



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

ECONOMICS

COMMON TEST

MARCH 2023

Stanmorephysics

MARKS : 100

TIME : 1½ Hour

This question paper consists of 9 pages.

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 complies 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****20 MARKS – 15 MINUTES**

1.1 Various options are provided as possible answers to the following questions. Write down the question number (1.1.1 - 1.1.5) and write only letter (A - D) next to the question number in the ANSWER BOOK.

1.1.1. The branch of economics that applies statical method is known as ...

- A. International
- B. Econometrics
- C. Regional
- D. Development

1.1.2. The method of economics where statements can be proven right or wrong is called ...statement

- A. Positive
- B. Normative
- C. Scientific
- D. Result

1.1.3. The deposit of money into the circular flow is referred to as ...

- A. Leakages
- B. Savings
- C. Taxes
- D. Injections

1.1.4 The type of goods and services that are provided by government are called...goods

- A. Intermediate
- B. Demerit
- C. Public
- D. Private

1.1.5 The economic indicator that change before economy changes are called...

- A. Coincident
- B. Leading
- C. Trendline
- D. Health



(5 x 2) (10)

- 1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write ONLY the letter (A - G) next to the question number (1.2.1 – 1.2.6) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Development economics	A. ✓ Withdrawals from the circular flow.
1.2.2 Scientific Method	B. ✓ The upper turning point of the business cycle.
1.2.3 Peak	C. The study of policies and actions that Result in an increase in standard of Living.
1.2.4 Leakages	D. Process where resources are changed Into final goods.
1.2.5 Production	E. ✓ The empirical research method where Information is gained through experiments observation
1.2.6 Gross domestic expenditure	F. ✓ Total spending by the participants inside the country
	G. The lower turning point of the business cycle

(6 x 1) (6)

- 1.3 Give ONE term each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.4) in the ANSWER BOOK. ABBREVIATION AND ACRONYMS MAY NOT BE ACCEPTED.

1.3.1 The value of the next best alternative not chosen.

1.3.2 The method of production that uses more workers than capital.

1.3.3 The document containing all proposed income and expenditure by government.

1.3.4 Internal factors that affect business cycle.

(4 x 1) (4)

TOTAL SECTION A: [30]

SECTION B

Answer any ONE question of the TWO from this section in the ANSWER BOOK.

QUESTION 2

40 MARKS – 30 MINUTES

2.1 Answer the following questions.



2.1.1. Name any TWO types of Human Rights. *Freedom work* (1x2) (2)

2.1.2. Why do consumers have to make choices in decision making? (2x1) (2)

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



Source: [YahooNews]

2.2.1 Identify the type of scarcity shown by the cartoon above. *absolutely scarcity* (1)

2.2.2 What is the cause of scarcity on food? *Business has no money to buy the factors of production.* (1)

2.2.3 Briefly describe the concept Normative statement. *It is a statement based on your opinion* (2)

2.2.4 Explain the benefit of using models in the study of economics. (2)

2.2.5 How can the study of Economics improve the economy? (4)

It can help to increase standard of living

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



(Adapted from City Press News; February 2023)

- 2.3.1 Identify the sector shown by the picture above. (1)
- 2.3.2 Name one other commercial bank not shown above. (1)
FNB
- 2.3.3 Briefly describe the concept *globalisation*. (2)
- 2.3.4 What is the importance of the secondary sector in the economy? (2)
It is to manufacture goods.
- 2.3.5 How can the capital-intensive methods of production negatively affect the economy? (4)
- 2.4 Discuss different types of consumer goods. (8)
- 2.5 How can factors of production contribute to the economy? (8)



QUESTION 3

3.1 Answer the following questions.

3.1.1 Name TWO career opportunities that are available to economist. (1x2) (2)

3.1.2 What are the challenges faced by social scientists? (2x1) (2)



3.2 Study the following extract and answer the questions that follow

THE EFFECTS OF FLOODS IN KWAZULU NATAL

After two consecutive quarters of positive growth, real GDP decreased by 0,7% in the second quarter of 2020 (Q2: 2022). The devastating floods in KwaZulu Natal contributed to the decline, weakening an already fragile economy.

The flooding had a negative impact on a number of industries, especially manufacturing. According to 2019 data, the damage to factories and plants and disruptions to logistics pulled manufacturing output down by 5,9%

Adapted from www.statsSA.gov.za

3.2.1 What is the percentage decrease of GDP IN 2022? 0,7% (1)

3.2.2 According to the extract, what are the causes of a negative growth in real GDP? Floods (1)

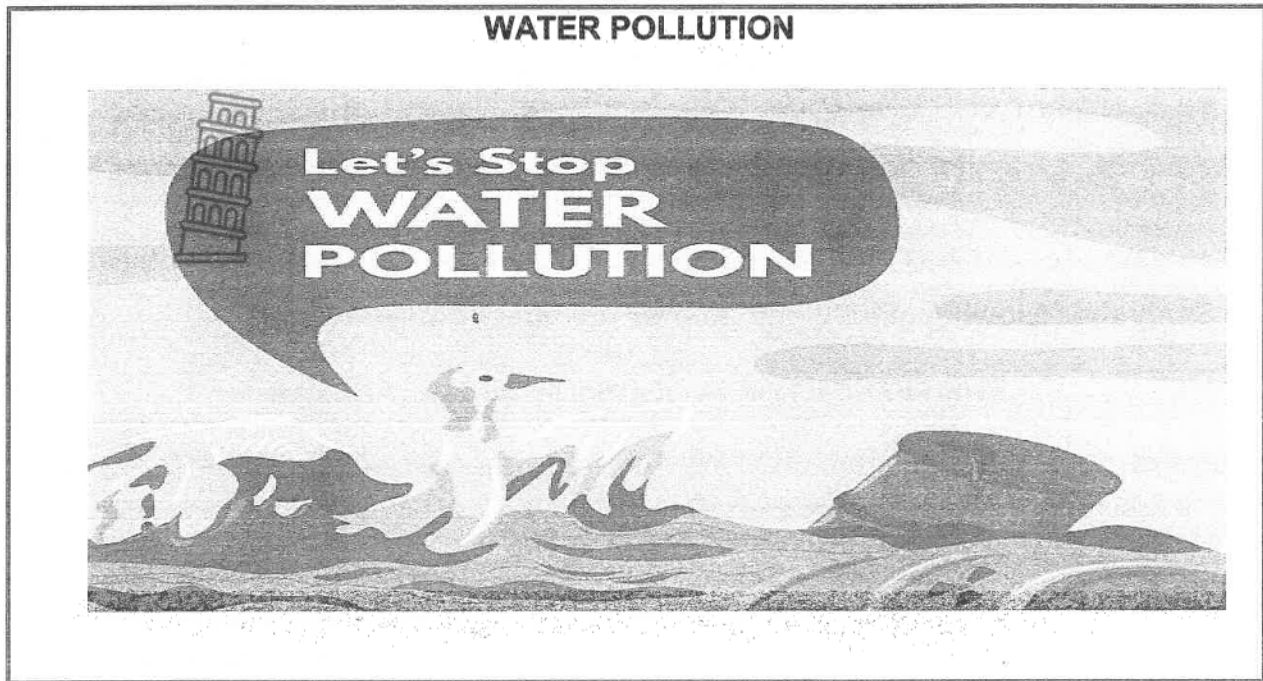
3.2.3 Briefly describe the term Gross National Product. (2)

3.2.4 Explain the effect of tax increase on prices. (2)

3.2.5 How will GDP be converted to GNI? (4)



3.3 Study the cartoon below and answer the following questions.




Source: www.freepic.com

- 3.3.1 Identify the environmental problem shown by the cartoon. (1)
water pollution
- 3.3.2 Name ONE other type of pollution. (1)
air pollution
- 3.3.3 Briefly describe the concept *mass production*. when you make manufacture so much of something (2)
- 3.3.4 Why is it important for a country to protect the environment? (2)
so that
- 3.3.5 How can the government intervene to solve environmental problems? Help to make thing that is more environment friendly instead of making things that will have harm the (2 x 2)(4)
- 3.4 Briefly discuss *Macroeconomics* and *Microeconomics*. environment (2 x 4)(8)
- 3.5 How can business cycles impact on the economically vulnerable? (8)
It show the increase & decrease that business has, if they have made a profit or loss



SECTION C

Answer any ONE of the two questions in this section in the ANSWER BOOK. Ensure that your answer follows the structure indicated below in order to obtain maximum marks:

STRUCTURE OF 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 define the main concept related to the question topic. • Do not include any part of the question in your introduction. • Do not include any part of the introduction in your body. • Avoid saying in the introduction what you are 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/ Evaluate/ Distinguish/Differentiate/ Explain.</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>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion</p> <p>Any high-order conclusion should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed without repeating facts already mentioned. • Any opinion or value judgment 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 4**40 MINUTES**

- Discuss the interaction of all participants in the circular flow model. (26)
- How can the financial sector contribute to the economy. (10)

[40]**QUESTION 5****40 MINUTES**

- Discuss phases of the business cycle. (26)
- How can exogenous factors negatively affect business cycles? (10)

TOTAL MARKS: 100



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA



**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

**ECONOMICS
COMMON TEST
MARCH 2023
MARKING GUIDELINE**

MARKS: 100

TIME : 1½ HOURS

This marking guideline consists of 12 pages including this page.

Stanmorephysics



SECTION A**QUESTION 1****20 MARKS – 15 MINUTES****1.1 MULTIPLE CHOICE**

1.1.1. B Econometrics. ✓✓

1.1.2. A Positive. ✓✓

1.1.3. D Injections. ✓✓

1.1.4 C Public. ✓✓

1.1.5 B Leading. ✓✓

(5 x 2) (10)

1.2 MATCHING COLUMNS

1.2.1 C the study of policies and actions that result in an increase in the standard of living ✓

1.2.2 E the empirical research method where information is gained through experiments observation ✓

1.2.3 B the upper turning point of the business cycle ✓

1.2.4 A withdrawals from the circular flow ✓

1.2.5 D the process where resources are changed into final goods and services ✓

1.2.6 F total spending by the participants inside the borders of the country ✓

(6 x 1) (6)

1.3 ECONOMIC CONCEPTS

1.3.1 Opportunity cost. ✓

1.3.2 Labour intensive. ✓

1.3.3 National budget. ✓

1.3.4 Endogenous factors. ✓



(4 x 1) (4)

TOTAL SECTION A: [30]

SECTION B**QUESTION 2****40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1. Name any TWO types of Human Rights.**(1x2) (2)**

- Economic rights/right to education. ✓
- Civil right/ freedom of speech. ✓
- Cultural right/right to religion. ✓
- Natural right/right to human dignity. ✓

(Accept any other correct relevant answer)**2.1.2. Why do consumers have to make choices in decision making? (2x1) (2)**

- Consumers make choices because resources are scarce, to achieve the largest possible satisfaction consumers must make choice. ✓✓
- Choice makes consumers to make rational decision when satisfying their wants. ✓✓

(Accept any other correct relevant answer)**2.2 DATA RESPONSE.****2.2.1 Identify the type of scarcity shown by the cartoon above.****(1)**

- Absolute scarcity. ✓

2.2.2 What is the cause of scarcity on food?**(1)**

- Drought. ✓
- Population increase. ✓
- Dependency on international markets. ✓

(Accept any other relevant correct answer)**2.2.3 Briefly describe the concept Normative statement.****(2)**

- The statement where economist has given his or her opinion/value judgement. ✓✓

(Accept any other relevant correct answer)

2.2.4 Explain the benefit of using models. (2)

- Economists use models to describe how the economy works and the market function in reality. ✓✓
- They simplify economic issues in a way that everyone can understand them. ✓✓
- To show what has happened in the past and to predict the future. ✓✓
- Models can be used to explain how data relate to each other. ✓✓

(Accept any other relevant correct answer)

2.2.5 How can the study of Economics improve the economy? (4)

- The government will predict what will happen to growth and employment. ✓✓
- Business and consumers will learn how to use scarce resources efficiently. ✓✓.
- Politicians will use economics to identify the policies that take the country forward. ✓✓.
- Economist will give a clear direction to households and entrepreneur on income and expenditure ✓✓

(Accept any other relevant correct answer)

2.3 DATA RESPONSE

2.3.1 Identify the sector shown by the picture above. (1)

- Tertiary sector. ✓

2.3.2 Name One othe commercial bank not shown above. (1)

- FNB. ✓
- Capitec. ✓
- Standard Bank. ✓
- Nedbank. ✓

(Accept any other relevant correct answer)

2.3.3 Briefly describe the concept *globalisation* (2)

- The worldwide interfacing and interaction of economies with trade as an element. ✓✓

(Accept any relevant correct answer)

2.3.4 What is the Importance of the secondary sector in the economy? (2)

- To process natural resources extracted by primary sector into final product. ✓✓
- The provide economy with job opportunities. ✓✓
- Government will levy taxes from these industries which broaden the tax base . ✓✓

(Accept any relevant correct answer)

2.3.5 How can the capital-intensive methods of production negatively affect the economy? (4)

- Using more machines than labour, will cause more unemployment in the economy. ✓✓
 - During loadshedding there will be less production which will decrease real GDP. ✓✓
 - Import of capital goods causes dependency on foreign markets and will increase local prices. ✓✓
- (Accept any relevant correct answer)**

2.4 Discuss different types of consumer goods. (8)

- **Durable consumer goods**✓ produce a steady stream of satisfaction and their value diminishes relatively slowly through age and use✓✓ e.g. furniture✓
- **Semi-durable consumer goods**✓ they last for some time but not long as durable goods✓✓ e.g. clothing✓
- **Non-durable consumer goods**✓ they are consumed in the process of being used which means they are used only once✓✓ e.g. food✓
- **Services**✓ these are intangible goods that satisfy wants✓✓ e.g. health services ✓

(Maximum of 4 marks for mere listing and examples) (4x2) (8)


2.5 How can factors of production contribute to the economy? (8)

- Natural resources can be sold to other countries which would increase foreign currencies. ✓✓
- Natural resources creates job opportunities for households which in return give them income. ✓✓
- Land can be used for rent royalties which creates sustainable income for people. ✓✓
- Skilled labour through education can be used to improve productivity and hence GDP of a country. ✓✓
- Capital can be used to produce goods and services in large quantities giving profits to businesses. ✓✓
- Entrepreneur is used to combine other factors of production making it easy for to be innovative. ✓✓

(Accept any correct relevant answer)



QUESTION 3**3.1 Answer the following questions****3.1.1 Name TWO career opportunities that are available to economist.****(1x2) (2)**

- 
- politician. ✓
 - Business person ✓
 - Financial advisor. ✓

(Accept any other correct relevant answer)**3.1.2 What are the challenges faced by social scientists?****(2)**

- The social science deals with human behavior that cannot be proven in laboratories. ✓✓
- It is difficult what people will do or how they will respond to different situations. ✓✓

(Accept any relevant correct answer)**3.2 DATA RESPONSE****3.2.1 What is the percentage decrease of GDP IN 2022?****(1)**

- 0,7%. ✓

3.2.2 According to the extract, what are the causes of a negative growth in real GDP?

- Flooding in KZN. ✓

3.2.3 Briefly describe the term Gross National Product.

- Market value of all final goods and services produce by permanent residents of the country for a specific period. ✓✓

(Accept correct relevant answer)**3.2.4 Explain the effect of tax increase on prices.****(2)**


- Tax increase will cause the price of goods and services to increase. ✓✓
- Prices will increase causing inflation. ✓✓

(Accept any correct relevant answer)

3.2.5 How will GDP be converted to GNI? (4)

- adding income from the rest of the world to GDP. ✓✓
- Subtract income to the rest of the world from GDP. ✓✓

OR

 GDP at market price ✓
+ income from the rest of the world ✓
- income to the rest of the world ✓
= Gross national income ✓

3.3 DATA RESPONSE

3.3.1 Identify the environmental problem shown by the cartoon. (1)

- Water pollution. ✓

3.3.2 Name ONE other type of pollution. (1)

- Air. ✓
- Land. ✓
- Noise. ✓

3.3.3 Briefly describe the concept *mass production*. (2)

Production of goods in larger quantities using assembly lines that may result in lower cost per unit. ✓✓

(Accept any correct relevant answer)

3.3.4 Why is it important for a country to protect the environment? (2)

- Environment provides people with natural resources that are used for production and consumption. ✓✓
- Prevent extinction of natural resource that brings foreign exchange in the country. ✓✓
- To provide people with a healthy living environment without any form of pollution. ✓✓

(Accept any other correct relevant response)



3.3.5 How can the government intervene to solve environmental problems? (2)

- By charging green tax on the production of goods and services which pollute the environment. ✓✓
- By enforcing government regulations and laws to reduce pollution. ✓✓
- Government must give subsidies to companies that use environmentally friendly methods. ✓✓
- Use measures and initiatives that are preferred around the world to reduce pollution. ✓✓
- By developing cleaner and safer technology which has fewer waste products. ✓✓

(Accept any correct and relevant response)

3.4 Briefly discuss Macroeconomics and Microeconomics (2x4) (8)

MACROECONOMICS

- The study of economy as a whole. ✓✓
- The focus is on the problems country wide and aggregate spending. ✓✓
- The state makes decisions for the country in totality. ✓✓ (Max 4 marks)

MICROECONOMICS

- The study that deals with small section of economy. ✓✓
- Individual businesses and consumers make small scale decisions. ✓✓
- The focus is on individual consumer behaviour and how to increase profits. ✓✓ (Max 4 marks)

3.5 How can business cycles impact on the economically vulnerable? (8)

- During upswing imports and foreign investment increase. ✓✓
- The demand for the currency increases causing the price to increase in terms of other currencies. ✓✓
- There are fewer opportunities for employment so the economically vulnerable often find themselves in a desperate position. ✓✓
- The state has less money to spend on social services and welfare grants are not likely to increase much. ✓✓
- There are more jobs on offer so the economically vulnerable are more likely to able to gain employment, although their position is always difficult. ✓✓
- The state is in a better position to provide social services and welfare grants. ✓✓

(Accept any other correct relevant answer)



SECTION C**QUESTION 4****40 MINUTES**

- **Discuss the interaction of all participants in the circular flow model. (26)**

INTRODUCTION**BODY MAIN PART****Households/consumers. ✓**

- Households are the owners of the factors of production of which they sell to businesses as labour. ✓✓
- Households earn income as wages or salaries in return for their factors of production from firms. ✓✓
- ensure service delivery to the communities. ✓✓
- Households also have needs which are satisfied through the consumption of goods and services from businesses. ✓✓

Business enterprise/Firms. ✓

- Business enterprises purchase the factors of production from households in the factor market. ✓✓
- They use the factors of production to produce goods and services which are sold to households in the goods market. ✓✓
- Businesses export and import goods and services to foreign sector. ✓✓
- Firms are the link between all participants of the closed economy and the foreign sector. ✓✓

The public sector/Government. ✓

- They comprise of local, provincial and national government which provide services to all participants in an open economy. ✓✓
- The government participates in the economy by purchasing factors of production from households in the factor market and by purchasing goods and services from firms in the goods market. ✓✓
- The State also provides households and business enterprise with public goods and services. ✓✓ E.g. health care, education, safety and defence and law and order. ✓
- Government receives revenue from businesses and households in the form of taxes. ✓✓
- Government also formulates the macroeconomic policies that are carried out by other participants so that the main objectives of the country are achieved. ✓✓



The foreign sector. ✓

- The foreign sector represents all the other countries of the world. ✓✓
 - Trade between the foreign sector and households and firms takes place in the foreign market in the form of imports and exports. ✓✓
 - Businesses make products that can be sold overseas, these goods are then exported to other countries and the businesses receive money for the products that they have exported. ✓✓
- (Accept any relevant correct answer)**

ADDITIONAL PART

How can the financial sector contribute to the economy.

- The market act as a link between savers and lenders. ✓✓
 - Households save their part of income with commercial banks so that they can have more money for consumption later. ✓✓
 - Businesses borrow capital from the banks to buy capital goods. ✓✓
 - Government savings can become investment when they are funding new businesses and infrastructure projects. ✓✓
 - The JSE as a capital market benefits people who want to invest in shares and equities to grow their income. ✓✓
 - The banks will help to facilitate transactions and participants pay for goods and services. ✓✓
- (Accept any other correct relevant answer)** (10)

CONCLUSION

The economic participants are dependent on each other. An economy cannot be functional if one of the participants does not play their role. ✓✓

(Accept any other correct relevant answer)

(Max 2)
[40]



QUESTION 5**40 MINUTES**

- Discuss phases of the business cycle. (26)
- How can exogenous factors negatively affect business cycles? (10)

**INTRODUCTION**

Business cycle refers to the successive ups and downs movement of economic activity in an economy. ✓✓ (Max. 2)

BODY MAIN PART

1. RECESSION .✓

- During a recession, unemployment increases due to the fact that businesses have to lay off workers. ✓✓
- There is a decline in economic activity, and the economy slows down. Consumer spending decreases, especially on durable goods. ✓✓
- The level of inflation will decrease as people have less disposable income. ✓✓

2. DEPRESSION.✓

- During a depression, money is in short supply, leading to a further decline in spending. .✓✓
- There is a negative impact on investment spending. ✓✓
- When economic activity is at its lowest, a trough is reached. ✓✓
- There is competition for jobs and the cost of production decreases. ✓✓
- This encourages foreign trade and leads to a recovery. ✓✓

3. RECOVERY.✓

- During a recovery period, production increases and more jobs are created. Consumers start buying durable goods again. ✓✓
- Business confidence rises and there is increased spending by firms. ✓✓
- There is increased economic activity and the country enters into a period of prosperity. ✓✓

4. EXPANSION.✓

- During a period of expansion there is a great degree of optimism. ✓✓
- Employment levels rise, salaries and wages rise and spending increases. ✓✓
- A larger amount of money is in circulation, and this leads to an inflationary situation. ✓✓

**(Max. 26)**

ADDITIONAL PART**Exogenous factors can affect the business cycle negatively by:**

- Natural disasters like floods cause distractions on the infrastructure and prevent workers from accessing their work place. ✓✓
- Changes in weather conditions may cause a decrease in the production of agricultural products thereby increasing their prices. ✓✓
- Political instability may result in unrests and riots which would decrease productivity and hence GDP of the country. ✓✓
- The oil shock in the international market may result in local fuel prices to increase which may increase the cost of transportation. ✓✓
- Development of electronics may decrease job opportunities of unskilled workers and cause instability in the labour market. ✓✓
- Inappropriate government policies used and politicians seeking votes may disturb the already weak economy. ✓✓ (10)

CONCLUSION

Fluctuations in business cycles should be managed so that they affect a country's economy positively. ✓✓ (Max. 2)

[40]**TOTAL MARKS: [100]**