Province of the
EASTERN CAPE
EDUCATION

NATIONAL
SENIOR CERTIFICATE

GRADE 10

NOVEMBER 2018

ECONOMICS P1

MARKS: 150

TIME: 2 hours

This question paper consists of 13 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. Only the required number of questions will be marked in the order in which they appear in the ANSWER BOOK.

8. Use only black or blue ink.

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

10. Write neatly and legibly.

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, for example 1.1.9 D.

1.1.1　Scarcity means that there are … resources to produce all goods that we need.

A　sufficient
B　insufficient
C　fixed
D　variable

1.1.2　… are rights that it is believed every living person should have.

A　Political rights
B　Civil rights
C　Economic rights
D　Human rights

1.1.3　A closed economy is an economy without the ... sector.

A　government
B　households
C　foreign
D　business

1.1.4　The lowest turning point of a business cycle is known as a …

A　trough.
B　recession.
C　depression.
D　peak.

1.1.5　The use of tools and methods for producing something is called …

A　nomadic.
B　barter.
C　technology.
D　power.

1.1.6   Which ONE of the following is not an example of an important system in the evolution of economic systems?

        A   Feudalism
        B   Metallurgy
        C   Mercantilism
        D   Communism

1.1.7   A population natural growth rate is determined by …

        A   deaths.
        B   births.
        C   immigrants.
        D   migration.

1.1.8   Which ONE of the following does not explain the high stationary phase of the demographic cycle?

        A   Birth and death rates in this stage are very high.
        B   Growth is very slow and fluctuating.
        C   Children are seen as economic assets.
        D   This stage is characterised by mechanisation and urbanisation.   (8 x 2)   (16)

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 Economists	A	The creation of utilities that can satisfy human wants
1.2.2 Production	B	When people move from place to place for food, water or pasture
1.2.3 Households	C	Use patterns to explain what happened in the economy in the past
1.2.4 Economic goods	D	A group of people that live together and make economic decisions
1.2.5 Nomadic	E	It governs commercial transactions
1.2.6 Mercantile law	F	It includes discouraged work-seekers, students, people with disabilities etc.
1.2.7 Unemployment	G	Goods that have exchange value and can be bought
1.2.8 Non-labour force	H	Is a situation in which members of the labour force are without work
	I	Goods that have utility but have no exchange value

(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   A sector that provides goods and services at cheaper or no price to households

    1.3.2   These are scarce when they are insufficient to meet all of our needs and wants

    1.3.3   The facilities provided to ensure that economic activities can take place for example roads, airports and telephone lines

    1.3.4   Trade where money is used to pay for goods

    1.3.5   Tools that were used in earlier societies to cultivate land

    1.3.6   Entrepreneurs starting businesses to employ themselves, such as family businesses or street vendors   (6 x 1)   (6)

TOTAL SECTION A: 30

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 questions.

2.1.1 Name TWO categories of scarcity. (2 x 1) (2)

2.1.2 Why is Economics referred to as a 'social science'? (1 x 2) (2)

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

Real gross domestic product
Quarter-to-quarter percentage change at seasonally adjusted annualised rates.

Sector	2016		2017				
	Q4	Year*	Q1	Q2	Q3	Q4	Year*
Primary sector	-8.7	-5.6	15.5	13.9	13.7	4.9	7.5
Agriculture	-4.1	-10.2	26.2	36.8	41.1	37.5	17.7
Mining	-9.9	-4.2	12.6	7.8	6.2	-4.4	4.6
Secondary sector	-1.1	0.6	-3.7	2.8	1.5	3.1	-0.1
Manufacturing	-2.5	0.9	-4.1	2.9	3.7	4.3	-0.2
Tertiary sector	2.2	1.7	-1.7	1.2	1.1	2.7	0.8
Non-primary sector	1.5	1.4	-2.1	1.6	1.2	2.7	0.6
Total	**0.4**	**0.6**	**-0.5**	**2.9**	**2.3**	**3.1**	**1.3**

*Percentage change over one year [Source: Stats SA]

2.2.1 Which sector contributed the most during the last quarter (Q4) of 2017? (1)

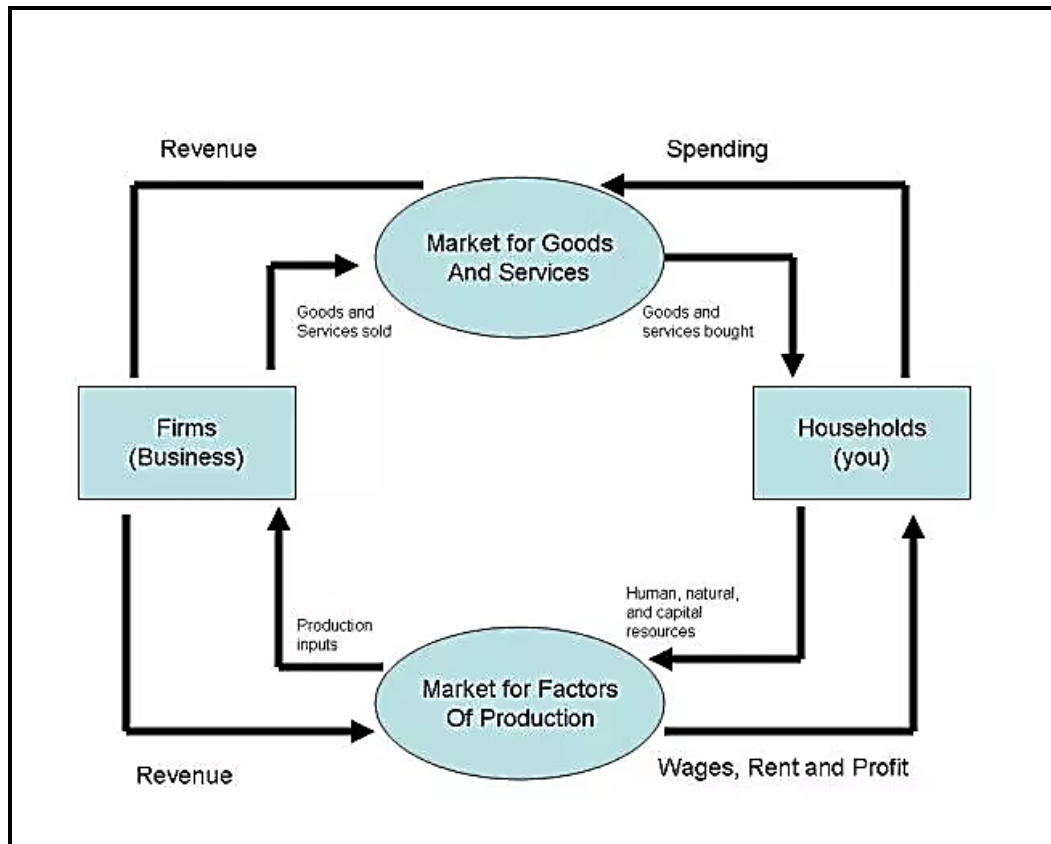2.2.2 Give ONE example of a tertiary sector business or industry. (1)

2.2.3 What difference do you observe between the last quarter of 2016 and the last quarter of 2017 in the agricultural sector? (2)

2.2.4 Explain the term *production*. (2)

2.2.5 Why is the secondary industry needed in the economy? (4)

2.3 **DATA RESPONSE**

Study the diagram below and answer the questions that follow.

[Source: dziuk.info]

2.3.1   What diagram is depicted above?   (1)

2.3.2   Identify any economic participant in the above diagram.   (1)

2.3.3   What are the terms that are used to describe the movement of
        goods and services and the movement of money in the above
        diagram?   (2)

2.3.4   Explain the term *leakages*.   (2)

2.3.5   Why is the role of households so important in the diagram?   (4)

2.4 Distinguish between *macro-economics* and *micro-economics*.   (2 x 4)   (8)

2.5 How can an injection benefit the South African economy?   (4 x 2)   (8)
                                                                        [40]

QUESTION 3: ECONOMIC PURSUITS   40 MARKS – 30 MINUTES

3.1   Answer the following questions.

     3.1.1   Mention any TWO of the G8 countries.   (2 x 1)   (2)

     3.1.2   Why do businesses prefer mass production to other production methods?   (1 x 2)   (2)

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

Natural growth of population in South Africa

Year	Reported births	Reported deaths	Natural increase
1997	949,341	317,131	632,210
1998	933,525	365,852	567,673
1999	949,281	381,820	568,661
2000	960,493	415,983	544,510
2001	944,345	454,847	489,498
2002	953,680	502,031	451,649
2003	994,546	556,769	387,777
2004	994,537	576,700	417,837
2005	1,027,650	598,054	**A**
2006	1,046,130	612,462	433,668
2007	1,015,370	601,033	414,337

[Source: *Via Africa Grade 10*]

     3.2.1   Identify the year in which the reported deaths were extremely high.   (1)

     3.2.2   What is the main method used to count the population?   (1)

     3.2.3   Explain the term *demographic cycle*.   (2)

     3.2.4   Determine the value of **A.**   (2)

     3.2.5   Draw a conclusion about any tendency that can be observed from the natural increase in the population over the period from 1997 to 2007.   (4)

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

<div style="border:1px solid">

NIGERIA AS AN INDUSTRIAL COUNTRY

After independence in 1958, the government encouraged industries to produce those goods that were still being imported. Factories were established to make radios, cigarettes, beer, tyres, shoes, flour and many other products.

Today, Nigeria is the largest exporter of crude oil in tropical Africa and earns more than 90% of its revenue from exports.
Oil industries are costly, so the industry needed the help of foreign corporations.

[Source: *Focus Economics Grade 10*]

</div>

    3.3.1 Identify the industry that creates the largest income in the country. (1)

    3.3.2 According to the extract, which sector provides the most opportunities for employment? (1)

    3.3.3 Explain the term *urbanisation*. (2)

    3.3.4 What is meant by the term *unemployment*? (2)

    3.3.5 Why were labour unions established during the industrial revolution? (Any 2 x 2) (4)

3.4 Discuss the characteristics of a mixed economy. (4 x 2) (8)

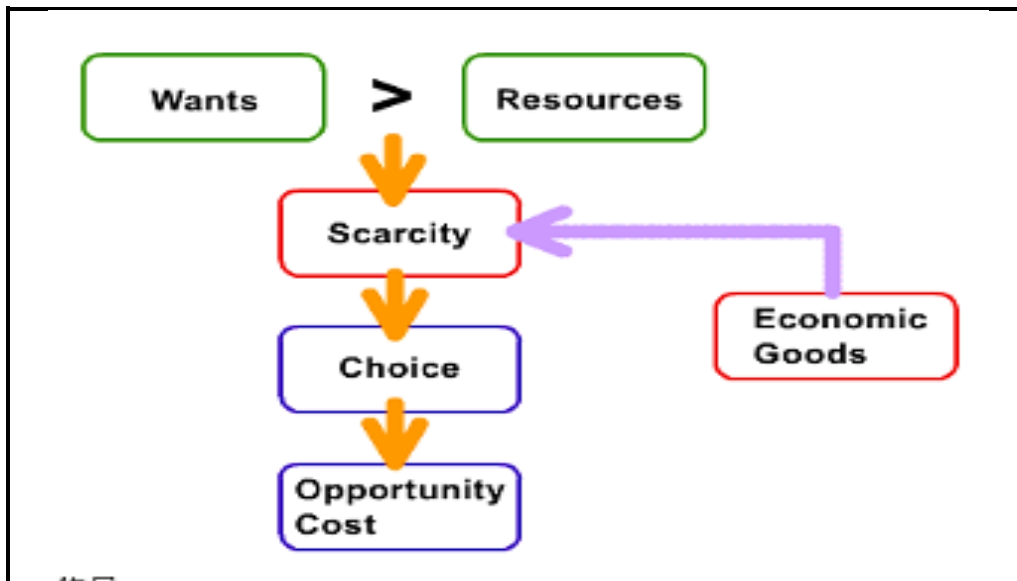3.5 Why should the nation be encouraged to save? (4 x 2) (8)

[40]

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

4.1 Answer the following questions.

    4.1.1 Mention any TWO examples of capital goods. (2 x 1) (2)

    4.1.2 Why is the population growth rate important for future government planning? (1 x 2) (2)

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

[Source: www.sy-eco.org]

    4.2.1 Identify the name that describes goods and services that individuals can do without. (1)

    4.2.2 Mention ONE important question economists ask in order to solve an economic problem. (1)

    4.2.3 Explain the term *positive statement.* (2)

    4.2.4 Explain the term *opportunity cost.* (2)

    4.2.5 Why do people have to make choices? (4)

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

Labour force – all population groups (Men)

	Oct-Dec 2016	**Jan–March 2017**
Population 15–64 years	**18 226**	**18 307**
Labour force	**11 966**	**12 195**
Employed	**9 037**	**9 030**
Unemployed	**2 929**	**3 165**
Not economically active	**6 260**	**6 113**
Discouraged work seekers	**1 003**	**1 044**
Rates (%)		
Unemployment rate	**24,5**	**?**

[Source: Stats SA Quarterly bulletin 2017]

4.3.1 Give ONE example of people who are economically inactive. (1)

4.3.2 What does 'population 15–64 years' represent? (1)

4.3.3 Explain the term *labour force participation rate*. (2)

4.3.4 What do you understand by the term *involuntary migration*? (2)

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

4.4 Discuss the four factors of production. (4 x 2) (8)

4.5 Why is the low stationary phase in the demographic cycle important?
(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	Max. 26
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. 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 value judgment on the facts discussed; • Additional support information to strengthen the discussion / analysis; • A contradictory viewpoint with motivation, if so required; and • Recommendations.	Max. 2
TOTAL:	**40**

QUESTION 5: MACROECONOMICS   40 MARKS – 40 MINUTES

• Discuss briefly the phases of the business cycle.   (26)
• Explain how the can endogenous (Keynesian) factors influence economic fluctuation?   (10)
                                                                                                                            [40]

OR

QUESTION 6: ECONOMIC PURSUITS   40 MARKS – 40 MINUTES

• Fully discuss the main factors that impact on South African labour force growth and composition.   (26)
• Explain how surplus production, trade and transport development is used in the evolution of markets.   (10)
                                                                                                                            [40]

TOTAL SECTION C: 40
GRAND TOTAL: 150