



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

NOVEMBER 2019

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. Number the answers correctly according to the numbering system used in this question paper.
3. Write the number of the question above each answer.
4. Read the questions carefully and start each question on a NEW page.
5. Leave 2–3 lines between subsections of questions.
6. 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.
7. Answer only the required number of questions. Answers in excess of the required number will NOT be marked.
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 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 Industrialisation refers to the development of the ... sector.
- A primary
 - B secondary
 - C tertiary
 - D economic
- 1.1.2 Leakages from the economic circular flow model includes ...
- A taxation and government spending.
 - B savings and exports.
 - C investment and imports.
 - D savings and taxation.
- 1.1.3 After merchants and craftsmen settled in towns they set up organisations called ...
- A labour unions.
 - B guilds.
 - C merchant and craftsmen organisations.
 - D craft clubs.
- 1.1.4 Life expectancy is determined by ...
- A mortality.
 - B fertility.
 - C labour.
 - D Aids.
- 1.1.5 Which ONE of the following is not an example of an important system in the evolution of economic systems?
- A Feudalism
 - B Mercantilism
 - C Metallurgy
 - D Communism

1.1.6 The ... phase in the business cycle is characterised by a general pessimism among households.

- A recession
- B recovery
- C trough
- D depression

1.1.7 What will lead to an increase in spending by households?

- A Reduction in the rate of income tax
- B An increase in the rate of unemployment
- C An increase in the interest rate
- D A decline in their disposable income

1.1.8 Frictional unemployment occurs when ...

- A harvesting ends.
- B the structure of the economy changes.
- C unemployment is long lasting.
- D people move between jobs.

(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, for example 1.2.9 J.

COLUMN A		COLUMN B	
1.2.1	Environment	A	consecutive periods of increasing and decreasing in economic activities
1.2.2	Price theory	B	the part of the labour force that is able to work
1.2.3	Total injections	C	the extension of a country's power and influence in the world through political relations or military force
1.2.4	Business cycles	D	trade promotion for economic development intervention aimed at improving the performance of an economic area
1.2.5	Self sufficiency	E	the physical surroundings and conditions that affect people's lives
1.2.6	Imperialism	F	the sum of investment, government expenditure and export income
1.2.7	Economical active population	G	another name for microeconomics
1.2.8	Export promotion	H	people produce what they need for themselves
		I	the amount of money that a natural resource earns over and above its transfer earnings

(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 All human effort employed for remuneration
 - 1.3.2 Branch of economic that studies the trade and finances between countries around the world
 - 1.3.3 A group of people that live together as a family unit and make joint economic decisions
 - 1.3.4 Goods that are plentiful but have no exchange value.
 - 1.3.5 A decline in the value of one currency in terms of another currency
 - 1.3.6 The proportion of the economical active population that finds employment in the formal sector of the economy (6 x 1) (6)

TOTAL SECTION A: 30

SECTION B

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

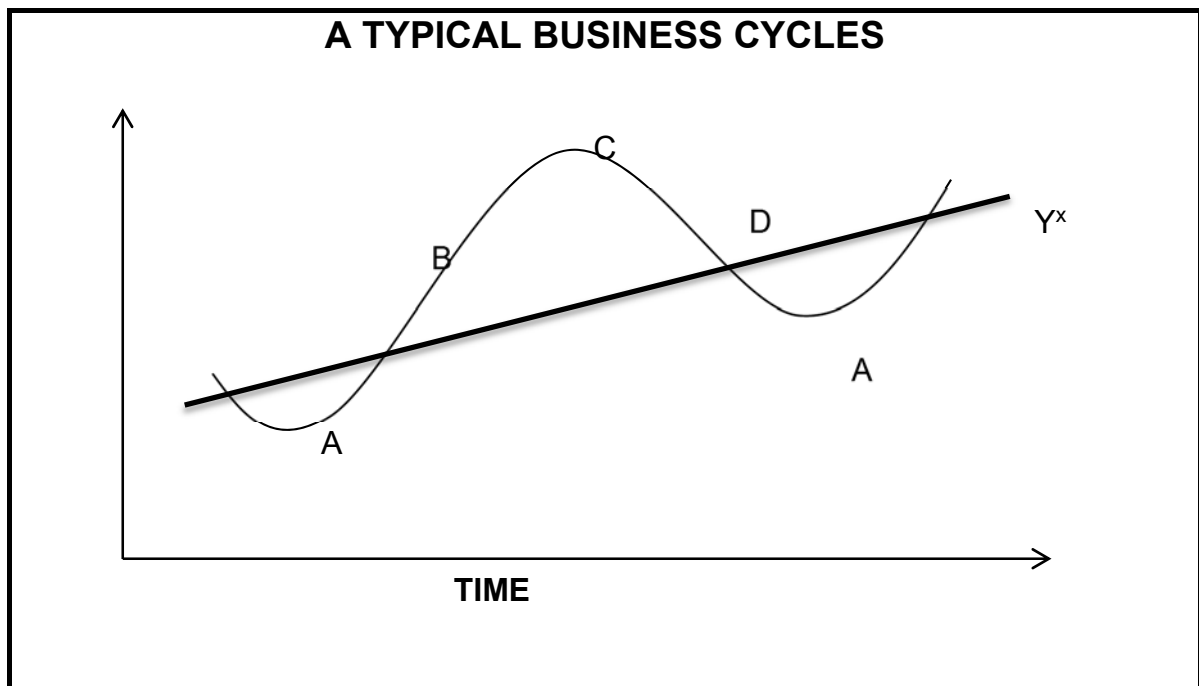
QUESTION 2: MACROECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1 List any TWO economic approaches. (2 x 1) (2)

2.1.2 Why do economists make use of economic models? (1 x 2) (2)

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



2.2.1 Identify the trough in the business cycle above. (1)

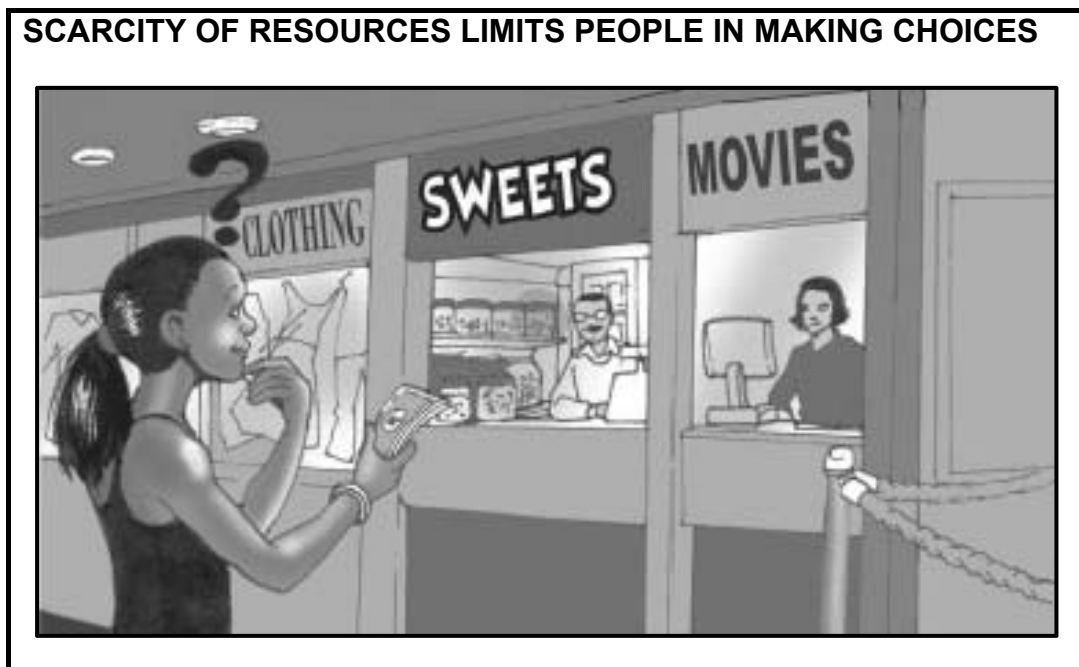
2.2.2 What is the line labelled Y^x called in economics? (1)

2.2.3 Describe the term *business cycle*. (2)

2.2.4 Explain the recovery phase of a typical business cycle. (2)

2.2.5 What can the government do to smooth out a severe decrease in the business cycle? (4)

2.3 Study the picture below and answer the questions that follow.



2.3.1 Which type of consumer goods do sweets belong to? (1)

2.3.2 Name any basic need of households. (1)

2.3.3 Briefly describe the term *scarcity*. (2)

2.3.4 What is an *opportunity cost*? (2)

2.3.5 How does scarcity affect the choice of consumers? (4)

2.4 Briefly discuss the impact of HIV/Aids on the South African labour force. (4 x 2) (8)

2.5 How can economic issues affect human rights? (8)

[40]

QUESTION 3: ECONOMIC PURSUITS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name any TWO economic consequences of the mining and industrial stage. (2 x 1) (2)

3.1.2 What is the purpose of markets in the economy? (1 x 2) (2)

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

UNEMPLOYMENT CHALLENGES IN SOUTH AFRICA

Labour Force Participation Rate in South Africa decreased to 58,80% in the first quarter of 2019, from 59,40% in the fourth quarter of 2018. Labour Force Participation Rate in South Africa averaged 57,19% from 2001 until 2019, reaching an all-time high of 60,80% in the first quarter of 2001 and a record low of 53,60% in the fourth quarter of 2010.

[Source adapted from www.statsa.co.za]

3.2.1 What is the meaning of *elderly* in the South African labour force? (1)

3.2.2 What happened to the participation rate between 2001 and 2019? (1)

3.2.3 Briefly describe *unemployment*. (2)

3.2.4 What is the age range of the South African labour force? (2)

3.2.5 Why does labour supply change in South Africa? (4)

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



[Source adapted from www.sahistory]

- 3.3.1 Under which economic sector is mining classified? (1)
- 3.3.2 Mention any economic activity that early societies were involved in. (1)
- 3.3.3 Briefly describe *commercialisation*. (2)
- 3.3.4 Explain the changes brought by the evolution of markets. (2)
- 3.3.5 How does GDP relate to economic growth? (4)
- 3.4 Explain the social and economic impact of unemployment. (4 x 2) (8)
- 3.5 Give your opinion of the impact of immigration and refugee on the population of South Africa. (4 x 2) (8)

[40]

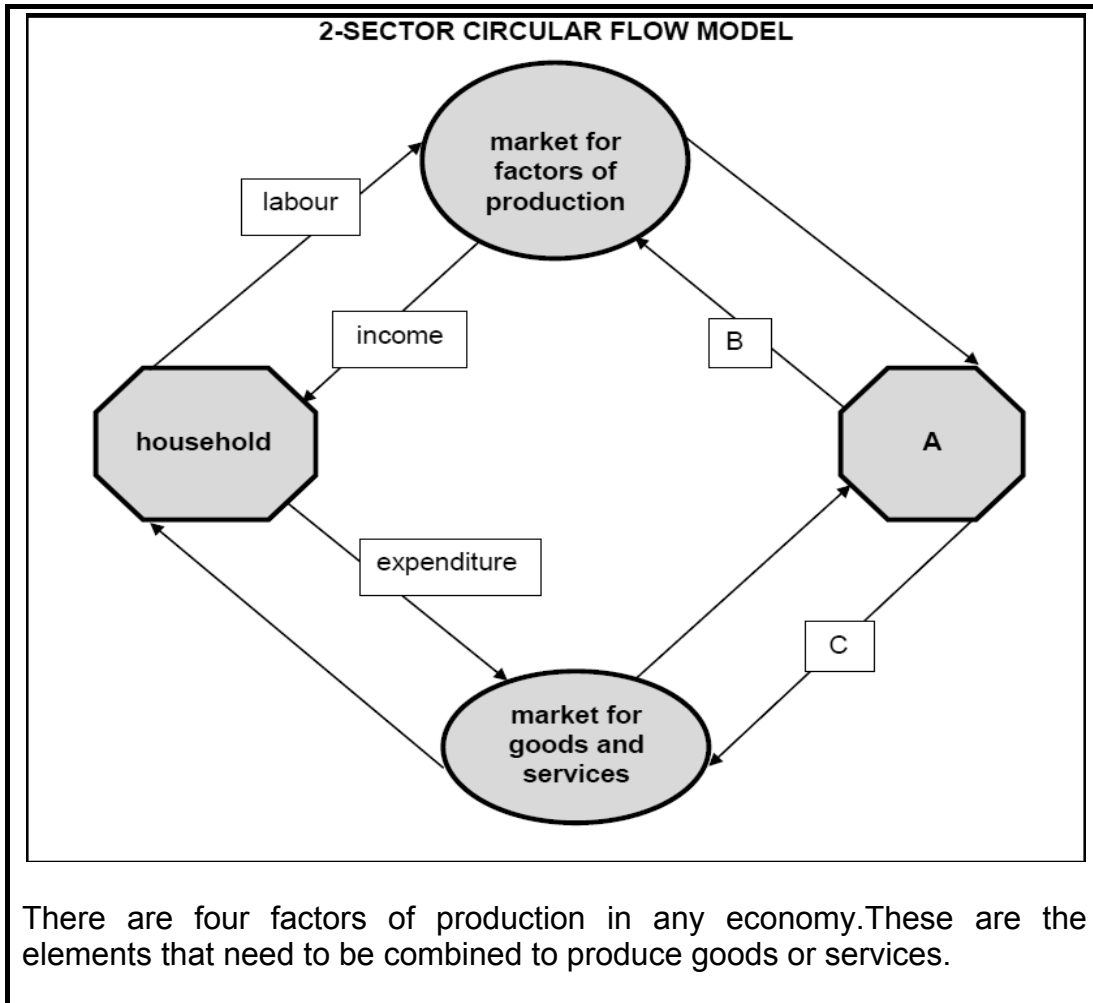
QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name any TWO examples of renewable natural resources. (2)

4.1.2 What determines the population growth rate? (2)

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



There are four factors of production in any economy. These are the elements that need to be combined to produce goods or services.

4.2.1 What does the block labelled **A** stand for? (1)

4.2.2 What type of economy is illustrated by the circular flow above? (1)

4.2.3 Describe the term *production*. (2)

4.2.4 Explain what will happen to the national income if imports increase. (2)

4.2.5 How can the government use scarce resources to try to satisfy South Africans' unlimited needs and wants? (4)

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

SECTOR	2011	2012	2013	2014	2015	2016	2017
Primary	48,8	32,7	A	11,8	10,8	10,2	11,8
Agriculture, forestry and fishing	21,3	12,1	7,1	4,6	3,4	2,8	2,4
Mining	27,5	20,6	16,0	7,2	7,4	7,4	9,4
Secondary	5,8	11,6	31,1	27,7	24,3	23,4	21,0
Tertiary	45,4	55,7	45,8	60,5	64,9	66,9	67,2

[Source adapted from www.statssa]

- 4.3.1 Mention the method used to calculate the GDP in the above table. (1)
- 4.3.2 In which economic sector do banks operate? (1)
- 4.3.3 Describe the term *secondary sector*. (2)
- 4.3.4 Explain the trend of secondary sector contribution between 2013 and 2017. (2)
- 4.3.5 Calculate the value of the primary sector's contribution (**A**) in 2013. (4)
- 4.4 Differentiate between *absolute* and *relative scarcity*. (2 x 4) (8)
- 4.5 Suggest FOUR possible solutions for environmental problems. (4 x 2) (8)
- [40]**

TOTAL SECTION B: 80

SECTION C

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

Your answer will be assessed as follows.

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. <ul style="list-style-type: none"> • A good starting point would be to define 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
Body Main part: Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain 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
Conclusion Any higher-order conclusion should include: <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. 10
TOTAL	40

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

- Discuss the phases of the business cycles. (26 marks)
- How can injections contribute towards economic upswing? (10 marks) **[40]**

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

Discuss animal husbandry and agriculture under the following headings:

- Characteristics (10)
- Factors promoting development (8)
- Factors hampering development (8) (26 marks)
- Why should the nation be encouraged to save? (10 marks) **[40]**

TOTAL SECTION C: 40**GRAND TOTAL: 150**

