



# education

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Department:  
Education  
**REPUBLIC OF SOUTH AFRICA**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 10**

**ECONOMICS**

**NOVEMBER 2006**

**MARKS: 300**

**TIME: 3 hours**

**This question paper consists of 16 pages and an answer sheet.**

**INSTRUCTIONS AND INFORMATION**

1. Answer SIX questions as follows:
  - \* SECTION A: COMPULSORY. Use the attached ANSWER SHEET.
  - \* SECTION B: Answer any THREE questions in your ANSWER BOOK.
  - \* SECTION C: Answer any TWO questions in your ANSWER BOOK.
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 ALL the questions carefully and start each question on a NEW page.
5. Leave 2 to 3 lines between subsections of questions.
6. Answer in full sentences and ensure that the format and content of your responses comply with the cognitive requirements of the question.
7. Write neatly and legibly.
8. Answer only the required number of questions. Answers in excess of this number, will NOT be marked.
9. Use only blue or black ink. Lead pencil answers will NOT be marked.
10. Non-programmable calculators may be used.

**SECTION A (COMPULSORY)****QUESTION 1**

- 1.1 Various possible options are provided as answers to the following questions. Indicate the correct answer by making a cross (X) in the appropriate square (A - C) next to the question number (1.1.1 - 1.1.12) on the attached ANSWER SHEET.
- 1.1.1 The study of the behaviour of individual decision-making units, is known as ... economics.
- A macro-  
B micro-  
C monetary (2)
- 1.1.2 Goods that are plentiful and for which nobody will pay anything, are ... goods.
- A economic  
B consumer  
C free (2)
- 1.1.3 The public sector operates on ... levels in South Africa.
- A two  
B three  
C four (2)
- 1.1.4 Which ONE of the following is the satisfaction that a consumer derives from the consumption of goods and services?
- A Utility  
B Value  
C Price (2)
- 1.1.5 The term *opportunity cost* illustrates the ... between goods.
- A scarcity  
B trade-off  
C combination (2)
- 1.1.6 Market failures occur when allocative and ... occur.
- A productive inefficiencies  
B productive efficiencies  
C unproductive efficiencies (2)

- 1.1.7 A specific knowledge relating to the environment, social and economic activities in your area is ... knowledge.
- A valuable
  - B adapted
  - C indigenous
- (2)
- 1.1.8 Which ONE of the following contributed to the industrial development in South Africa between 1910 and 1993?
- A Tourism
  - B Mining
  - C Agriculture
- (2)
- 1.1.9 The HIV/Aids pandemic leads to a decrease in labour ...
- A supply.
  - B demand.
  - C unproductivity.
- (2)
- 1.1.10 The overall inability of the economy to provide employment for its total labour force, leads to ... unemployment.
- A frictional
  - B structural
  - C cyclical
- (2)
- 1.1.11 Membership of a union is generally ...
- A compulsory.
  - B obligatory.
  - C voluntary.
- (2)
- 1.1.12 The Department of ... is responsible for South African marine resources.
- A Environmental Affairs and Tourism
  - B Water Affairs and Forestry
  - C Agriculture and Land Affairs
- (2)

- 1.2 Choose the correct word(s) in brackets. Write only the correct word(s) next to the question number (1.2.1 - 1.2.5) on the attached ANSWER SHEET.
- 1.2.1 The statement in which an economist has given his/her opinion or value judgement, is a (positive/normative) statement.
- 1.2.2 The money invested in a plant or machinery, is an example of a/an (leakage/injection).
- 1.2.3 The exclusive right to control and issue bank notes has been awarded to the (South African Reserve Bank/Land and Agricultural Bank).
- 1.2.4 Mass production (increases/decreases) the cost of production per unit.
- 1.2.5 The demand for labour is a/an (derived/original) demand. (5 x 2) (10)

- 1.3 Choose a description from COLUMN B that best matches the item in COLUMN A. Write only the letter (A - I) next to the question number (1.3.1 - 1.3.8) on the attached ANSWER SHEET.

COLUMN A		COLUMN B	
1.3.1	Economic growth	A	a few sellers control the market
1.3.2	Economic development	B	a programme used to provide previously disadvantaged South Africans with access to agricultural land
1.3.3	Monopoly	C	goods which are sold to other countries
1.3.4	Oligopoly	D	policies aimed at redressing social, educational and economic imbalances
1.3.5	Import	E	a programme used to assess the validity of claims and restore land
1.3.6	Export	F	an increase in the standard of living and economic welfare
1.3.7	Land redistribution	G	goods which are bought from other countries
1.3.8	Land restitution	H	increase in the production capacity of an economy
		I	a single supplier for a good or a service in the market (8 x 2)

(16)

**TOTAL SECTION A: 50**

**SECTION B**

Answer any THREE of the questions in this section in the ANSWER BOOK.

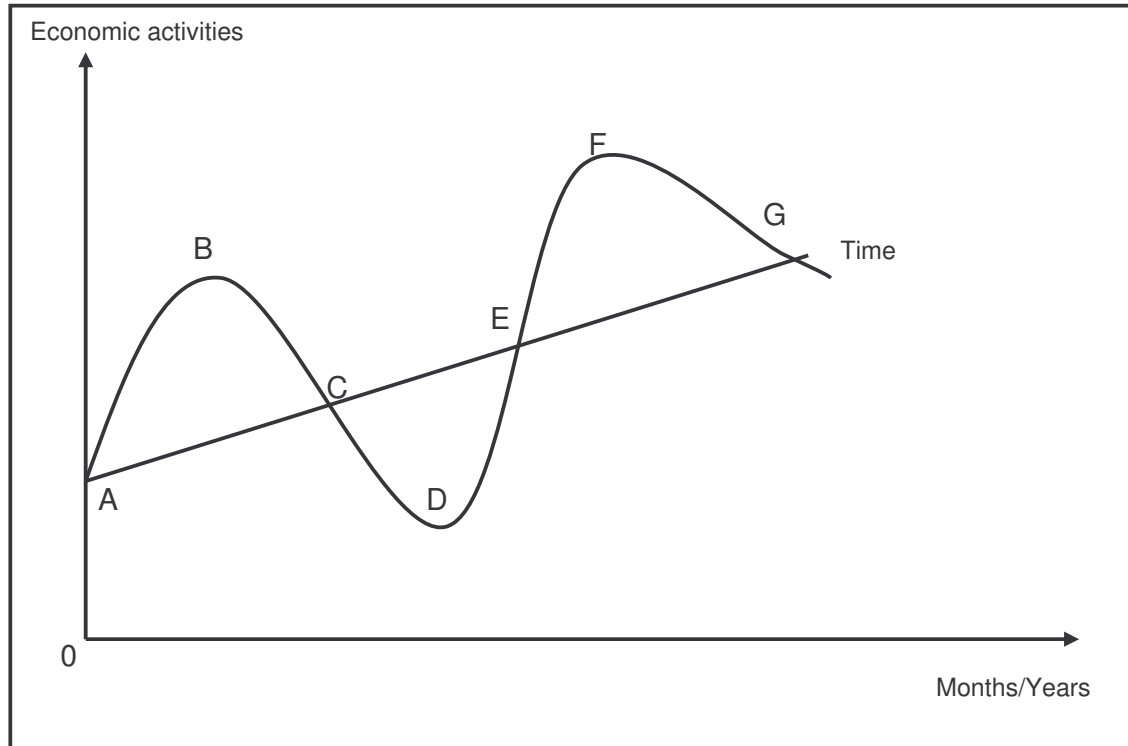
**QUESTION 2 (LO1: MACRO-ECONOMICS, AS1 - AS4)**

2.1 Answer the following questions appropriately:

Fill in the missing word(s). Write only the missing word(s) next to the question number (2.1.1 - 2.1.4) in the answer book.

- 2.1.1 The study of the application of statistical methods in economic, is ... .
- 2.1.2 The basic economic problem faced by all economies, is ... .
- 2.1.3 The primary economic participants are ...
- 2.1.4 Periods of increasing or decreasing economic activity are indicated by ... . (4 x 2) (8)
- 2.1.5 List THREE forms of leakages. (3 x 2) (6)

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



2.2.1 Identify the following labels from the graph:

- (a) A-B
- (b) B-C
- (c) C-D
- (d) D-E
- (e) D

(5 x 2) (10)

2.2.2 Which phenomenon is depicted in the above graph? (2)

2.2.3 Identify the elements of the following equation:

$$J = I + G + X \quad (8)$$

2.3 Explain the THREE main groups of production. (16)

**[50]**

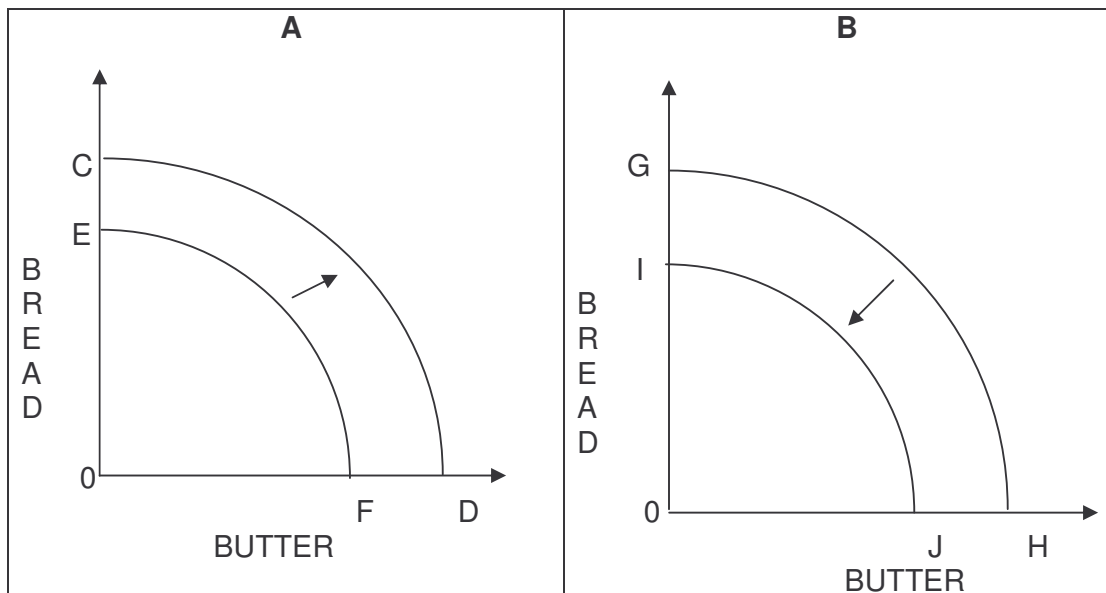
**QUESTION 3 (LO2: MICRO-ECONOMICS, AS1 - AS3)**

3.1 Answer the following questions appropriately:

Fill in the missing word(s). Write only the missing word(s) next to the question number (3.1.1 - 3.1.4) in the answer book.

- 3.1.1 The amount by which total utility changes as an additional unit of good or service consumed, is ... .
- 3.1.2 All the combinations of the two products that the consumer can afford to purchase with the amount of income at his/her disposal, is known as ... .
- 3.1.3 Financial grant or other resources to support the production of a good or a service by the government, is a ... .
- 3.1.4 A shift of the demand curve from one position to another position, is known as ... . (4 x 2) (8)
- 3.1.5 Name any THREE factors that determine the supply of goods. (3 x 2) (6)

3.2 Study the graphs below and answer the questions that follow:



- 3.2.1 What are the above graphs called? Define the concepts. (4)
- 3.2.2 Identify the phenomenon in graph A and state THREE reasons for the shifting of the curve to the right. (8)
- 3.2.3 Name any THREE properties of an indifference curve. (6)
- 3.2.4 Which ONE of the above-mentioned graphs may lead to an increase in economic growth? (2)

- 3.3 Explain price formation in a perfect market. Make use of a clearly labelled graph. (16)  
[50]

**QUESTION 4 (LO3: ECONOMIC PURSUITS, AS1 - AS4)**

- 4.1 Answer the following questions appropriately:

Fill in the missing word(s). Write only the missing word(s) next to the question number (4.1.1 - 4.1.4) in the answer book.

- 4.1.1 The standard of living of people in ... economies is higher.
- 4.1.2 Worldwide interfacing and interaction of economies is known as ... .
- 4.1.3 The concentration of a large number of the country's industries is known as ... .
- 4.1.4 Deposit money is accepted by everybody, but it is not ... . (4 x 2) (8)
- 4.1.5 Name any THREE economic consequences of industrial development. (3 x 2) (6)

- 4.2 Study the extract below and answer the questions that follow:

**BONES TELL TALES**

A set of bones and teeth is not less than three million years old. It is a breathtaking thing to stand and look at this truly ancient piece of evidence of our past. Three million years ago an adolescent boy stood on these very hills, learnt to hunt and gather food here, died, never knowing that his distant descendants would one day gaze at his teeth in wonder. As we move through the museum and through time, we see Bantu tribes' rock art and pottery, and finally we come to a stunning installation where San sayings and quotations are on bone fragments. *'I am the fire's child, its little heart ...'* It is also an awe-inspiring and emotional experience to see the rock art which signals the entrance of the bushmen, the Khoisan people, who inhabited our land long before.

[Source: *Skyways*, June 2006 - adapted]

- 4.2.1 Which stage of the economic development in South Africa is depicted in the above extract? (2)
- 4.2.2 Name the TWO groups of people who were in the first stage of economic development in South Africa. (4)

- 4.2.3 Identify TWO forms of indigenous farming in the first stage of economic development. (4)
- 4.2.4 What are the THREE important factors that promoted economic development during the 1800s? (6)
- 4.2.5 Name any TWO economic consequences of the first stage of economic development. (4)
- 4.3 Discuss the impact the discovery of diamonds had on the South African economy. (16)
- [50]**

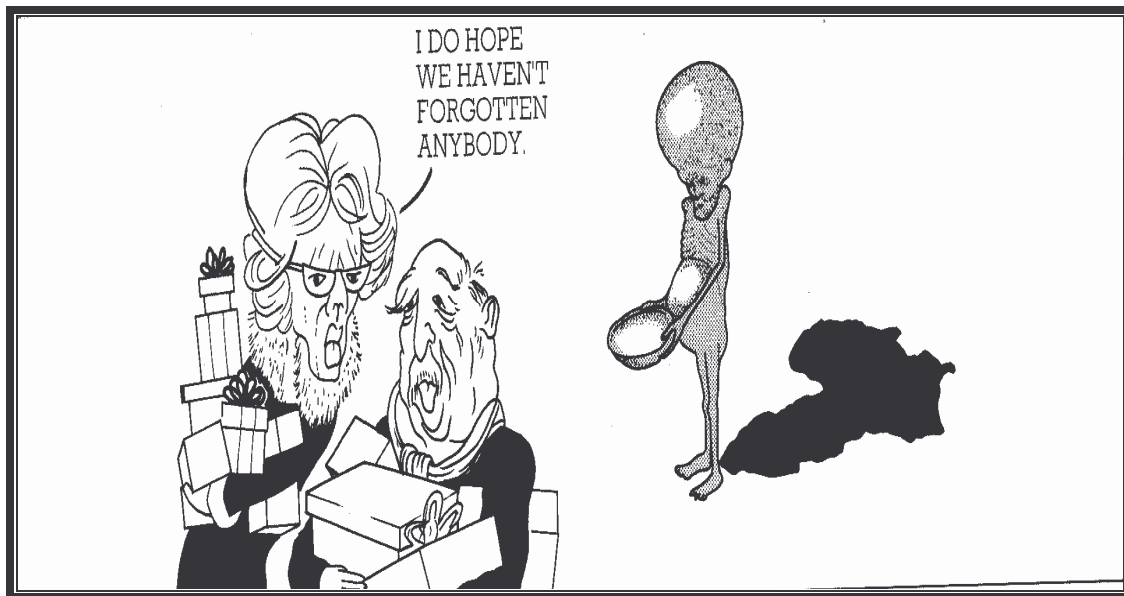
**QUESTION 5 (LO4: CONTEMPORARY ECONOMIC ISSUES, AS1 - AS4)**

- 5.1 Answer the following questions appropriately:

Fill in the missing word(s). Write only the missing word(s) next to the question number (5.1.1 - 5.1.4) in the answer book.

- 5.1.1 People who are working fewer hours than they would like to work, are ... .
- 5.1.2 The extent to which labour avails itself for employment is expressed by ... .
- 5.1.3 A council that consists of representatives of government, businesses, labour and the development organisations is known as ... .
- 5.1.4 The relationship between real output and the quantity of input used to produce that output is ... . (4 x 2) (8)
- 5.1.5 Name any THREE factors that cause an increase in demand. (3 x 2) (6)

5.2 Study the cartoon below and answer the questions that follow:



[Source: *Economics - A comprehensive approach* - adapted]

- 5.2.1 What does the child in the above cartoon represent? (2)
- 5.2.2 What do the people mean by 'anybody' in the above cartoon? (2)
- 5.2.3 Name any THREE of the most important economic problems faced by South Africa. (6)
- 5.2.4 Briefly explain what is meant by *economically marginalised groups*. (6)
- 5.2.5 Differentiate between *voluntary* and *involuntary unemployment*. (4)
- 5.3 Identify and discuss the factors that determine supply of labour in South Africa. (16)
- [50]**

**QUESTION 6: (LO1 AND LO4: MACRO-ECONOMICS AND CONTEMPORARY ECONOMIC ISSUES, AS1 - AS4)**

6.1 Answer the following questions appropriately:

Fill in the missing word(s). Write only the missing word(s) next to the question number (6.1.1 - 6.1.4) in the answer book.

6.1.1 The Act that focuses on unfair discrimination of labour is ... .

6.1.2 An independent organisation consisting of representatives from organised labour, organised business and government is known as ... .

6.1.3 The insurance scheme that provides a temporary income for persons with previous work experience who have lost their jobs, is ... .

6.1.4 The price of labour on the labour market is ... . (4 x 2) (8)

6.1.5 Name any THREE functions of the market. (3 x 2) (6)

6.2 Study the table below and answer the questions that follow:

Number of cans of Coca-Cola	Total utility	Marginal utility
0	0	0
1	6.2.1?	50
2	90	6.2.2?
3	120	30
4	140	20
5	6.2.3?	10
6	155	5

6.2.1 Calculate the total utility when ONE can of Coca-Cola is consumed. (2)

6.2.2 Calculate the marginal utility of the SECOND can of Coca-Cola. (2)

6.2.3 When FIVE cans of Coca-Cola are consumed, what is the total utility? (4)

6.2.4 Explain the term *diminishing marginal utility* with an example, using the information from the table above. (6)

6.2.5 Draw a clearly labelled marginal utility graph using the information from the table above. (6)

6.3 Explain, in detail, *seasonal* and *cyclical unemployment*. (16)  
[50]

**TOTAL SECTION B: 150**

**SECTION C**

Answer any TWO questions from this section.

**QUESTION 7 (LO1: MACRO-ECONOMICS, AS3)**

'In economics, everything is related to everything else, often in more than one way.'

Anonymous

Write an essay on the economical cycle in an open economy. Use a diagram to illustrate your answer.

[50]

**QUESTION 8 (LO2: MICRO-ECONOMICS, AS1)**

Read the extract below for background knowledge.

## Heading for a showdown

Telkom may have to pay for 'anti-competitive behaviour'.

Telkom held the position of Big Monopoly for a long time. Small businesses say it's hard to make profits with the high cost of telecommunication. Telkom is not the only example of a typical monopolistic company in the world. Many others exist, like Microsoft in the United States and OPEC in the Middle East.

Ready for action!



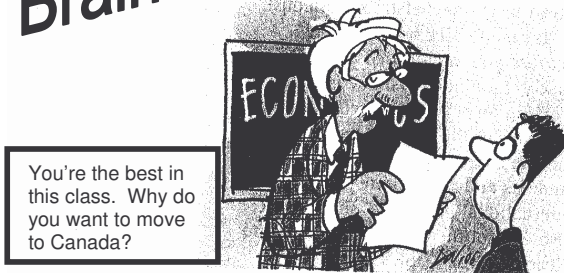
[Source: *Financial Mail* - May 2006]

Write an essay on the different types of markets. Give your own opinion on possible solutions for these phenomena (like monopolies), with reference to the situation in South Africa.

[50]

**QUESTION 9 (LO3: ECONOMIC PURSUITS, AS4)**

# Brain Drain

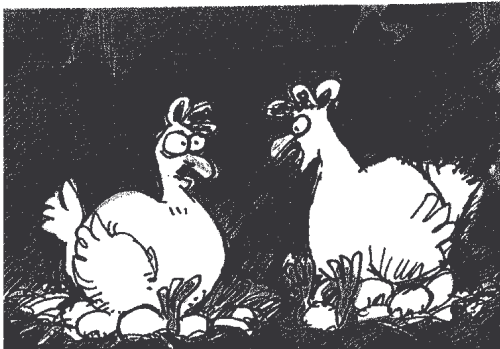


# Population size



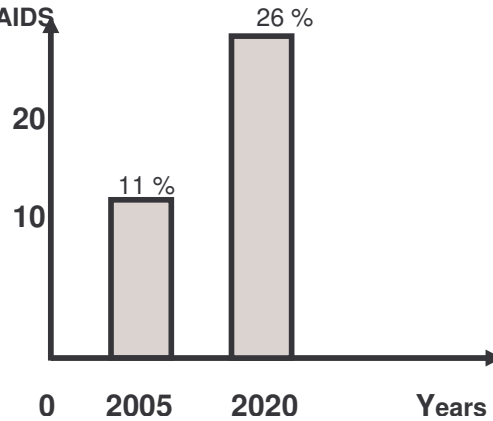
<b>REGISTERED BIRTHS AND DEATHS</b>			
	BIRTHS:		DEATHS:
1994	..... 677 000	.....	213 279
1995	..... 809 000	.....	268 025
1996	..... 999 000	.....	327 068

- Statistics South Africa 2004

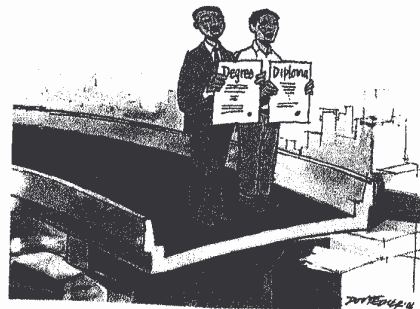


ON A POULTRY FARM IN AUSTRALIA: 'When you consider it, what were our career options in South Africa anyway?'

**Projected % of workforce Lost to AIDS**



# Migration



'Can you hear us? We're from South Africa – qualified, hard workers! But this is the end of the road for us. You're our only hope ...'

Discuss the demographic cycle of South Africa and write notes on the influence of all relevant factors on the population growth.

[50]

**QUESTION 10 (LO4: CONTEMPORARY ECONOMIC ISSUES, AS3)**

Read the extract below as background knowledge to compile your report.

**SKILLS DEVELOPMENT STILL NUMBER ONE!****The government's accelerated initiative will put existing training bodies under spotlight.**

The launch of the first major programme in the new Accelerated and Shared Growth Initiative South Africa underlines the extent to which the government is fast-tracking skills development.

The Joint Initiative for Priority Skills Acquisition (JIPSA), which took its public bow in March, is also expected to have an impact on the delivery and performance of the Sector Education and Training Authorities (SETAs), key cogs in the skills development infrastructure.

SETAs, currently implementing the second five-year phase of the National Skills Development Strategy (2005 – 2010) are coming under renewed pressure to meet targets laid down in their service-level agreements.

The core objectives of JIPSA are to create a climate for sustainable growth and to address the skills shortages that is impeding economic development. JIPSA's focus is likely to include a systematic analysis of skills-development programmes, including another look at the performance of the SETAs.

The National Skills Development Strategy, together with the Accelerated and Shared Growth Initiative and JIPSA, will ensure that skills development remains at the top of the agenda in South Africa.

[Source: *Financial Times*, June 2006 - adapted]

In the reconstruction of South African economy after 1994, the government has played an eminent role in human resource development.

Write a report on your findings on this topic to the local Business Chamber.

**[50]**

**TOTAL SECTION C: 100**

**GRAND TOTAL: 300**