



**GAUTENG PROVINCE**

EDUCATION  
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION  
PROVINCIAL EXAMINATION  
NOVEMBER 2016**

**GRADE 10**

**ECONOMICS**

**PAPER 1**

**MARKS: 150  
TIME: 2 hours**

**13 pages**



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(PAPER 1)**

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**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 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 questions carefully.
6. Start each question on a NEW page.
7. Leave 2 – 3 lines between sub-sections 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 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 – C) next to the question number (1.1.1. – 1.1.8) in the ANSWER BOOK, for example 1.1.9 C.
- 1.1.1 The term *opportunity cost* illustrates the ... between goods.
- A scarcity
  - B trade-off
  - C combination
- 1.1.2 Economics is a social science that studies how people satisfy their numerous needs and wants with ...
- A limited means.
  - B unlimited resources.
  - C limited satisfaction.
- 1.1.3 A system under which people received land and protection from the landowner is known as ...
- A guilds.
  - B urbanisation.
  - C feudalism.
- 1.1.4 Anything that is generally accepted as payment for goods and services or form of storage is... money.
- A commodity
  - B modern
  - C primitive
- 1.1.5 A form of punishment given to one country by other nations to stop unacceptable policies and practices is known as ...
- A apartheid.
  - B tariffs.
  - C sanctions.
- 1.1.6 The system by which the value of a currency is defined in terms of gold is known as the ...
- A floating exchange.
  - B gold standard.
  - C gold reserves.

1.1.7 The separation of work tasks in the production process is known as ...

- A productivity.
- B specialisation.
- C division of labour.

1.1.8 The cost of borrowing money is called a / an ...

- A loan.
- B inflation rate.
- C interest rate.

(8x2) (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 e.g. 1.2.9 J

<b>COLUMN A</b>	<b>COLUMN B</b>
1.2.1 Parastatal	A All people have a basic, human right to be liberated from poverty, ignorance and ownership.
1.2.2 Household	B It is the use of tools and methods to produce goods and services in the economy
1.2.3 Freedom	C Goods produced by the domestic economy and purchased by the foreign sector
1.2.4 Trade	D Movement of people from rural areas to cities
1.2.5 Mechanisation	E A company, fully or partly owned or controlled by the government
1.2.6 Dual Economy	F A group of people that live together and make economic decisions, sharing the same income
1.2.7 Exports	G The co-existence of the modern economy and subsistence activities
1.2.8 Labour force	H This is the voluntary exchange of goods and services
	I This is the economically active population that consists of people between the ages of 15 and 64 who are working or actively seeking a job

(8x1) (8)

1.3 Give the correct term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.6) in the ANSWER BOOK.

1.3.1 The steady increase in the world's temperature, due to emissions from human activity

1.3.2 That part of income that a household does not spend

1.3.3 A method of trading whereby a commodity is exchanged for another commodity of the same value

1.3.4 When something is owned by all members of a group or owned by a community

1.3.5 A system in which one country rules another nation, and uses that nation's labour and resources to enrich the ruling country

1.3.6 People who are willing and able to work but cannot find a job

(6x1) (6)

**TOTAL SECTION A: 30**

**SECTION B**

Answer any TWO of the three questions from 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 branches of Economics. (2x1) (2)

2.1.2 Why do economists make use of economic models? (1x2) (2)

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

<b>Value added in R Millions</b>	<b>2010</b>
Primary sector	141 906
Secondary sector	373 024
Tertiary sector	1 124 555
Gross value added at basic prices	1 639 485
Taxes on products	312 863
Subsidies on products	19 106
<b>Gross domestic products at market prices</b>	<b>A</b>

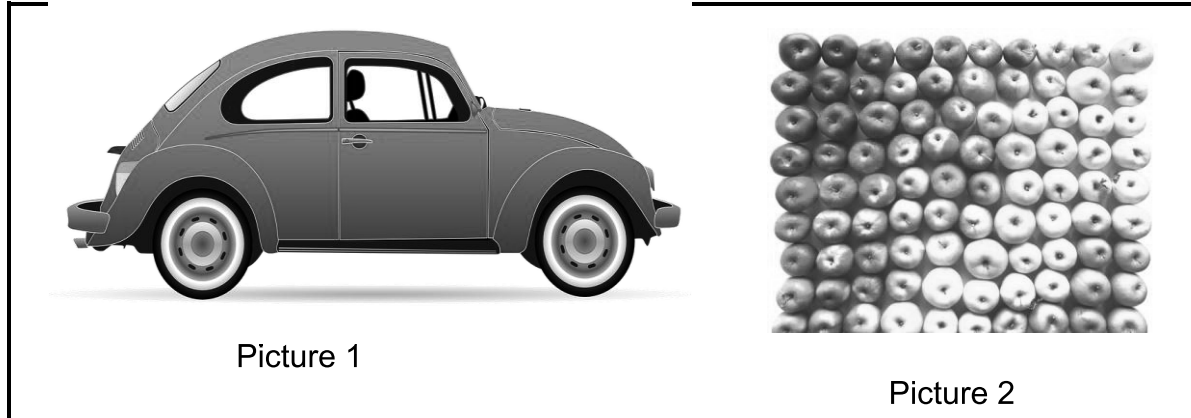
2.2.1 Which method is used to calculate the GDP in the table above? (1x1) (1)

2.2.2 Name any other method that can be used to calculate the GDP. (1x1) (1)

2.2.3 Calculate the GDP at market prices at point **A**. (Show all calculations.) (4)

2.2.4 Compare the gross domestic product to the gross national product. (2x2) (4)

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



2.3.1 Identify the two types of consumer goods depicted above. (2x1) (2)

2.3.2 Which participant in the economy will use an intermediate good? (1x2) (2)

2.3.3 Briefly explain what 'capital goods' are? (2x1) (2)

2.3.4 Why do you think there has been an upward trend in the use of the goods shown in picture 2? (4)

2.4 Briefly explain the differences between *free goods* and *economic goods*. (2x4) (8)

2.5 How can macroeconomics differ from microeconomics? (2x4) (8)

**[40]**

**QUESTION 3: ECONOMIC PURSUITS****40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO labour unions found in South Africa. (2x1) (2)

3.1.2 How can an increased income lead to the development of industries? (1x2) (2)

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

## Plans afoot to curb urban migration

“South Africa’s first initiative to curb the migration of people from rural to urban areas is on the cards. Human Settlements Minister Lindiwe Sisulu said that her department was working with its Rural Development and Land Reform counterpart to introduce Agri-parks. Agri-parks is a concept in which rural communities are turned into industries through agricultural produce.

Sisulu said that as part of efforts to fight the influx of people from rural to urban areas, the government is introducing Agri-parks so that people can earn a living in their areas, making it as attractive as being in urban settings. Migrants live on the periphery of the cities, which leads to densely populated informal settlements or slums.

Sisulu said that the government realized that there was nothing it could do to stop migration ...

*[Source: Vusi Xaba; Sowetan, Monday, April 11 2016]*

3.2.1 What is urban migration? (1)

3.2.2 Provide a reason for this type of migration. (1)

3.2.3 Briefly explain the plan of the government to curb urban migration. (1x2) (2)

3.2.4 Why is urban migration a problem for the government? (2)

3.2.5 Minister Lindiwe Sisulu said that “the government realized that there was nothing it could do to stop migration.” Evaluate this statement. (2x2) (4)

3.3 Study the information below, and answer the questions that follow.



The first communities consisted of nomadic societies. These societies were known as hunter-gatherers. They moved into an area, used all the available resources and when there was no longer enough food, they moved to another area.

- 3.3.1 Which stage of economic development is depicted in the above cartoon? (1)
- 3.3.2 Quote ONE activity that took place during this stage. (1)
- 3.3.3 The agricultural nature of the economy is one of the characteristics of this stage. Briefly discuss TWO other characteristics of this stage. (4)
- 3.3.4 How does globalisation affect the South African economy? (4)
- 3.4 Discuss urbanisation during the maturity stage of self-sufficiency. (4x2) (8)
- 3.5 The two most important consequences of industrialisation is the development of the transport and communication network. Justify this statement. (2x4) (8)
- [40]**

**QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS****40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

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

4.1.2 To what does positive economics as a method of economics refer?  
(1x2) (2)

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

Branch	Year			
	2009	2010	2011	2012
Industry	21.6	18	74	35
Agriculture	2.5	1.7	3	3
Construction	7.1	5	1	3
Transportation & Communications	10.2	6.8	8	32
Other	31.1	35	24	13

[Source: Central Bureau of Statistics]

4.2.1 Name the institution that publishes this information. (1)

4.2.2 Give any ONE example of an industry or undertaking that could be classified under the heading "other". (1)

4.2.3 Fully explain the terms *primary industry* and *secondary industry*. (2x2) (4)

4.2.4 Why is there a marked decrease in the relative contribution of agriculture to the GDP over the years? (2x2) (4)

- 4.3 Study the information below and answer the questions that follow.

### Indigenous knowledge can help researchers solve crises

African researchers have been urged to seek inspiration from indigenous knowledge and innovation systems instead of modern commercial methods in order to make headway in resolving the continent's development problems.

An example of the successful application of African indigenous knowledge is the mixed cropping system used by various communities in East Africa. In Chad, local farmers had been using an indigenous rain-fed irrigation system to successfully grow crops in parched desert lands, but the method was unsuccessfully replaced by modern commercial irrigation methods.

In order to establish positive research outcomes in Africa, there is an urgent need to integrate Western research techniques with life-transforming indigenous knowledge in different fields of human endeavour, in order to increase innovation and creativity across the continent.

[Source: Adapted from University World News; Wachira Kigotho 12 June 2015; Issue No: 371]

- 4.3.1 Give ONE example of an indigenous farming method mentioned above. (1)
- 4.3.2 Define the concept *indigenous knowledge systems*. (2)
- 4.3.3 In your opinion, do indigenous knowledge systems hold an economic benefit for the indigenous groups of a country? Give a reason for your answer. (3)
- 4.3.4 According to the article, why is it important to integrate Western research techniques with indigenous knowledge systems and what benefits does this hold for the community at large? (4)
- 4.4 Discuss the factors that promoted economic development, and those that hampered economic development during the animal husbandry and agricultural phase of development in South Africa. (2x4) (8)
- 4.5 How can injections benefit the South African economy? (4x2) (8)

[40]

**TOTAL SECTION B: 80**

**SECTION C**

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

<b>STRUCTURE OF THE ESSAY</b>	<b>MARK ALLOCATION</b>
<b>Introduction</b>	<b>Max. 2</b>
<b>Body</b> <b>Main part</b> Discuss in details / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Differentiate / Explain / Assess / Debate	<b>Max. 26</b>
<b>Additional part:</b> 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	<b>Max. 10</b>
<b>Conclusion</b> Any higher-order conclusion should include: <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating facts already mentioned in the body.</li> <li>• Any opinion or value-judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion / analysis</li> <li>• A contradictory viewpoint with motivation, if required</li> <li>• Recommendations</li> </ul>	<b>Max. 2</b>
<b>TOTAL</b>	<b>40</b>

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

Every country experiences cyclical patterns in its economy.

- With the aid of a diagram, discuss in detail the phases of a business cycle. (26)
- In conclusion to your discussion, briefly evaluate the factors for changes in business cycles that originate outside of the market system, (10) **[40]**

**OR****QUESTION 6: ECONOMIC PURSUITS****40 MARKS – 40 MINUTES**

Early banking was set up to make more currency available and lend money and grant loans. Banks had to have a bookkeeper, who lived in the building to make sure that the money & valuables were safe.

- Discuss the history of banking in the development of the South African Economy. (26)
- The South African Reserve Bank (SARB) is the monetary authority, controlling all money-related issues of this country. Evaluate this statement, highlighting the functions of the SARB today. (10) **[40]**

**TOTAL SECTION C: 40****TOTAL: 150****END**





