GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2020

GRADE 10

ECONOMICS

(PAPER 2)

TIME: **2 hours**

MARKS: **150**

14 pages

INSTRUCTIONS AND INFORMATION

1.   Answer THREE questions as follows in the ANSWER BOOK:

   - SECTION A: COMPULSORY.
   - SECTION B: Answer TWO of the three questions.
   - SECTION C: Answer 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.   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.

4.   Number the answers correctly according to the numbering system used in this question paper.

5.   Write the number of the question above each answer

6.   Read the questions carefully.

7.   Start each question on a NEW page.

8.   Leave 2 – 3 lines between sub-sections of questions.

9.   Use only black or blue ink.

10.   Non-programmable pocket calculators may be used.

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.

    1.1.1   Goods that can be used to replace another.

           A   Complementary goods
           B   Economic goods
           C   Substitute goods
           D   Free goods

    1.1.2   Utility that the consumer gains by consuming additional units of a
             product.

           A   Total utility
           B   Marginal utility
           C   Value utility
           D   Economic utility

    1.1.3   The combination of goods produced reflects the maximum utility of the
             consumer.

           A   Allocative efficiency
           B   Productive efficiency
           C   Pareto efficiency
           D   Combined efficiency

    1.1.4   When the quantity supplied of a specific good is greater than the
             demand for that specific good.

           A   Market equilibrium
           B   Market failure
           C   Market surplus
           D   Market shortages

1.1.5   Formal meetings between union representatives and the employers.

   A   Collective bargaining
   B   Bargaining council
   C   Workplace forums
   D   CCMA

1.1.6   What effect will mechanisation have on labour if there is an increase in the use of machines for production?

   A   Decrease in demand of labour
   B   Increase in the demand for labour
   C   Decrease in the supply of labour
   D   Labour will be unaffected

1.1.7   The monetary and fiscal policy used by government forms part of the … policy.

   A   growth
   B   supply-side
   C   demand-side
   D   NEDLAC

1.1.8   The organisation responsible for the publishing of labour force research in South Africa.

   A   SARS
   B   Statistics South Africa
   C   Department of Labour
   D   Human Rights Commission of South Africa

                                                        (8 x 2)   (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 Complementary goods	A Economic state where resources can not be relocated to make one individual better off without making at least one individual worse off
1.2.2 Imperfect market	
1.2.3 Pareto efficiency	B A good that can be used in conjunction with another good
1.2.4 Excess supply of labour	
1.2.5 Basic Conditions of Employment Act	C Protects employees of all sectors regardless of whether they are in a trade union or not
1.2.6 Broad-based Black Economic Empowerment	D Goods that can be used instead of other goods
	E Strategy used to increase labour force participation of economically marginalised groups
1.2.7 Labour court	F Handling of labour disputes like unfair dismissal
1.2.8 Income redistribution	
	G Sellers of goods have the power to set prices
	H Transfer of income and wealth from some individuals to others by means of social mechanisms such as taxation, charity, welfare, public services, land reform and monetary policies
	I When the supply for labour is more than the demand for labour in a specific sector

(8 x 1)   (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.
(Abbreviations, acronyms and examples will NOT be allowed.)

1.3.1 The motor industry is an example of this type of imperfect market

1.3.2 The maximum amount a consumer is willing to pay for a good or service

1.3.3 The lowest price that consumers of a product have to pay the owner of a product

1.3.4 People between the ages of 15 and 65 that are willing and able to work

1.3.5 An association to help workers negotiate with employers over wages, hours, benefits, and other working conditions

1.3.6 The process in which government takes over ownership of businesses in the private sector

(6 x 1)   (6)

TOTAL SECTION A: 30

SECTION B

Answer any TWO of the 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.   (2 x 1)   (2)

    2.1.2   What is the *law of demand*?   (1 x 2)   (2)

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

[Source*: https://thetechpanda.com/*]

    2.2.1   Identify the market structure that is illustrated by the cartoon.   (1)

    2.2.2   Give ONE example of a market in South Africa with only one supplier.   (1)

    2.2.3   How can the consumers in the cartoon benefit from a second grocery store?   (2)

    2.2.4   Briefly explain the term *oligopoly*.   (2)

    2.2.5   Identify the criteria used to determine a market structure.   (4)

2.3 Study the following scenario and answer the questions that follow.

> Mr. Sibanda is the head of the Sibanda household. He determines how much of the household's income can be spent on food and clothing. After looking at the budget he made the following conclusion:
>
> | Food Items | Clothing Items |
> |:---:|:---:|
> | 30 | 10 |
> | 25 | 13 |
> | 15 | 20 |
> | 5 | 35 |

    2.3.1 How many food items can be bought if Mr. Sibanda buys 20 clothing 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? (1)

    2.3.3 What is the purpose of a budget line? (2)

    2.3.4 Identify one characteristic of indifference curves. (2)

    2.3.5 Using the information in the table above, draw the indifference curve for the Sibanda household. (4)

2.4 Differentiate between *direct* and *indirect tax*. (8)

2.5 Describe the external factors that affect the positioning of a Production Possibility Curve. (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.   (2x1)   (2)

     3.1.2   What is the importance of the Unemployment Insurance Fund?   (1x2)   (2)

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

Trade union concerns delay Cell C CCMA process

DURBAN – "The section 189 consultation process at Cell C facilitated by the CCMA (Commission for Conciliation, Mediation and Arbitration) was delayed on Friday due to complaints raised by organised labour," the company said.

Cell C, South Africa's third-biggest telecoms company, initiated a section 189 consultation process with the Information Communication Technology Union (ICTU), the majority union at its operations, over its proposed plan to cut 40 percent of its workforce.

"Cell C is of the view that the ICTU is using delay tactics in this process," the company said.

[*https://www.iol.co.za/business-report/companies/trade-union-concerns-delay-cell-c-ccma-process-50485416*]

3.2.1   How many workers will lose their jobs according to the proposal by Cell C?   (1)

3.2.2   Give one example of a trade union mentioned in the article.   (1)

3.2.3   What is the importance of the Basic Conditions of Employment Act?   (2)

3.2.4   Mention one possible reason for the proposed job cuts by Cell C.   (2)

3.2.5   Why is it beneficial for an employee to join a trade union?   (4)

3.3 Study the following extract and answer the questions that follow.

Young professional gets a career boost from PSETA

One of the organisations enabling young professionals in the public sector to acquire professional accounting designations is PSETA. In their last intake of learnerships (2018/2019) for graduates and professionals in the public sector one lucky young lady, Asanda Nojilana, saw her career get a boost after she applied for a learnership to pursue the Accounting Technician [AT(SA)] professional accounting designation, offered by the South African Institute of Chartered Accountants (SAICA).

The Public Service Education and Training Authority is one of the 21 Sector Education and Training Authorities established in terms of section 9 (1) and (2) of the Skills Development Act (No. 97 of 1998 as amended). The Skills Development Act is the enabling legislation and guides our operations as a Sector Education and Training Authority, as set out in section 10 of the Act.

[*https://mg.co.za/special-reports/2020-07-08-young-professional-gets-a-career-boost-from-pseta/*]

3.3.1 What does the acronym PSETA stand for? (1)

3.3.2 According to the extract, which individuals will benefit from learnerships offered by PSETA? (1)

3.3.3 Explain what a learnership is. (2)

3.3.4 Why is skills development so important? (2)

3.3.5 Briefly explain TWO focus areas of government to address the inequalities of the past. (4)

3.4 Distinguish between any TWO types of unemployment. (8)

3.5 Determine the functions of the Commission for Conciliation, Mediation and Arbitration (CCMA). (8)

[40]

QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS– 30 MINUTES
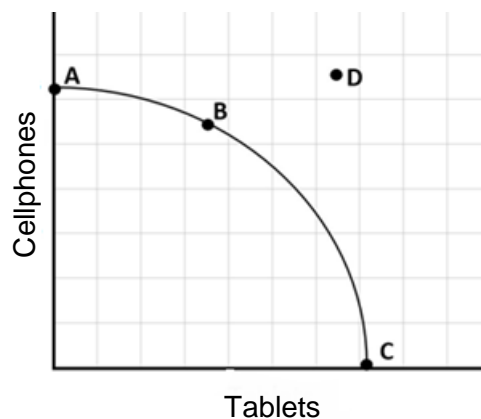
4.1   Answer the following questions.

      4.1.1   Name TWO levels of government in South Africa.   (2 x 1)   (2)

      4.1.2   Describe the term *utility*.   (1 x 2)   (2)

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

Production Possibility Curve of an electronics manufacturer

4.2.1   Identify the point on the graph where optimum production of cellphones
          and tablets takes place.   (1)

4.2.2   What happens at point C?   (1)

4.2.3   Why is the Production Possibility Curve important to manufacturers?   (2)

4.2.4   Explain why we cannot produce combination D.   (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.

Makhura outlines the best and worst case job scenarios for Gauteng

<u>Staff Writer</u>   20 May 2020

"The Covid-19 lockdown has had a significant impact on South Africa's economy and will lead to hundreds of thousands of job losses," says David Makhura.

Presenting to the Gauteng Legislature on Tuesday (19 May), Makhura said that the Provincial Government has developed a number of extensive models to analyse how severe job losses will be in the province.

While these models had originally shown that the province could lose around 600,000 jobs as a low-end estimate, this number has now been revised significantly upwards, he said.

"In the best-case scenario, we will have around 890,000 people losing jobs across the provincial economy."

"In a worst-case scenario, the number of jobs lost will total around two million. With the estimated number of job losses expected to reach seven million nationally, this is obviously quite severe."

Makhura said that the government will need to introduce a special economic stimulus to help offset these job losses.

[***https://businesstech.co.za/news/business/399511/makhura-outlines-the-best-and-worst-case-job-scenarios-for-gauteng/***]

4.3.1 Who is David Makhura?   (1)

4.3.2 What is the main reason for the job losses according to the extract?   (1)

4.3.3 Briefly define *unemployment*.   (2)

4.3.4 Why is unemployment a big concern for government?   (2)

4.3.5 Explain the effect of unemployment on an individual.   (4)

4.4 Discuss the criteria for goods to be eligible for trade on international markets.   (8)

4.5 Explain why some groups of people are economically marginalised in South Africa.   (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
Introduction • 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
Body: **Main part:** Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/Assess/Debate	Max. 26
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	Max. 10
Conclusion Any higher-order conclusion should include: • 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)   **[40]**

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:

  o   Characteristics
  o   Causes
  o   Effects   (26 marks)

- Analyse possible solutions that government can use to assist economically marginalised groups.   (10 marks)   **[40]**

TOTAL SECTION C: 40

TOTAL: 150

END