



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

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

**ECONOMICS
PAPER 2**

TIME: 2 hours

MARKS: 150

14 pages

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(Paper 2)**

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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 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 ink.
10. You may use a non-programmable pocket calculator.
11. Write neatly and legibly.

**SECTION A
(COMPULSORY)****QUESTION 1 MULTIPLE-CHOICE QUESTIONS 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 What do we call the satisfaction that a consumer derives from each additional product that they consume?

- A Total utility
- B Ownership utility
- C Price utility
- D Marginal utility

1.1.2 All the points that are inside the Production Possibility Curve indicate ...

- A scarcity.
- B choice.
- C inefficiency.
- D opportunity costs.

1.1.3 Market failure can be defined as a situation where ...

- A the government fails to manage the growth of an economy.
- B the market has not achieved the best allocation of resources.
- C subsidies are not given to producers.
- D consumers have more choice on available products.

1.1.4 Which institution is the authoritative body that regulates skills development within a specific economic sector?

- A SETA
- B ASAA
- C SADC
- D LRA

1.1.5 This Act ensures that there is a healthy working relationship between an employer and an employee in the workplace.

- A Basic Conditions of Employment Act
- B Employment Equity Act
- C Skills Development Act
- D Labour Relations Act

1.1.6 This does not form part of the bands of education in South Africa.

- A Adult Education and Training
- B General Education and Training
- C Higher Education and Training
- D Further Education and Training

1.1.7 A perfect market can be described as a group of producers ...

- A selling a differentiated product.
- B that sell their product at different prices.
- C that have little or no barriers to entry.
- D with incomplete information about the buyers of their product.

1.1.8 The labour absorption rate can be described as ...

- A the number of unemployed people expressed as a percentage of the labour force.
- B the percentage of the population of working age who are employed.
- C the total number of people in the country's labour force.
- D the number of economically active people in the labour market.

(8x2) (16)

1.2 MATCHING ITEMS

Choose a description from COLUMN B that matches the concept 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 K.

COLUMN A	COLUMN B
1.2.1 Demand curve	A The quantity of a product that consumers are willing and able to buy over a given period of time.
1.2.2 Indifference curve	
1.2.3 Value-Added Tax	B Bringing parties together and getting them to agree on a certain course of action.
1.2.4 Demand	
1.2.5 Underemployment	C Shows the relationship between a product's price and quantity demanded.
1.2.6 Conciliation	D People with high skills but employed in low wage jobs.
1.2.7 Black Economic Empowerment	E A programme launched by the South African government to redress the inequalities of apartheid by giving previously disadvantaged groups in South Africa economic opportunities previously unavailable to them.
1.2.8 Welfare	F A diagram showing points in which consumers are satisfied with certain combinations of two goods if they were to use all their resources efficiently.
	G A general inland tax on almost all products.
	H Government support that aims to improve the standard of living of all citizens up to a certain minimum level.
	I Products that are used together with other products.

(8x1)

(8)

1.3 TERMINOLOGY

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 market with few suppliers producing similar or identical products

1.3.2 The curve that illustrates all the possible production options within a community that has a fixed set of resources

1.3.3 The highest price at which producers can sell a product

1.3.4 A government system for protecting workers who are retrenched

1.3.5 When quantity of labour is greater than the quantity demanded in the market

1.3.6 Goods or services that are provided by the government for the use of all people

(6x1)

(6)

TOTAL SECTION A: [30]

SECTION B

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

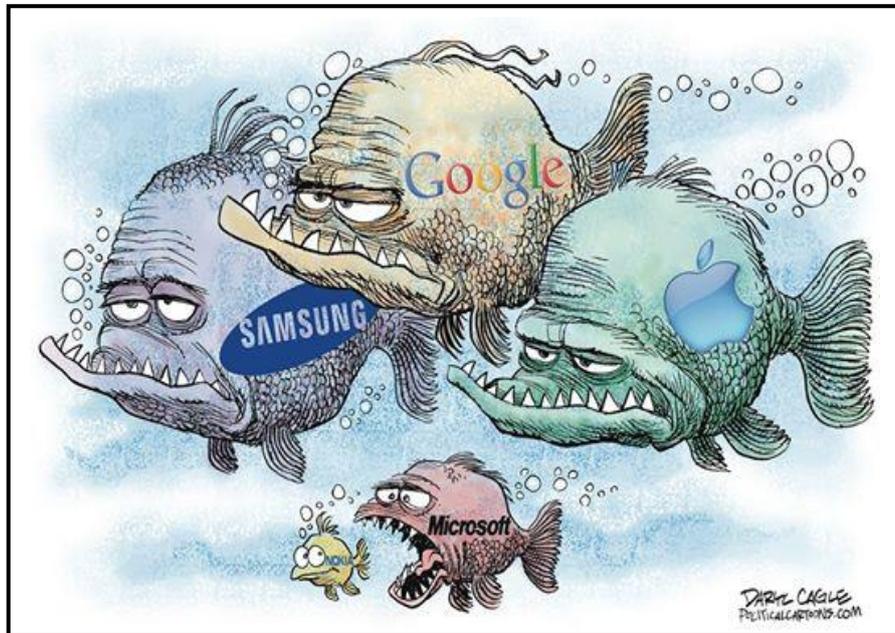
QUESTION 2: MICRO-ECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 Name any TWO characteristics of indifference curves. (2x1) (2)

2.1.2 How will consumers benefit from production subsidies? (1x2) (2)

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



[Source: www.google.co.za]

2.2.1 What is the message of the cartoon above? (1)

2.2.2 Which type of imperfect market does the above cartoon depict? (1)

2.2.3 Name one other type of imperfect market, besides the one depicted in the cartoon and give an example of this market. (2)

2.2.4 What favourable condition can the businesses in the market structure shown above enjoy? (2)

2.2.5 What would be required for the market structure to be a perfect market? (4)

2.3 Study the extract below and answer questions that follow.

Mrs Dube is in charge of spending the Dube household income and has to decide how much to spend on food and how much to spend on clothing. When interviewed she said that the following bundles of clothing and food would give the family an equal amount of satisfaction.

TABLE OF INCOME SPENDING BY MRS DUBE

CLOTHING	FOOD
15	10
10	14
5	20
4	30

2.3.1 From the table above how many bundles of food will the household buy if they bought 10 bundles of clothes? (1)

2.3.2 How many bundles of clothes must this household give up if they increase the spending on food from 5 to 10 bundles? (1)

2.3.3 What does any point below the indifference curve indicate? (2)

2.3.4 How could the indifference curve influence the choices of producers in a mixed economy? (2)

2.3.5 Use the information in the table above to draw an indifference curve to represent Mrs Dubes' household spending. (4)

2.4 Differentiate between a shift of the demand curve and a movement along the demand curve. (2x4) (8)

2.5 Minimum wage is a good example of price floors. Analyse how minimum wages can contribute to unemployment? (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO objectives of the Labour Relations Act. (2x1) (2)

3.1.2 How does a surplus of labour affect the wages and salaries for labour as a factor of production? (1x2) (2)

3.2 Study the following pictureS and answer the questions that follow.



[Source: www.google.co.za]

3.2.1 Besides COSATU, give any other example of another union from the pictureS above. (1)

3.2.2 What is the aim of a trade union? (1)

3.2.3 Briefly explain the term *trade union*. (2)

3.2.4 Explain the importance of the *Basic Conditions of Employment Act* to workers. (2)

3.2.5 Briefly describe any rights of workers in South Africa. (4)

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

Government concerned by high unemployment

24 February 2015 at 09:25.

The government is concerned that out of a population of about 50 million in South Africa, only 13.1 million people are employed and 'only two out of five persons of working age have a job'. At the same time 15 million people are on various forms of social welfare.

The country needs to raise employment to 18 million jobs just to reach the average emerging market benchmark of 56 percent employment.

[Source: <http://www.opi.co.za/business/budget/govt-concerned-by-high-unemployment-1>]

- 3.3.1 According to the extract how many people were employed in South Africa in February 2015? (1)
- 3.3.2 Why should the government be concerned by the high unemployment rates in the country? (1)
- 3.3.3 Briefly explain the concept *unemployment*. (2)
- 3.3.4 Provide a reason why South Africa's unemployment rate is so high? (2)
- 3.3.5 Unemployment has a negative impact on individuals. Discuss any TWO social costs of unemployment. (4)
- 3.4 Explain the purpose and general functions of workplace forums. (4x2) (8)
- 3.5 Discuss how mechanisation can influence the demand for labour. Use a graph to illustrate your answer. (8)

[40]

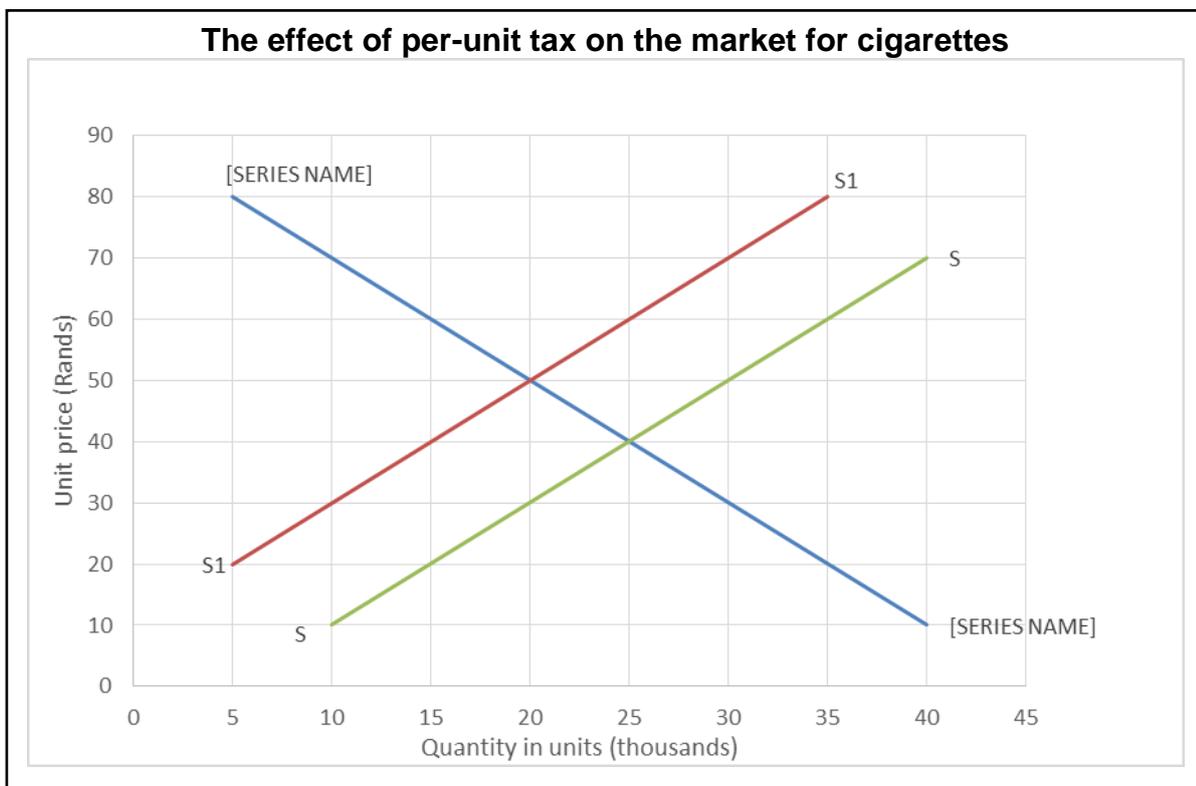
QUESTION 4: MICRO-ECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the questions that follow.

4.1.1 List any TWO factors affecting supply. (2x1) (2)

4.1.2 How does Black Economic Empowerment contribute to redress of the previously disadvantaged South Africans? (1x2) (2)

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



4.2.1 State the equilibrium price of cigarettes before the implementation of the tax. (1)

4.2.2 What is the new equilibrium price after the R10, 00 tax was imposed? (1)

4.2.3 Explain what effect the per-unit tax has had on the price and quantities demanded and supplied. (2)

4.2.4 Briefly explain the term equilibrium quantity. (2)

4.2.5 In your own opinion why does the government always ensure that there is an increase in sin tax. (4)

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

Table 6 shows estimates for selected indicators. The highest number of deaths were estimated in 2006. The number of AIDS-related deaths declined consistently since 2006 from 325 241 to 150 759 AIDS related deaths in 2016. Access to antiretroviral treatment has changed the historical patterns of mortality. ARVs have extended the lifespan of many in South Africa, who would have otherwise died at an earlier age, evident in the decline of AIDS deaths post-2005.

Table 6: Births and deaths for the period 2009 – 2016

Year	Number of Births	Number of deaths	Number of AIDS related births	Percentage of AIDS deaths
2009	1 221 737	636 926	266 591	41.9
2010	1 216 150	628 915	256 625	40.8
2011	1 207 511	600 085	225 901	37.6
2012	1 210 987	562 184	185 558	33.0
2013	1 212 947	541 413	161 986	29.9
2014	1 213 213	537 579	155 063	28.8
2015	1 212 055	537 313	151 748	28.2
2016	1 198 861	539 714	150 759	27.9

[Source: Stats South Africa-2016]

4.3.1 According to the extract, which year had the highest number of AIDS-related deaths? (1)

4.3.2 What could be the reasons for the drop in AIDS-related deaths? (1)

4.3.3 Briefly explain the term *Economically Active Population*. (2)

4.3.4 How can businesses contribute towards a reduction in AIDS-related deaths? (2)

4.3.5 Why will this decline in deaths impact on production in labour-intensive industries? (4)

4.4 Distinguish between *seasonal* and *structural unemployment*. (2x4) (8)

4.5 Analyse the difference between *productive* and *allocative inefficiencies*. (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 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 Main part: Discuss in detail / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Explain</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 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 / analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40

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QUESTION 5 MICRO-ECONOMICS

40 MARKS – 40 MINUTES

“Some markets have very specific characteristics”.

Eskom has held the position of “BIG MONOPOLY” for a long time. Small businesses say it’s hard to make profits with the high cost of electricity.

- Discuss the characteristics of a monopoly in detail. (26)
 - Why are markets so crucial in a country? (10)
- [40]**

QUESTION 6 CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 40 MINUTES

South Africa’s transformation to democracy in 1994 has led to serious efforts towards the total change of the lives of ordinary South African people.

- Discuss the government’s effort to address redress since 1994. (26)
 - Outline the training programmes introduced by the government to transform people’s lives. (10)
- [40]**

TOTAL SECTION C: 40

TOTAL: 150

END