



AEQUAM SERVARE MENTEM

ECONOMICS

MARCH 2020

CONTROLLED TEST

GRADE 10

MARKS : 100

TIME : 1 ½ Hour

DATE : 17 MARCH 2020

INSTRUCTIONS AND INFORMATION

1. Answer THREE questions as follows:
 - SECTION A: COMPULSORY
 - SECTION B: Answer any ONE question from this section.
 - SECTION C: Answer any 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 each question above each answer.
4. Read the questions carefully and start EACH question on a new page.
5. Leave at least ONE line between subsections of each question.
6. Start each question on a new page.
7. Answer questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.
8. Answer ONLY the required number of questions. Answers in excess of the required number will NOT be marked.
9. Use ONLY blue or black ink.
10. Non-programmable pocket calculators may be used.
11. Write legibly and present your work neatly.

SECTION A

QUESTION 1 COMPULSORY

1.1 Various options are provided as possible answers to the following questions.

Choose the correct answer and write ONLY the letter (A – C) next to the question number (1.1.1 – 1.1.5) in the **ANSWER BOOK**. e.g 1.1.6 D.

1.1.1 Goods that are scarce in relation to their demand are called...

- A. Economic goods
- B. Free goods
- C. Capital goods
- D. Intermediate goods

1.1.2 The method where people can use their value judgement ...

- A. Positive statement.
- B. Income statement.
- C. Valuable statement.
- D. Normative statement.

1.1.3 The physical human effort used in the production process ...

- A. Entrepreneur.
- B. Labour
- C. Wages.
- D. Natural resources.

1.1.4 The value national income divided by the population is ...

- A. Real GDP
- B. Nominal Income
- C. Per Capita Income
- D. Gross National Income.

1.1.5 Economic equilibrium occurs when ...

- A. $L = J$
- B. $L > J$
- C. $J < L$
- D. $J \leq L$

(2 X 5)(10)

1.2. Choose a description from COLUMN B that matches the item in COLUMN A. Write only a letter (A – F) next to the question number (1.2.1 – 1.2.5) in the answer book, e.g. 1.2.6 B.

COLUMN A	COLUMN B
1.2.1 Open economy	A. Goods produced by the domestic economy and purchased by the foreign sector.
1.2.2 Exchange rate	B. Inclusion of foreign sector in the circular flow.
1.2.3. Monetary Economics	C. Price of one currency expressed in terms of another.
1.2.4. Endogenous	D. People who are excluded from participating in the economy.
1.2.5. Economically vulnerable	E. The roles of money and banks in the economy are examined.
1.2.6. Exports	F. It is an increase in the general prices of goods. G. Internal factors that cause fluctuation in the business Cycle.

(1X 6)(6)

1.3. Give one term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.4) IN THE ANSWER BOOK. Acronyms and abbreviations will not be accepted.

1.3.1 Money flows that cause withdrawals from the circular flow.

1.3.2 Payment for the factors of production.

1.3.3 Production method where firms use a great deal of machines and few workers.

1.3.4 The total value of all final goods and services produced by citizens of a country.

(1x 4)(4)

Total Section A: 20 Marks

SECTION B

Answer only ONE question in this section.

QUESTION 2

2.1 Answer the following questions.

2.1.1. Name TWO flows in the circular flow. (1x2)(2)

2.1.2. Explain how can an increase in exports impact the economy. (2)

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



2.2.1. Which form of scarcity is depicted in Victoria in the picture above? (2)

2.2.2. Briefly explain the reasons for consumers to make choices. (2)

2.2.3. Describe the term *opportunity costs*. (2)

2.2.4. How will the scarcity of water affect the economy? (2x2)(4)

[10]

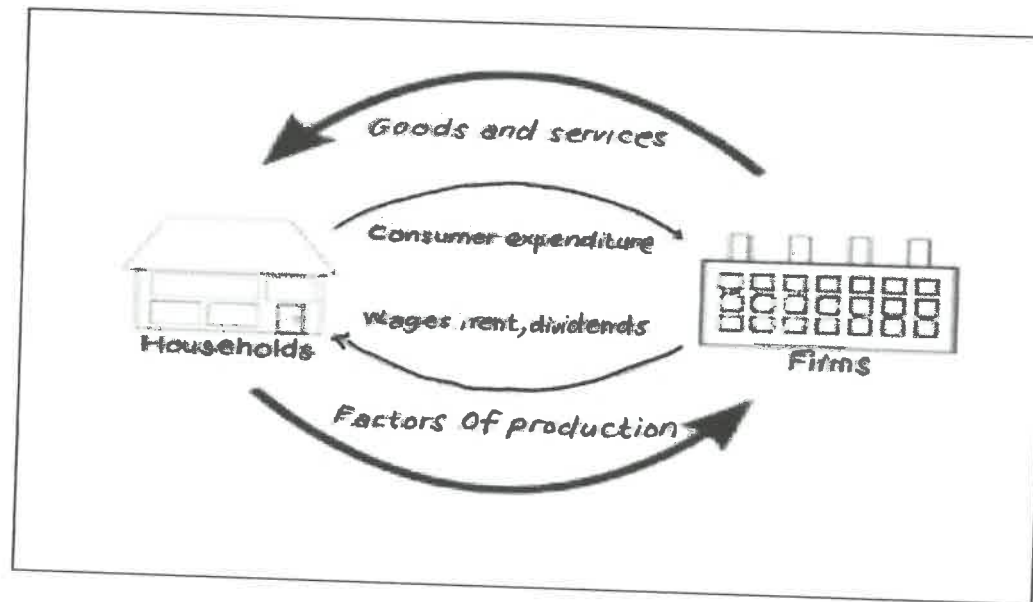
2.3. Study the following table and answer the questions that follow.

Value added R billion (Current prices)	R Millions (2016)
Primary sector	275
Secondary sector	458
Tertiary sector	1324
Gross value added at basic prices	2 057
Add Taxes on products	8
Subtract subsidies on products	170
Gross domestic products at market prices	A

Source: Stats SA

- 2.3.1. Name the method used to calculate GDP in the above table. (1)
- 2.3.2. Give ONE example of taxes on products. (1)
- 2.3.3. Describe the term *Gross Domestic Product*. (2)
- 2.3.4. Briefly explain the importance of Gross domestic product figures. (2)
- 2.3.5. Calculate the value of A in the above table. Show all calculations. (4)
- 2.4. Distinguish between *macroeconomics* and *microeconomics* (8)
- 2.5. Why are households regarded as major participant in the circular flow? (8)

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



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3.3.1. Which other TWO participants not mentioned above. (2)

3.3.2. Describe the term *circular flow*. (2)

3.3.3. Briefly discuss the positive impact of injection in the circular flow. (2)

3.3.4. Briefly explain the importance of the financial market in the circular flow. (4)

3.4. Briefly discuss the role of the government in the circular flow. (8)

3.5. How do business cycle fluctuations affect employment in the economy? (8)

[40]

TOTAL SECTION B: 40

QUESTION 3

3.1. Answer the following questions.

- 3.1.1. Name TWO economic indicators. (1X2)(2)
- 3.1.2. How is the single business cycle measured? (2)

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

The importance of the study of Economics

In modern times the importance of the study of Economics is infinite. It not only provides us with knowledge, but also helps to solve the different problems in real life. The importance of Economics in different areas of human life is discussed below.

In the proper use of resources: We can learn about the use of resources with the knowledge of Economics. The study of Economics helps us to understand how to produce the maximum output with the proper use of limited resources.

In state management: The knowledge of Economics is indispensable to manage the Economic and development activities of a state. For this reason, politicians and government employees need to have proper knowledge of the currency system, banking system, tax system, industrial and trade policy, budgeting, etc. The knowledge of Economics helps in managing state affairs.

Source: <http://wikieducator.org/Concepts of Economics>

- 3.2.1. Name ONE career that can be followed after studying Economics. (1)
- 3.2.2. Which currency is used in South Africa? (1)
- 3.2.3 Explain the basic problem of Economics (2)
- 3.2.4 Describe positive economic statement. (2)
- 3.2.5 Why are statistics used by economists? (2 X 2)(4)

SECTION C

Answer ONE question from this section.

STRUCTURE OF THE ESSAY	MARK ALLOCATION
<p>Introduction</p> <p>The introduction is a lower-order response.</p> <ul style="list-style-type: none"> • A good starting point would be to determine 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 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/ Distinguish/Evaluate / 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/ Complete the given graph/ Calculate/ Deduce/ Compare/ Explain/ Distinguish/ Interpret/ Briefly debate/ How?/ Suggest</p>	Max. 26
<p>Conclusion</p> <p>Any relevant higher order conclusion that should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value-judgment on the facts discussed • Additional support information to strengthen the discussion / analysis • A contradictory viewpoint with motivation, if so required • Recommendations 	Max. 10
TOTAL	40

QUESTION 4

- Discuss in detail the phases of business cycles with the use of a diagram. (26)
- How will the exogenous reasons influence the business cycles? (10)

QUESTION 5

- Discuss production, consumption and exchange in relation to the basic economic problem. (26)
 - How will the government solve the environmental problems that affect human rights? (10)
- [40]

TOTAL SECTION C: 40
GRAND TOTAL: 100

