



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2020**

GRADE 10

ECONOMICS

(PAPER 2)

MARKING GUIDELINES

21 pages

SECTION A (COMPULSORY)**QUESTION 1****1.1 MULTIPLE CHOICE QUESTIONS**

1.1.1 C – Substitute goods ✓✓

1.1.2 B – Marginal utility ✓✓

1.1.3 A – Allocative efficiency ✓✓

1.1.4 C – Market surplus ✓✓

1.1.5 C – Workplace forums ✓✓

1.1.6 A – Decrease in demand for labour ✓✓

1.1.7 C – Demand side ✓✓

1.1.8 B – Statistics South Africa ✓✓

(8 x 2) (16)

1.2 MATCHING ITEMS

1.2.1 B ✓

1.2.2 G ✓

1.2.3 A ✓

1.2.4 I ✓

1.2.5 C ✓

1.2.6 E ✓

1.2.7 F ✓

1.2.8 H ✓

(8 x 1) (8)

1.3 IDENTIFY THE TERM

1.3.1 Oligopoly ✓

1.3.2 Value ✓

1.3.3 Minimum prices ✓

1.3.4 Economically active population ✓

1.3.5 Trade union ✓

1.3.6 Nationalisation ✓

(6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

QUESTION 2: MICROECONOMICS

40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name TWO requirements for the establishment of a market.

- At least one buyer and one seller ✓
- Sellers have to be willing to sell ✓
- Buyers should have the means to pay for goods
- Agreement on price and quantity between buyer and seller
- Transaction should be formalised according to laws

(Any TWO)

(2 x 1) (2)

2.1.2 What is the *law of demand*?

- The law of demand states that other factors being constant (*ceteris paribus*), price and quantity demand of any good and service are inversely related to each other. When the price of a product increases, the demand for the same product will fall. ✓✓

(1 x 2) (2)

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

2.2.1 Identify the market structure that is illustrated by the cartoon.

- Monopoly/imperfect market ✓

(1)

2.2.2 Give ONE example of a market in South Africa with only one supplier.

- Eskom ✓
- Transnet

(1)

2.2.3 How can the consumers in the cartoon benefit from a second grocery store?

- Lower prices ✓
- Wider variety of goods ✓
- Better quality of goods
- Shorter queues

(Any TWO)

(2 x 1) (2)

2.2.4 Briefly explain the term *oligopoly*.

- An imperfect market where there are a few major sellers of a good or service. ✓✓
- Example: Cell C, MTN and Vodacom
(Maximum one mark for example only) (2)

2.2.5 Identify the criteria used to determine a market structure.

- Number of suppliers ✓✓
- Nature of product ✓✓
- Number of trade barriers
- Access to information
(Any TWO) (2 x 2) (4)

2.3 Study the following scenario and answer the questions that follow.**2.3.1 How many food items can be bought if Mr. Sibanda buys 20 clothing items?**

- 15 food items ✓ (1)

2.3.2 According to the table, how many clothing items will be forfeited if Mr. Sibanda decides to buy 25 food items instead of 15?

- 7 clothing items ✓ (1)

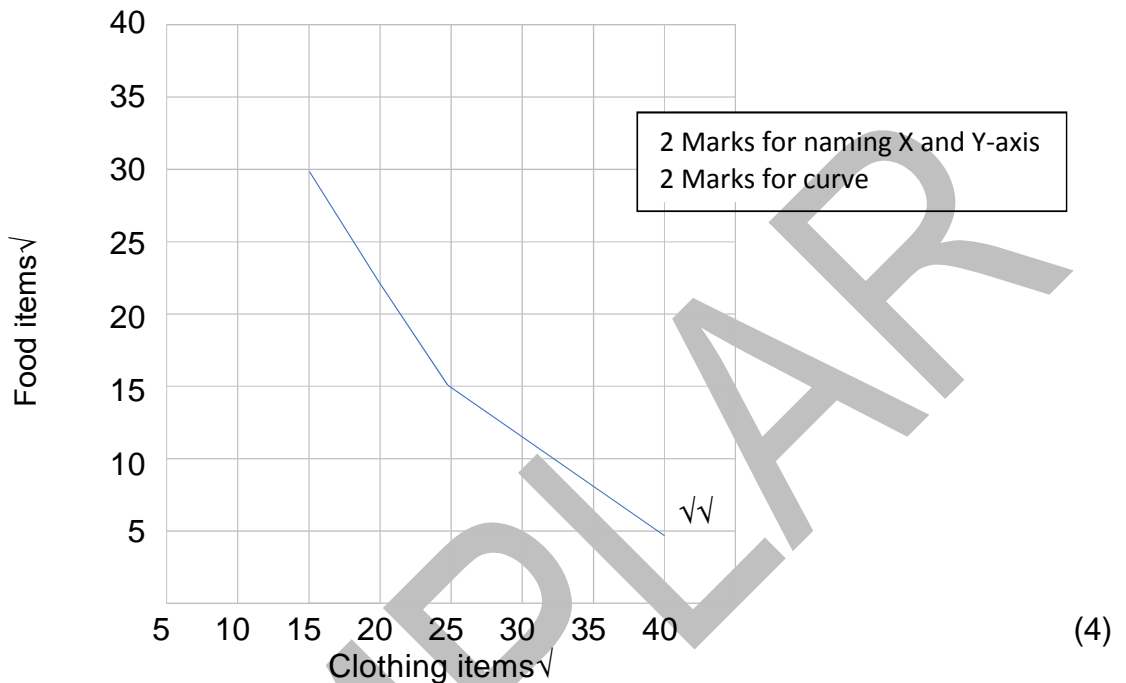
2.3.3 What is the purpose of the budget line?

- The budget line determines the combination of goods the consumer can afford at any given time. ✓✓ (2)

2.3.4 Identify one characteristic of indifference curves.

- Indifference curves are downward sloping. ✓✓
- Higher indifference curves are preferred to lower ones.
- Indifference curves bend inwards.
- Indifference curves will never intersect.
(Any ONE) (1 x 2) (2)

2.3.5 Using the information in the table above, draw the indifference curve for the Sibanda household.



2.4 Differentiate between *direct* and *indirect tax*.

- Direct tax
 - Tax levied on wealth (Income tax) ✓✓
 - Direct tax is paid directly to SARS
 - Income tax for individuals are based on a scale
 - Income tax for business (company tax) are levied at a fixed rate
- Indirect tax
 - Indirect tax is a consumer tax paid by suppliers of goods and services ✓✓
 - Indirect tax is paid by the consumer by buying goods and services. ✓✓
 - Retailers pay the money to SARS
(Examples are value added tax (VAT), Customs duty and Excise duty)

(Accept any other correct relevant response)

(Maximum of TWO marks for only listing of examples)

(4 x 2) (8)

2.5 Describe the external factors that affect the positioning of a Production Possibility Curve.

- Economic growth ✓✓
- Technological advances ✓✓
- Availability of resources ✓✓
- Natural, ecological or political disasters ✓✓
- Level of technology used within the business
- Demand for a specific product
- Profitability of a specific product

(Accept any other correct relevant response)

(Maximum of FOUR marks for only headings and listing of examples)

(4 x 2) (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO labour laws in South Africa.

- Labour Relations Act ✓
 - Basic Conditions of Employment Act ✓
 - Compensation for Occupational Injuries and Disease Act
- (Any TWO)

(2 x 1) (2)

3.1.2 What is the importance of the Unemployment Insurance Fund?

- It gives short term relief to workers when they become unemployed. ✓✓
 - It provides relief to the dependants of a deceased contributor.
- (Accept any other relevant response)

(1 x 2) (2)

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

3.2.1 How many workers will lose their jobs according to the proposal by Cell C?

- 40% ✓

(1)

3.2.2 Give one example of a trade union mentioned in the article.

- Information Communication Technology Union (ICTU) ✓

(1)

3.2.3 What is the importance of the Basic Conditions of Employment Act?

- The Basic Conditions of Employment Act prescribes certain minimum conditions of employment which must be applied. (e.g. work hours, leave and remuneration) √√ (2)

3.2.4 Mention one possible reason for the proposed job cuts by Cell C.

- Poor economic conditions √√
 - Effect of the Covid-19 lockdown
- (Accept any other relevant response) (2)

3.2.5 Why is it beneficial for an employee to join a trade union?

- Trade unions negotiate with employers on behalf of members to improve wages, and for benefits such as improved pensions and medical aid. √√
 - Trade unions negotiate with employers on behalf of members to improve working conditions, and health and safety conditions. √√
 - Trade unions work towards reducing any loss of jobs through retrenchment.
 - Help members to resolve grievances.
 - Represent members in labour disputes.
- (Accept any other relevant response)
(Any TWO) (2 x 2) (4)

3.3 Study the following extract and answer the questions that follow.**3.3.1 What does the acronym PSETA stand for?**

- Public Service Education and Training Authority √ (1)

3.3.2 According to the extract, which individuals will benefit from learnerships offered by PSETA?

- Graduates and professionals in the public sector √ (1)

3.3.3 Explain what a learnership is.

- A learnership is a work-based learning programme that is directly related to an occupation or field of work √√ (2)

3.3.4 Why is skills development so important?

- Develop skills that will be beneficial in your work environment. ✓✓
 - Improving your skills can assist in gaining promotions.
- (Accept any other relevant answer) (1 x 2) (2)

3.3.5 Briefly explain TWO focus areas of government to address the inequalities of the past.

- Human Resources
 - Education and training opportunities for all ✓✓
 - Natural Resources
 - Opportunities for the previously disadvantaged to own land and resources ✓✓
 - Capital
 - Assistance in obtaining capital for business and property
- (Any TWO) (2 x 2) (4)

3.4 Distinguish between any TWO types of unemployment.

- Cyclical unemployment ✓
 - Unemployment caused by downturns in the business cycle. ✓✓
 - Unemployment due to the decrease in the demand of labour during difficult economic times. ✓✓
- Structural unemployment ✓
 - Caused by the structural changes in the economy. ✓✓
 - Unemployment caused when the worker does not have the skills that the business requires, or where they need it. ✓✓
- Seasonal unemployment
 - Unemployment caused by the seasonal need for labour.
 - Unemployment during specific seasons of the year.
- Frictional unemployment
 - Short term unemployment while in between jobs.
 - Workers changing jobs

(Accept any other correct relevant response)
(Maximum 2 marks for listing types only)
(Any TWO)

(2 x 4) (8)

3.5 Determine the functions of the Commission for Conciliation, Mediation and Arbitration (CCMA).

- CCMA is an independent body that helps to resolve labour disputes. ✓✓
- Any party of a dispute can approach the CCMA to assist with legal aid. ✓✓
- The aim is to resolve the dispute before strike action occurs. ✓✓
- CCMA assists with the establishment of workplace forums. ✓✓

(Accept any other relevant response)

(Any TWO)

(4 x 2) (8)

[40]

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

4.1 Answer the following questions

4.1.1 Name TWO levels of government in South Africa.

- National ✓
- Provincial ✓
- Local/Municipality

(Any TWO)

(2 x 1) (2)

4.1.2 Describe the term *utility*.

- Utility is the degree of satisfaction that a consumer gains by consuming a good or service. ✓✓

(1 x 2) (2)

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

4.2.1 Identify the point on the graph where optimum production of cellphones and tablets takes place.

- Point B ✓

(1)

4.2.2 What happens at point C?

- All resources are used to produce tablets and no cellphones are produced. ✓

(1)

4.2.3 Why is the Production Possibility Curve important to manufacturers?

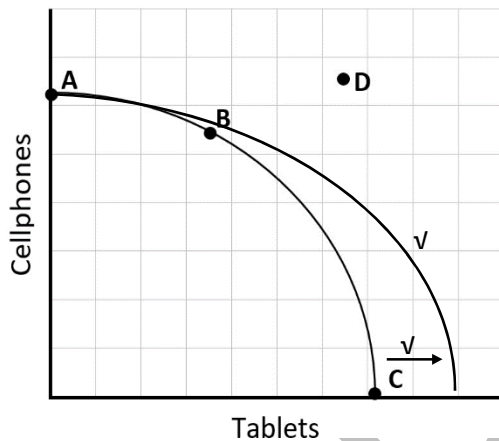
- The Production Possibility Curve shows which combinations of two goods can be produced with the number of available resources. ✓✓

(2)

4.2.4 Explain why we cannot produce combination D.

- Point D cannot be produced due to a shortage of resources. ✓✓ (2)

4.2.5 Draw a graph that illustrates how the PPC will be affected if we can produce more tablets without affecting the production output of cellphones.



(4)

4.3 Read the following extract and answer the questions that follow.

4.3.1 Who is David Makhura?

- Premier of Gauteng ✓ (1)

4.3.2 What is the main reason for job losses according to the extract?

- Covid-19 Lockdown ✓ (1)

4.3.3 Briefly define *unemployment*.

- People who are willing to work and looking for work but are not currently employed. ✓✓ (2)

4.3.4 Why is unemployment a big concern for government?

- Unemployment places additional pressure on government to assist the unemployed through social grants. ✓✓
- Unemployment can lead to an increase in crimes. (2)

4.3.5 **Explain the effect of unemployment on an individual.**

- Unemployment leads to poverty ✓✓
- The unemployed are unable to fulfill their basic needs ✓✓
- The unemployed are unable to care for their families
- Unemployment can be linked to crime
- Unemployment leads to a cycle of poverty
- Economically marginalized groups are particularly vulnerable
- Unemployment destroys skills

(Any TWO)

(Accept any other relevant response)

(2 x 2) (4)

4.4 **Discuss the criteria for goods to be eligible for trade on international markets.**

- There should be widespread demand ✓✓
- Items should be able to be transported ✓✓
- Transport costs should be relatively low in relation to price of goods in large quantities ✓✓
- Products should be durable ✓✓
- No restrictions to access to products

(Any FOUR)

(Accept any other relevant response)

(8)

4.5 **Explain why some groups of people are economically marginalised in South Africa.**

- Limited access to education, low-skills levels and not enough investment in training ✓✓
- Widespread poverty among low-wage earners and the unemployed ✓✓
- Extreme levels of inequality, mainly on the basis of race and gender ✓✓
- Inadequate protection (legislation) for some low-wage earners such as farm workers and domestic workers ✓✓

(Accept any relevant answer)

(8)

[40]

TOTAL SECTION B: 80

SECTION C

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

You will be assessed as follows:

STRUCTURE OF 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. • 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:</p> <p>Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/ Explain/Assess/Debate</p> <p>Additional part: Give own opinion/Critically discuss/Evaluate/ Critically evaluate/Draw a graph and explain/Use the graph given and explain/Calculate/Deduce/Compare/Explain/Distinguish/ Interpret/Briefly debate/How?/Suggest</p>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion</p> <p>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

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

Markets play a vital role in the everyday workings of the South African economy.

- **Discuss in detail how the interaction between supply and demand determines the price of goods and services in a free market structure.**
(26 marks)
- **Using a graph, analyse the effect that a production subsidy by the government will have on the market price of a specific good or service.**
(10 marks)

INTRODUCTION

Price is determined by the forces of demand and supply. A change in either force will result in a change of the equilibrium price. √√
(Accept any other relevant introduction)

(2)

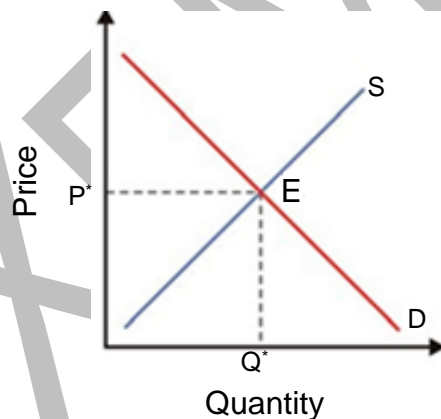
BODY: MAIN PART

- **Supply:**
 - Supply can be defined as the quantity of goods and services that can be produced by producers over a specific time. √√
 - The law of supply states that if the price of a product increases, the quantity supplied will increase. √√
 - The price of the product is directly linked to the quantity, therefore if the price increases then the quantity supplied will increase (direct relationship). √√
 - The supply curve indicates the quantity of the product supplied at any given price. √√
 - Supply curves have a positive slope – slopes up from left to right. √√
 - The positive slope is the result of the direct relationship between price and quantity demanded. √√
 - Factors that influence supply:
 - Cost of production √√
 - Cost of technology used during the production process √√
 - Prices of alternative products √√
 - Prices of complementary products √√
 - Number of suppliers √√
 - Weather conditions √√
 - Price that the consumer is willing to pay for the product √√
- (Max. 10 marks)

- Demand:
 - Demand can be defined as the quantity of goods and services that the consumer is willing to buy at a specific price. ✓✓
 - The law of demand states that when the price of goods or services increases, the demand for those goods or services will decrease. ✓✓
 - There is an indirect relationship between the amount demanded and the price. ✓✓
 - The demand curve indicates the quantity demanded by consumers at a certain price. ✓✓
 - Demand curves have a negative slope – slopes down from left to right ✓✓
 - The negative slope is the result of the indirect relationship between the quantity demanded and the price. ✓✓
 - Factors that influence demand:
 - Price of the product ✓✓
 - Consumers' income levels ✓✓
 - Consumers' tastes and preferences ✓✓
 - Price and availability of substitute products ✓✓
 - Price and availability of complementary products ✓✓

(Max. 10 marks)

- Price formation:
 - Equilibrium price and quantity (market price) is where the demand and supply are equal. ✓✓



Mark allocation for graph:

- Demand and Supply curves ✓✓
- Equilibrium price (E) ✓✓

(Max. 4 marks)

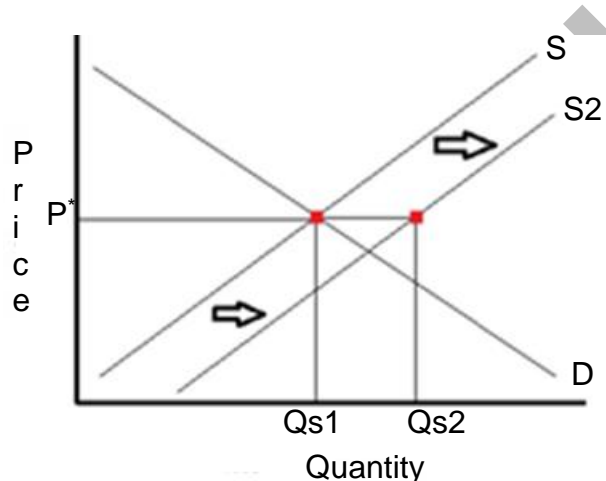
(Max. 6 marks)

ADDITIONAL PART

- Government subsidises producers to encourage them to produce certain goods. ✓✓
- The subsidy covers part of the production cost of the company. ✓✓
- By reducing the production cost, more goods can be produced without influencing the price.
- Producing more goods at the same price lowers the market price of the goods.

Mark allocation for graph:

- Supply curve (S) ✓✓
- Change in supply curve (S¹) ✓✓
- Quantity increase at same price ✓✓
(Max. 6 marks)



(Accept any other relevant answer)

(Max. 10 marks)

CONCLUSION

Price formation is a dynamic occurrence with any change in either supply or demand affecting the market price of goods and services.

(Accept any other relevant higher order response)

(2)
[40]

OR

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES**40 MARKS – 40 MINUTES**

Unemployment has a negative effect on individuals, businesses, government and society.

- **Discuss unemployment in detail under the following headings:**
 - **Characteristics**
 - **Causes**
 - **Effects**

(26 marks)
- **Analyse possible solutions that government can use to assist economically marginalised groups.**

(10 marks)

INTRODUCTION

Unemployed people are those people who are able and willing to work, between the ages of 16 – 64, who are actively looking for work but are unable to find work.
(Accept any other relevant response)

(2)**BODY: MAIN PART**

- **Characteristics**
 - High level of unemployment ✓

South Africa has a very high rate of unemployment when compared to other middle income countries at the same level of development. ✓✓
 Unemployment is a chronic problem in all developing countries since many people are unable to find a job and become discouraged about looking for work. ✓✓
 - More women are unemployed than men ✓

As a result of discrimination, many women received fewer years of education and skills training than men. ✓✓ Some women choose careers where there is less demand for their skills so they are likely to be unemployed. ✓✓
 Many women choose not to enter the labour force but to be homemakers who stay at home and look after children. ✓✓
 - High levels of black unemployment ✓

As a result of previous discrimination, a greater percentage of black and coloured people are unemployed than white and Indian people. ✓✓
 Under the policy of apartheid that existed in South Africa before 1994, black and coloured people received poor quality education and skills training which has left many of them unemployable. ✓✓

Many previously disadvantaged people looking for work are unskilled and still live in conditions where it is difficult for their children to go to school and obtain an education. √√

These communities continue to experience a low standard of living and the levels of unemployment are likely to remain high. √√

- Young people are more likely to be unemployed √

The highest levels of unemployment are among young people between the ages of 16 and 24√√

The economy has not grown sufficiently in the last ten years to be able to provide enough jobs for young people entering the job market. √√

Young people lack skills and work experience, which is another reason that they are more likely to be unemployed. √√

- Lack of education and correct skills√

South Africa lacks experts (sufficiently skilled professionals), managers and artisans and the challenge is made worse by the uneven quality of education and the impact of the apartheid legacy. √√

(Max. 10 marks)

- Causes of unemployment

- Lack of suitable skills√

Demand for unskilled labour in South Africa has dropped due to structural changes in the economy, technological advances and participation in the global economy. √√

There is an over-supply of unskilled workers in the economy who cannot find jobs because the education system has not given learners the adequate mathematical and scientific skills needed. √√

- More capital-intensive industries√

Production of high quality goods for world markets has led to businesses investing in machinery and technology, and since these businesses would need less labour, this adds to unemployment. √√

- Trade unions and labour legislation✓

The demands of trade unions for increased wages results in South African products being more expensive than imported goods. This leads to many firms being forced to close as they can no longer compete, which ultimately leads to thousands of workers losing their jobs. ✓✓

Strikes for additional employment are also very bad as firms make less profit and cannot afford to increase employment. ✓✓

South African workers are protected by labour laws. These laws may not be flexible enough and actually discourage the employers from taking on more workers, particularly laws governing dismissal and minimum wages. ✓✓

Sometimes labour legislation encourages firms to change from labour-intensive to capital-intensive methods of production. ✓✓

- The world recession✓

The world recession of 2008-2009 has resulted in a severe downturn in the business cycle and has led to the loss of more than a million jobs in the South African economy. ✓✓

As consumer demand drops, firms have to reduce their output which results in many workers being retrenched. ✓✓

- Population growth✓

With the South African population growing too fast, the economy cannot provide jobs for all those who are entering the job market since 2011. ✓✓

The levels of economic growth have not been high enough to absorb the majority of new job-seekers. If the population growth exceeds the economic growth, it causes unemployment. ✓✓

- Low rate of economic growth✓

The South African economy has not grown enough to create the large number of jobs needed to absorb job-seekers. ✓✓

- Types of unemployment✓

These FOUR types of unemployment could also be the cause of unemployment:

Structural unemployment✓

This results from changes in the basic structure of the economy. This means that the skills of some workers are no longer needed. ✓✓

Cyclical unemployment✓

This occurs during a downturn in the business cycle. In a recession, when goods and services are reduced, businesses produce less and workers lose their jobs. ✓✓ If and when the economy improves, demand increases and some workers may be re-employed. ✓✓

Frictional unemployment✓

This occurs when people move between jobs or are looking for a job for the first time. This type of unemployment is temporary and unavoidable. ✓✓

Seasonal unemployment✓

People who are in employment that lasts for part of the year. These can be jobs based on the holiday season or jobs on farms such as picking or fishing. ✓✓
(Max. 10 marks)

- Effects of unemployment

Unemployment has a negative effect on economic, social and political conditions in a country.

- Effects on households and individuals✓

Unemployment has the following effects on households:

- More poverty✓✓
- Less consumer spending
- Lower standard of living
- Decrease in self-respect and confidence
- Poor physical and psychological health

- Burden on taxpayers✓

Large amounts of money are paid out by the state as social welfare grants to the unemployed and poor people. ✓✓ This amount is not sustainable in the long term, and if government increases taxes in order to subsidise these grants, it will have a negative effect on economic growth and will discourage foreign investment in new businesses. ✓✓

- Social problems✓

Poverty that is created by unemployment leads to serious social problems such as increased levels of crime. ✓✓ It also results in lack of self-esteem and causes financial worries which can lead to domestic violence and destroy family life. ✓✓ Unemployed people are dissatisfied, so they are more likely to express their discontent about government policy in general through demonstrations and riots. ✓✓
(Max. 6 marks)

ADDITIONAL PART

- Target marginalised groups in terms of education and skills development. √√
- Upgrade government facilities like schools and hospitals in underprivileged communities. √√
- The Employment Equity Act is part of the government policy to create fairness in employment. √√
- The purpose of the Employment Equity Act is to achieve equality in the workplace by:
 - Removing unfair discrimination √√
 - Implementing a policy of affirmative action so that these people can get employment √√
- BEE policy also helps to increase the income and wealth of marginalised people.
- The Skills Development Act lays down a plan to improve skills by setting up the SETAs for each industry.
- The Provincial Education Departments have set up adult education programmes that are aimed at those people who were not able to complete their school education.

(Accept any correct relevant answer)

(Max. 10 marks)

CONCLUSION

South Africa's poverty is mainly caused by unemployment and the country will need a sophisticated solution to reduce unemployment levels. √√

(Accept any other relevant higher order response)

(2)

TOTAL SECTION C: 40

TOTAL: 150