Province of the
EASTERN CAPE
EDUCATION

NATIONAL
SENIOR CERTIFICATE

GRADE 10

NOVEMBER 2017

ECONOMICS P1

MARKS: 150

TIME: 2 hours

This question paper consists of 14 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR 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. Write the question number above each answer.

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

4. Read the questions carefully and start each question on a NEW page.

5. Leave 2−3 lines between subsections of questions.

6. Answer questions in full sentences and ensure that the format,
    content and context of your responses comply with the cognitive
    levels of the questions.

7. Write neatly and legibly.

8. Only the required number of questions will be marked in the order in
    which they appear in the ANSWER BOOK.

9. Use only black or blue ink.

10. You may use a non-programmable pocket calculator.

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–D) next to the question number (1.1.1–1.1.8) in the ANSWER BOOK.

     1.1.1 Private ownership and individual preferences are important in this type of economy:

         A   Traditional economy
         B   Command economy
         C   Market economy
         D   Mixed economy

     1.1.2 Opportunity cost …

         A   explains how people make choices.
         B   refers to the value of the next best alternative that was sacrificed.
         C   explains how opportunity works in an economy.
         D   describes the utility of a good or service.

     1.1.3 The total compensation paid to the owners of the factors of production within a given period:

         A   GDP
         B   GNE
         C   GNI
         D   GDE

     1.1.4 During the recessionary phase of the business cycle, there is ...

         A   no change in economic growth.
         B   a decrease in unemployment.
         C   positive economic growth.
         D   negative economic growth.

     1.1.5 These were associations of crafts men, and other professions who controlled commerce in towns and cities during the period of market evolution:

         A   Guilds
         B   Landlords
         C   Alliances
         D   Hierarchy

1.1.6   Which ONE of the following is NOT an example of a service sector?

      A   Banking
      B   Construction
      C   Transport
      D   Education

1.1.7   The natural growth rate is….

      A   the rate at which a country grows economically.
      B   the rate at which the average human naturally grows.
      C   the difference between people who work in a country.
      D   the difference between the birth rate and the death rate in a country.

1.1.8   The ratio of live births in an area to the population of that area:

      A   Mortality rate
      B   Absorption rate
      C   Fertility rate
      D   Population growth rate   (8 x 2)   (16)

                                               Please turn over

1.2 Choose the correct description from COLUMN B that matches the 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	Model	A	Goods that are plentiful and have no price
1.2.2	Free goods	B	Refers to the ups and downs of economic activity in an economy
1.2.3	Double counting	C	The worldwide integration of markets and production
1.2.4	Business cycle	D	Used to explain theories and make predictions
1.2.5	Globalisation	E	When intermediate products are added to final products
1.2.6	Democracy	F	A place where buyers and sellers meet
1.2.7	Economically active population	G	Equal participation by all
1.2.8	Market	H	Those people who are unemployed and for some reason gave up looking for job
		I	Consists of people between the ages of 15 and 64 who are working or actively seeking a job

(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.

    1.3.1   The professions, jobs and positions you hold during your working life

    1.3.2   All human effort employed for remuneration

    1.3.3   The highest point of economic activity in the business cycle

    1.3.4   Exchanging one product for another one of more or less the same value

    1.3.5   An economy that does not trade with other countries

    1.3.6   The movement of people from rural areas to cities or towns

<div align="right">(6 x 1)   (6)</div>

<div align="right">**TOTAL SECTION A: 30**</div>

SECTION B

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

QUESTION 2: MACROECONOMICS   **40 MARKS – 30 MINUTES**

2.1   Answer the following short questions.

     2.1.1   Name any TWO kinds of consumer goods.   (2 x 1)   (2)

     2.1.2   How will taking Mathematics at school help you if you want to become an economist?   (1 x 2)   (2)

2.2   **DATA RESPONSE**

     Study the cartoon below and answer the questions that follow.

[Source: www.struggle.pk]

     2.2.1   Identify the phase of the business cycle as well as an economic activity from the cartoon above.   (2)

     2.2.2   Why do you think that 'jobless' will not lead to an economic 'take-off'?   (2)

     2.2.3   Which business cycle indicator does 'jobless' refer to?   (2)

     2.2.4   How would you describe the recovery phase of a typical business cycle?   (4)

2.3 **DATA RESPONSE**

Study the information below and answer the questions that follow.

VALUE ADDED (R Millions) Current prices	2015
1. Primary sector	371 069
2. Secondary sector	751 451
3. Tertiary sector	2 467 292
4. Gross value added at basic price	**3 589 812**
5. **B** taxes on products	438 785
6. **C** subsidies on products	15 005
7. Gross domestic product at market prices	**D**

[Source: *SARB Quarterly Bulletin*, September 2016]

2.3.1 Which sector contributed the most during 2015?   (1)

2.3.2 Which method of calculation was used in the table above to
determine the Gross Domestic Product?   (1)

2.3.3 Name the missing items labelled **B** and **C**.   (2 x 1)   (2)

2.3.4 Explain the term *Gross Domestic Product*.   (2)

2.3.5 Calculate the GDP as represented by **D**.   (4)

2.4 Distinguish between *leading* and *lagging economic indicators.* (2 x 4) (8)

2.5 What are possible solutions to reducing environmental problems?
                                                                  (4 x 2)   (8)
                                                                            [40]

QUESTION 3: ECONOMIC PURSUITS   40 MARKS – 30 MINUTES

3.1   Answer the following short questions.

    3.1.1   Mention any TWO countries of the BRICS.   (2 x 1)   (2)

    3.1.2   What are *Multinational Corporations*?   (1 x 2)   (2)

3.2   **DATA RESPONSE**

    Study the cartoon below and answer the questions that follow.

> This political cartoon is about the three main killers in Africa. It shows that the number one killer in Africa is AIDS. This is in the form of the Olympic Podiums in that it has the top three killers in Africa. The boxes are the ranking of killers. The characters are all Grim Reapers, which represent death. In Africa, there are three main killers and among those, the top killer is AIDS. This political cartoon shows how fatal AIDS is in a country.
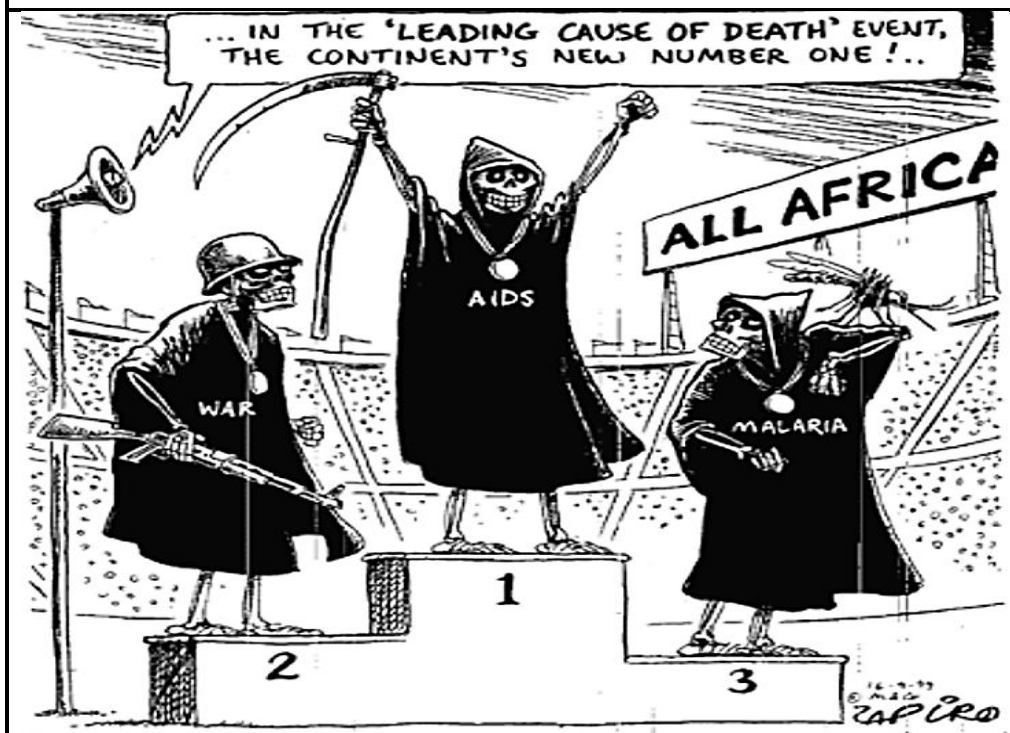
[Source: Adapted from www.alexandrahauber.weebly.com]

    3.2.1   Identify any TWO main killers in Africa.   (1 x 2)   (2)

    3.2.2   What does the acronym Aids stand for?   (2)

    3.2.3   Which country has the highest HIV/Aids rate in Africa?   (2)

    3.2.4   What is the impact of HIV/Aids on the population structure?
                                                (2 x 2)   (4)

3.3   **DATA RESPONSE**

Study the table below and answer the questions that follow.

WORKING CONDITIONS OF UNION AND NON-UNION MEMBERS				
Proportion of workers with:	**Private Sector**		**Public Sector**	
	Non-union	**Union**	**Non-union**	**Union**
Written contracts	83,3%	98,4%	99,7%	100,0%
Paid leave	62,0%	92,5%	54,3%	97,8%
Permanent contracts	57,6%	91,0%	38,9%	96,5%
Bargaining council coverage	2,8%	8,2%	11,4%	35,5%
No wage bargaining of any form	82,3%	8,3%	72,7%	2,5%

[Source: theconservation.com]

3.3.1   Identify TWO sectors in the table above.   (2 x 1)   (2)

3.3.2   Describe the term *labour unions*.   (1 x 2)   (2)

3.3.3   According to the table, explain ONE reason why workers would prefer to be union members.   (2)

3.3.4   Why are labour unions important in South Africa?   (2 x 2)   (4)

3.4   Describe the development of markets and trade in early societies.   (8)

3.5   Give your opinion of the impact of immigration and refugees on the population of South Africa.   (8)

                                                                    [40]

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

4.1   Answer the following short questions.

      4.1.1   List TWO types of consumption.   (2 x 1)   (2)

      4.1.2   What is *immigration*?   (1 x 2)   (2)

4.2   **DATA RESPONSE**

      Read the following scenario and answer the questions that follow.

THE RICH COUNTRY THAT IS POOR

In Africa, there is a large country that is one of the poorest countries in the world. The irony is that this country has platinum and uranium deposits which are unexcavated, because the country has a scarcity of skilled labour and capital. Most of the country is covered by a desert.

[Source: *Clever Economics Grade 10,* Page 22]

      4.2.1   Identify TWO mineral deposits from the extract.   (2 x 1)   (2)

      4.2.2   Describe the term *scarcity*.   (2)

      4.2.3   Quote from the extract to prove that there are limited factors of production in this country.   (2)

      4.2.4   How does *absolute* and *relative scarcity* affect the economy of developing countries?   (4)

4.3 **DATA RESPONSE**

Study the table below and answer the questions that follow.

KEY LABOUR MARKET INDICATORS

	Jan – Mar 2016	Oct-Dec 2016	Jan -Mar 2017	Qtr. -to-Qtr. change	Year-on-year change
	Thousand				
Working age population (15-64 years)	**36 431**	**36 905**	**37 061**	**156**	**630**
Labour force	21 398	21 849	22 426	577	1 029
Employed	15 675	16 069	16 212	144	538
Formal sector (non-agricultural)	10 983	11 156	11 337	181	354
Informal sector (non-agricultural)	2 565	2 695	2 681	-14	116
Agriculture	869	919	875	-44	6
Private households	1 257	1 299	1 319	21	62
Unemployed	**5 723**	**5 781**	**6 214**	**433**	**491**
Not economically active	**15 033**	**5 781**	**14634**	**-421**	**-399**
Discouraged work seekers	2 434	2 292	2 277	-15	-156
Other(not economically active)	12 599	12 763	12 357	-406	-242
Rates (%)					
Unemployment rate	26,7	26,5	**?**	1,2	1,0

[www.statssa.gov.za]

4.3.1 Give figures of employed and unemployed people during the last quarter of 2016.   (2 x 1)   (2)

4.3.2 Explain the term *Not Economically Active.*   (2)

4.3.3 What trend do you observe in the working age population from the table?   (2)

4.3.4 Calculate the unemployment rate for the 1st quarter of 2017.   (4)

4.4 Compare *free goods* and *economic goods* in the economy.   (2 x 4)   (8)

4.5 How did landlords use their wealth in ancient times?   (4 x 2)   (8)

[40]

TOTAL SECTION B: 80

SECTION C

Answer ONE of the two questions in this section.

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower order response: • 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 **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	Max. 26 Max. 10
Conclusion Any relevant higher order conclusion that should include: • A brief summary of what has been discussed / analysed without repeating facts already mentioned in the body • An opinion or valued judgment on the facts discussed • Additional support information to strengthen the discussion / analysis • A contradictory viewpoint with motivation, if so required • Recommendations	Max. 2
TOTAL:	**40**

QUESTION 5: MACROECONOMICS   40 MARKS – 40 MINUTES

The economy consists of a very complex web of a large number of different activities that are undertaken by millions of people.

- Discuss the role played by each participant in an open economy circular flow model. (26)

- What are the effects of an economic downswing on the participants in the economy? (10)
[40]

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

The size of a country's population plays an enormous part in the economy and it is important that counting of people has to be done on a regular basis, for instance every five years.

Discuss in details the stages of the demographic cycle under the following headings:

- The high stationary phase
- The early expanding phase   (26)

How would you describe a centrally planned economy?   (10)
      [40]

      TOTAL SECTION C: **80**
      GRAND TOTAL: **150**