

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
JUNE 2017
GRADE 10**

**ECONOMICS
PAPER 1**

TIME: 1½ hours

MARKS: 100

10 pages

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(Paper 1)

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INSTRUCTION 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 correctly according to the numbering system used in this question paper.
3. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
4. Write the number of the question above each answer.
5. Read the questions 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 requirements of the questions.
9. Use only blue ink.
10. Non-programmable pocket calculators may be used.
11. Write neatly and legibly.

SECTION A
(COMPULSORY)

QUESTION 1

1.1 MULTIPLE-CHOICE QUESTIONS

20 MARKS – 20 MINUTES

Various options are provided as answers to the following questions. Write 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 B.

1.1.1 Economics is a social science that studies how people satisfy their unlimited needs and wants using ...

- A. limited means.
- B. unlimited means.
- C. limited satisfaction.
- D. unlimited satisfaction.

1.1.2 In Economics, the situation that exists because we have insufficient resources to satisfy our needs and wants is known as ...

- A. opportunity cost.
- B. making choices.
- C. scarcity problem.
- D. insufficiency.

1.1.3 In a circular flow model, factors that decrease the flow of spending are known as ...

- A. injections.
- B. nominal flows.
- C. leakages.
- D. real flow.

1.1.4 The lowest turning point of a business cycle is known as a ...

- A. recession.
- B. depression.
- C. peak.
- D. trough.

1.1.5 Economics can be defined as the study of how ..., businesses and other organisations in our society choose to use resources.

- A. countries
- B. the world
- C. individuals
- D. society

(5 x 2) (10)

P.T.O.

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, for example 1.2.7 H.

COLUMN A	COLUMN B
1.2.1 Economic efficiency	A The process whereby products move from the producer to the consumer
1.2.2 Exchange	B Show us what might happen to economic activity in the future
1.2.3 Savings	C Producing more than what is required
1.2.4 Leading indicators	D Production of goods and services
1.2.5 Surplus	E Value of final goods and services produced by the citizens of a country
1.2.6 Gross Domestic Product	F When we make the best use of our resources to produce goods and services
	G The difference between income and spending

(6 x 1) (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 This is the branch of Economics that looks at the behaviour of the individual units of an economy such as firms, households and individual consumers.

1.3.2 The type of goods that are used to produce other goods and services

1.3.3 A group of people that live together as a family unit and make joint economic decisions

1.3.4 These are factors that affect the business cycle that originate from outside the economic system, for example technological shocks, weather and natural disasters

(4 x 1) (4)

TOTAL SECTION A: 20

SECTION B

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

QUESTION 2: MACRO-ECONOMICS

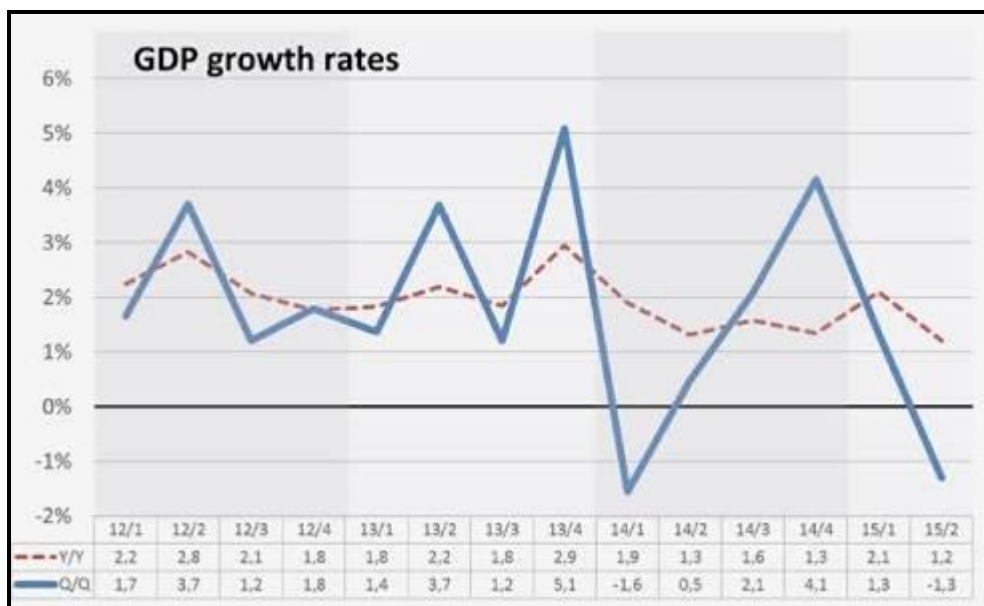
20 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name any TWO fields of study that are related to Economics. (2 x 1) (2)

2.1.2 Explain how the scarcity of resources can be a problem to any society. (1 x 2) (2)

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



2.2.1 According to the graph, what was the highest growth rate experienced by the country represented above? (1)

2.2.2 Name the institution that publishes information regarding South Africa's economy. (1)

2.2.3 Write down any TWO reasons why GDP calculations are important. (2 x 2) (4)

2.2.4 Differentiate between the *real flow* and the *money flow* in a circular flow model. (2 x 2) (4)

- 2.3 Study the extract below carefully before you answer the questions that follow.

THE GREAT DEPRESSION

The great depression of 1929 has a central place in 20th Century economic history. When compared to all other depressions and recessions, the Great Depression was a major depression whether assessed by a drop in production or by the long period of slack production. All other depressions and recessions have been much smaller, although those left unemployed or bankrupt by them did not experience them as small. The Great Depression caused people to doubt the survival of the capitalist economic system and the political order.

[Source: www.publicnewshub.com, June 2015]

- 2.3.1 Which is the depression that is referred to as a major depression in the passage? (1)
- 2.3.2 Explain the term *depression*. (1)
- 2.3.3 Briefly discuss any TWO characteristics of a depression and a recession. (4)
- 2.3.4 Briefly describe the characteristics of a boom or prosperity phase. (4)
- 2.4 Differentiate between *Micro-economics* and *Macro-economics*. (4 x 2) (8)
- 2.5 "Economic development is based upon fundamental human rights". Demonstrate how the South African government is addressing the delivery of basic services to economically disadvantaged people to improve their standard of living. (4 x 2) (8)
- [40]**

QUESTION 3: MACRO-ECONOMICS

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 List any TWO participants in a closed economic circular flow. (2 x 1) (2)

3.1.2 Explain how an upswing may affect the economic growth rate of any country. (1 x 2) (2)

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

Component	Rand billions
Consumption expenditure by households	1 473
Consumption expenditure by the government	505
Investment	468
Exports	657
Less Imports	(678)
Gross Domestic Product (GDP)	A
Factor income earned abroad by South Africans	34
Factor income earned in South Africa by foreigners	(87)

3.2.1 Identify the method used in the table above to calculate the GDP. (1)

3.2.2 Name ONE other method used to calculate the GDP. (1)

3.2.3 Define the term *Gross Domestic Product*. (2)

3.2.4 Give the model equation for calculating GDP. (2)

3.2.5 Calculate the Gross Domestic Product (**A**). (4)

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



[Source: www.solarpanelphotovoltaic.net]

- 3.3.1 Define the concept *consumption*. (2)
- 3.3.2 Name TWO examples of non-durable goods. (2)
- 3.3.3 Why do people have to make a choice? (2)
- 3.3.4 Explain the relationship between scarcity, choice and opportunity cost. (4)
- 3.4 Differentiate between *free goods* and *economic goods*. (2 x 4) (8)
- 3.5 How do business cycle fluctuations affect employment in the economy? (4 x 2) (8)

[40]

TOTAL SECTION B: 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 main economic participants in the open Circular Flow Model. (26)
- Describe the relationship between Savings and Investments. (10) **[40]**

QUESTION 5: MACRO-ECONOMICS**40 MARKS – 40 MINUTES**

“Production and consumption as basic economic processes are linked together by markets.”

- Discuss various types of markets where exchange takes place. (26)
- Highlight the various measures that can be taken to reduce environmental problems. (10) **[40]**

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