



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
2015
GRADE 10**

**ECONOMICS
PAPER 1**

MARKS: 150

TIME: 2 hours

13 pages

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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. Number the answers correctly according to the numbering system used in this question paper.
3. Write the number of the question above each answer.
4. Read the questions carefully and start each question on a NEW page.
5. Leave 2–3 lines between subsections 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 black or blue ink.
9. Non-programmable pocket calculators may be used.
10. Write neatly and legibly.

SECTION A (COMPULSORY)**QUESTION 1****30 MARKS – 25 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 e.g. 1.1.9.C.

1.1.1 Econometrics deals with ...

- A world trade and includes the international agreements that control trade.
- B applying statistics in economics.
- C policies of central banks.

1.1.2 When we have insufficient resources to satisfy our needs and wants.

- A Labour
- B Scarcity
- C Capital

1.1.3 The circular flow diagram does not show the flow of ...

- A goods.
- B consumption.
- C income.

1.1.4 The general direction of economic growth in a business cycle is shown by ...

- A leading indicators.
- B the contraction phase.
- C the trend line.

1.1.5 The breaking down of barriers to improve the free movement of goods, services and capital without regard for national boundaries is called ...

- A immigration.
- B globalisation.
- C urbanisation.

1.1.6 A characteristic of South Africa's manufacturing industry is that it is ...

- A highly concentrated.
- B spread over different provinces .
- C isolated from world markets.

1.1.7 Paying your accounts via internet banking is known as ...

- A real money.
- B indigenous money.
- C modern money.

1.1.8 Information on the size of the population and labour force is obtained from the ...

- A IMF
- B SARB Quarterly Bulletin
- C census

(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.

| COLUMN A | | COLUMN B | |
|-----------------|---------------------|-----------------|---|
| 1.2.1 | Positive statements | A | Show us what has happened to the economy |
| 1.2.2 | Opportunity costs | B | Expansion of power and influence by taking control of weaker countries, thereby enriching the mother country |
| 1.2.3 | Leakages | C | A way of life where people migrate with herds to find better grazing and water sources |
| 1.2.4 | Lagging indicator | D | Statements that are based on facts that can be proven |
| 1.2.5 | Nomadic | E | First bank established in the Cape |
| 1.2.6 | Imperialism | F | Of the incomes received by consumers, only part will be spent on goods and services of domestic businesses |
| 1.2.7 | Lombard Bank | G | The value of the next best alternative which was not chosen when a choice was made in favour of certain goods |
| 1.2.8 | Migrant | H | Statements expressing people's opinion |
| | | I | A person moving to another area or another country in search of work |

(8x1) (8)

1.3 Give ONE 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 A study of the economic behaviour of individual consumers and producers, the factors that influence their choices, and how prices are determined
- 1.3.2 An economy that uses markets to solve the problems of what to produce, how to produce it and for whom to produce it
- 1.3.3 Paid by households and businesses on their income to the Government
- 1.3.4 The upper turning point of the business cycle
- 1.3.5 The movement of people to live and work in cities
- 1.3.6 Citizens leaving the country to become citizens of another country

(6x1) (6)

TOTAL SECTION A: 30

SECTION B

Answer **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 TWO examples of injections in the circular flow. (2x1) (2)

2.1.2 ... are goods bought by producers to consume in the production process in order to produce more goods and services. (1x2) (2)

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

The importance of the study of Economics

In modern times the importance of the study of Economics is infinite. It not only provides us with knowledge, but also helps to solve the different problems in real life. The importance of Economics in different areas of human life is discussed below.

In the proper use of resources: We can learn about the use of resources with the knowledge of Economics. The study of Economics helps us to understand how to produce the maximum output with the proper use of **limited resources**.

In state management: The knowledge of Economics is indispensable to manage the Economic and development activities of a state. For this reason politicians and government employees need to have proper knowledge of the currency system, banking system, tax system, industrial and trade policy, budgeting, etc. The knowledge of Economics helps in managing state affairs.

To social workers: The economics causes / lies at the root of most social problems. Social workers need to have knowledge of Economics to diagnose and solve the problems of poverty, unemployment, illiteracy, excessive growth of population, lack of housing and medical facilities, etc.

Source: <http://wikieducator.org/Concepts of Economics>

2.2.1 Name TWO other sciences that Economics is linked to. (2)

2.2.2 “The economy causes / lies at the root of most social problems”. Is this a positive or normative statement? Substantiate your answer. (4)

2.2.3 Do you think the “limited resources” referred to in the article above refers to the factors of production? Substantiate your answer. (3)

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



- 2.3.1 Define the concept *Economics*. (3)
- 2.3.2 Scarcity forces us to make ... (2)
- 2.3.3 "Scarcity is everywhere". Is that also true for rich people? Explain your answer. (2)
- 2.3.4 Explain the term *relative scarcity*. (4)
- 2.4 Explain the relationship between the participants in a simplified two-sector economic circular flow. (4x2) (8)
- 2.5 Discuss the difference as well as the importance of GDP and GNI. (2x4) (8)
- [40]**

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

3.1 Answer the following questions.

3.1.1 Name TWO types of infrastructure in a country. (2x1) (2)

3.1.2 The original aim of the VOC settlement at the Cape was to ... (2x1) (2)

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

TREND: START A STOKVEL

July 1, 2014 by Fin week Staff

New research shows that the stokvel market is worth approximately R44 bn. The research group African Response reports that over 11.4 m people belong to an estimated 811 830 stokvels.

The term apparently has its origins in "stock fair". In the 19th century, British settlers rotated the money management of regular auctions of farm animals. Traditionally, a stokvel involves members contributing an equal amount every month, with a payout of the monthly collective savings to one member at a time.

While old-school stokvels are still the most popular – including pooled savings, burial societies and grocery stokvels – "investment stokvels" are gaining traction among higher income groups.

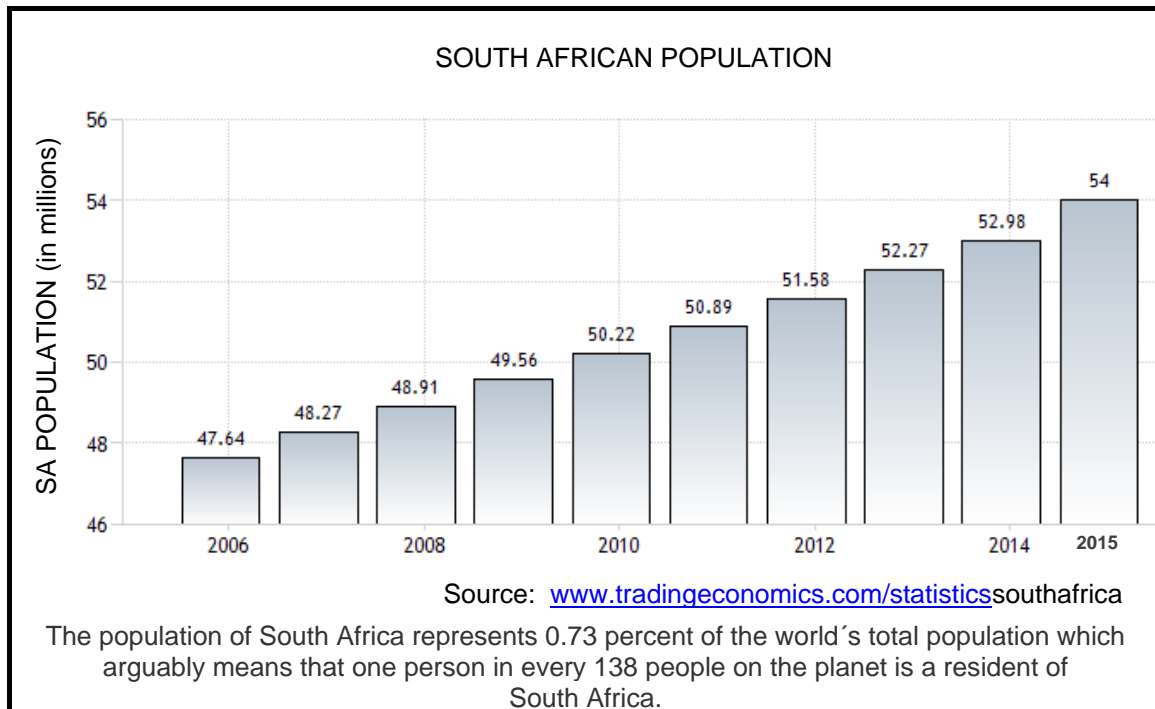
Stokvels are a cheaper way to invest. But the main advantage of joining a stokvel is that it will force you to be disciplined about savings. After all, there's no pressure like peer pressure.

3.2.1 Give the definition of *money*. (2)

3.2.2 In your opinion is the stokvel an important part of South Africa's financial system? Explain your answer by using the information in the article. (4)

3.2.3 Name TWO reasons that a person would choose to belong to a stokvel rather than having a savings account at a commercial bank. (4)

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



- 3.3.1 Define the concept **population growth rate**. (2)
- 3.3.2 Calculate the increase in the population percentage from 2006 to 2015. (2)
- 3.3.3 Name TWO factors that could influence the population growth rate. (2)
- 3.3.4 In your opinion why is it important for the government to know what the population growth rate is? (4)
- 3.4 Compare bartering with the use of real money in the exchange for goods. (2x4) (8)
- 3.5 Describe any TWO factors that promoted economic development during the agriculture and mining stage. (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 that you need to consider when choosing a career. (2x1) (2)

4.1.2 Who signs the bank notes in South Africa? (2x1) (2)

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

| ACTIVITIES | 2014 |
|---------------------------|-------------|
| Consumer spending | 2 299 426 |
| Compensation to employees | 1 732 809 |
| Exports | 1 186 640 |
| Government spending | 771 641 |
| Imports | 1 257 292 |
| Rent | 622 351 |
| Profits | 1 085 940 |
| Interest | 522 116 |
| Investment | 772 808 |

[Source: SARB Quarterly Bulletin]

4.2.1 Define the term *Exports*. (2)

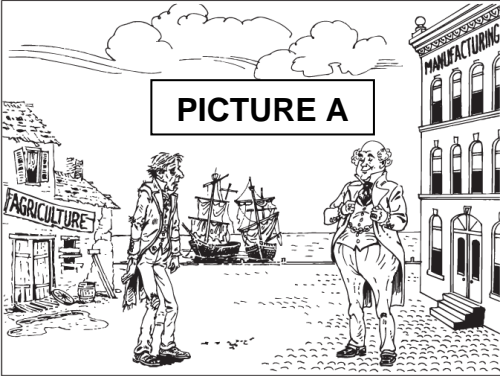
4.2.2 Calculate the GDP of 2014 using the expenditure method. Show all calculations. (6)

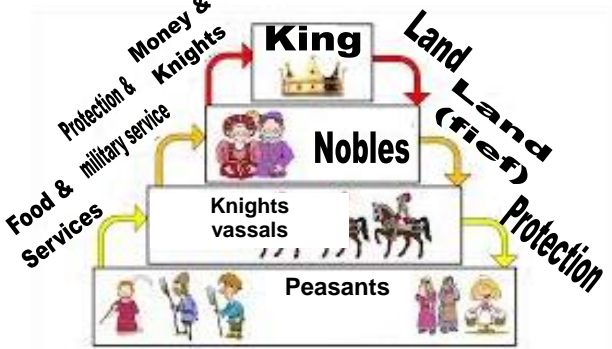
4.2.3 Give TWO other methods to calculate the GDP. (2)

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

The Tariff of 1832

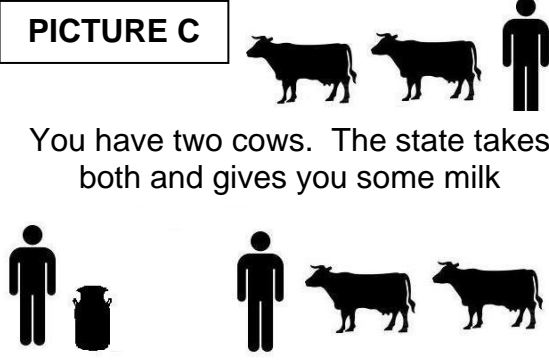
PICTURE A






PICTURE B

PICTURE C



You have two cows. The state takes both and gives you some milk

PICTURE D



4.3.1 Define the term *Feudalism*. (2)

4.3.2 Select one of the words to identify Pictures A – D. Write down only the word next to the appropriate letter (4)

Capitalism, Mercantilism, Feudalism and Communism

4.3.3 Who is known as the father of Communism? (2)

4.3.4 Capitalism is often criticized. Why? (2)

4.4 Analyse the fundamental human rights which South African citizens enjoy. (4x2) (8)

4.5 Use the demographic cycle to explain where South Africa currently is in this cycle. (You do not have to draw the cycle, only explain the phase or phases we are in.) (4x2) (8)

[40]

SECTION C

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

| STRUCTURE OF ESSAY | MARK ALLOCATION |
|--|------------------------|
| Introduction | Max 2 |
| Body: | |
| • <u>Main part:</u> Discuss/Distinguish/Differentiate/Explain/Analyse /Evaluate/Assess | Max 26 |
| • <u>Additional part:</u> Use/Draw/Sketch a graph/Diagram/Deduce/ Outline/Briefly explain/Expand on/Your own opinion | Max 10 |
| Conclusion | Max 2 |
| TOTAL | 40 |

QUESTION 5: MACROECONOMICS

40 MARKS – 35 MINUTES

Economies constantly change. The economy of any country has periods of fast economic growth and periods of slow or no economic growth.

- Discuss the phases and reasons, of business cycles. (26 marks)
- What effect do you think business cycles have on the economy? (10 marks)

[40]

QUESTION 6: ECONOMIC PURSUITS

40 MARKS – 35 MINUTES

The pressure of competition forced many banks to close. Today, the banking sector in South Africa comprises of a few large, financially strong banks.

- Discuss the history of banking in South Africa, highlighting early development, private banks and imperial banks. (26 marks)
- In your opinion how did technology reduce the traditional banking activities of commercial banks? (10 marks)

[40]

TOTAL SECTION C: 40

GRAND TOTAL: 150

END