- | | | |
|-------|--|-------------|
| 3.3.1 | What does the abbreviation <i>seda</i> stand for? | (1) |
| 3.3.2 | Which government department is <i>seda</i> a part of? | (1) |
| 3.3.3 | Name any other TWO institutions that promote entrepreneurship in South Africa. | (2 x 1) (2) |
| 3.3.4 | What is the role of <i>seda</i> ? | (1 x 2) (2) |
| 3.3.5 | How can entrepreneurship be encouraged through formal education? | (2 x 2) (4) |
| 3.4 | Distinguish between <i>substitute</i> and <i>complementary</i> goods. | (2 x 4) (8) |
| 3.5 | What are the labour rights in South Africa? | (4 x 2) (8) |
| | | [40] |

QUESTION 4: MICROECONOMICS & CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following short questions.

4.1.1 Name TWO types of efficiency. (2 x 1) (2)

4.1.2 What is *opportunity cost*? (1 x 2) (2)

4.2 **DATA RESPONSE**

Study the extract below and answer the questions that follow.

TAXI STRIKE AVERTED, BUT THREAT REMAINS

Last month taxi owners and drivers embarked on a go-slow in protest against access to finance, a lack of subsidies for the taxi industry and operating permits. They blocked all of Gauteng's major highways in a bid to get their message across, causing flights from OR Tambo International Airport to be delayed.

The industry threatened to bring the country to a standstill if its concerns were not addressed. Transport Minister Joe Maswanganyi said it was agreed to address issues concerning the taxi industry and that the Transport Department and Santaco would establish committees

[Source: *Times Live*, Ernest Mabuza 2017]

4.2.1 Identify TWO reasons, from the extract, that led to a go-slow in the taxi industry. (2 x 1) (2)

4.2.2 Which sector does the taxi industry belong to? (2)

4.2.3 What is a strike, as referred to in the extract above? (2)

4.2.4 How will the taxi strike affect the economy? (2 x 2) (4)

4.3 DATA RESPONSE

Study the table below and answer the questions that follow.

Table 1: Income Inequality (Gini Coefficient) ranking of BRICS countries			
BRICS	Gini Index	Global rank	Reporting Year
South Africa	0,63	4	2009
Brazil	0,55	13	2009
China	0,43	54	2005
Russia	0,40	68	2009
India	0,33	116	2005

[Source: Index Mundi, World Bank data. April 2014]

- 4.3.1 Which country has the lowest income inequality? (1)
- 4.3.2 Name any ONE of the BRICS countries. (1)
- 4.3.3 Explain the term *Gini Coefficient*. (2)
- 4.3.4 What does a Gini coefficient of 0,63 in South Africa indicate? (2)
- 4.3.5 What do you think the government should do to reduce income inequality? (2 x 2) (4)
- 4.4 Discuss indirect tax and subsidies as methods of public sector intervention. (2 x 4) (8)
- 4.5 Explain why, in your opinion, certain groups of people are economically marginalised in South Africa. (4 x 2) (8)
- [40]**

TOTAL SECTION B: 80

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 THE ESSAY	MARK ALLOCATION
<p>Introduction</p> <ul style="list-style-type: none"> • A good starting point would be to define a concept or key word that appears in the question. • Include other sentences to support the 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
<p>Body</p> <p>Main part:</p> <ul style="list-style-type: none"> • Discuss in detail/In-depth discussion/Examine/Critically discuss/ Analyse/Compare/Evaluate/Distinguish/Explain/Assess/Debate <p>Additional part:</p> <ul style="list-style-type: none"> • 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 	Max. 26
<p>Conclusion</p> <p>Any relevant higher order conclusion that should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body • An opinion or valued 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 5: MICROECONOMICS

40 MARKS – 40 MINUTES

Market failure occurs when the market fails to supply a good or service, or supplies too much or too little. This is the main reason why governments intervene in markets.

- Discuss in detail, with the aid of graphs, the following methods of government intervention:
 - Maximum prices
 - Minimum prices

(26)
 - What are the arguments in favour of minimum wages? (10)
- [40]**

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 40 MINUTES

The creation of employment is one of the macro-economic objectives of government.

- Discuss, in detail, the different types of unemployment. (26)
 - What are the strategies that have been implemented by the South African government to redress the issue of unemployment? (10)
- [40]**

TOTAL SECTION C: 40
GRAND TOTAL: 150

