



## **Education and Sport Development**

Department of Education and Sport Development

Departement van Onderwys en Sport Ontwikkeling

Lefapha la Thuto le Thabololo ya Metshameko

**NORTH WEST PROVINCE**

### **PROVINCIAL ASSESSMENT**

**GRADE 10**

ECONOMICS P2

**JUNE 2019**

**MARKS:** 100

**TIME:** 1hr 30 Min

Question paper consists of 8 pages including cover page

Demo



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**INSTRUCTIONS AND INFORMATION**

1. Answer THREE questions as follows:

SECTION A: COMPULSORY.

SECTION B: Answer any ONE question in the ANSWER BOOK.

SECTION C: Answer any ONE question in the ANSWER BOOK.

2. Number the questions correctly according to the numbering system used in this question paper.
3. Read the questions carefully and start EACH question on a new page.
4. Leave 2-3 lines between subsections of the questions.
5. Answer questions in full sentences.
6. Write neatly and legibly.
7. Only required questions will be marked.

**SECTION A (COMPULSORY)****QUESTION 1****20 MARKS – 20 MINUTES**

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

Choose the best suitable answer and write only the letter (A-C) next to the question numbers (1.1.1 – 1.1.5) in the ANSWER BOOK, for example .1.1.7. C.

1.1.1 It is the amount of money or something of value, offered to obtain one unit of good or service

- A Utility
- B Price
- C Market
- D Satisfaction

1.1.2 The negative slope of the demand curve is caused by ...

- A price and quantity
- B price and demand
- C supply and demand
- D inverse relationship between price and quantity

1.1.3 Indifference curve analysis is used to ...

- A various combination of goods and services in order of preference
- B explain the uniqueness of consumers
- C shows relationship between different consumer goods.
- D predict consumer preferences

1.1.4 Which one of the following is known as social wage?

- A an income
- B a welfare payment
- C a benefit
- D a reward

1.1.5 Taxes imposed on goods that the government deems undesirable.

- A Sin Taxes
- B excise duty
- C custom duties
- D Ad valorem tax

(5 x 2) (10)

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1.1 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A- E) next to the question number (1.2.1- 1.2.5) in the answer book.

| COLUMN A               | COLUMN B   |
|------------------------|--|
| 1.2.1 Globalisation    | A combination of goods that can be purchased by a consumer with a given income, facing given prices. |
| 1.2.2 Budget line      | B relationship between price and quantity demanded.  |
| 1.2.3 Opportunity cost | C supplied by the government e.g. education  |
| 1.2.4 Black Markets    | D Illegal trading, sometimes in goods which are subject to price control or high taxation            |
| 1.2.5 Merit goods      | E Trade - off between two goods  |
|                        | F The world economic interfacing with trade as an important element                                  |

(5 x 1) (5)

1.2 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.

- 1.3.1 The satisfaction gained from using a good or service
- 1.3.2 The price at which demand and supply are the same.
- 1.3.3 Too much or too little output is produced relative to the quantities demanded by consumers.
- 1.3.4 It is not possible to change the existing distribution of resources, and output without making someone worse off.
- 1.3.5 Consists of the total benefits society gains from the consumption and production of goods or services.

(5 x 1) (5)

**TOTAL SECTION A: 20**

Answer any ONE question of the two questions from this section in the answer book.

### QUESTION 2

**40 MARKS – 35 MINUTES**

2.1 Answer the following questions

- 2.1.1 Name any TWO characteristics of perfect market (1 x 2) (2)
- 2.1.2 Why is it important for global market to communicate effectively? (2 x1) (2)

2.2 Study the cartoon below and answer questions that follow



Source: Adapted from cartoonstock.com

- 2.2.1 Identify the type of business from the cartoon (1)
- 2.2.2 What do you understand by the statement "sold the last T bone"? (2)
- 2.2.3 How would an increase in price affect the demand for meat? (3)
- 2.2.4 In your opinion, what role does the marginal utility play in demand for goods? (4)



2.3 Read the extract below and answer the questions that follow

### **OPEC**

OPEC is a group consisting of 14 of the world's major oil-exporting nations. It was founded in 1960 to coordinate the petroleum policies of its members, and to provide member states with technical and economic aid. OPEC is a cartel that aims to manage the supply of oil on the world market, in order to avoid fluctuations that might affect the economies of both producing and purchasing countries.

As a cartel, OPEC members have a strong incentive to keep oil prices as high as possible, while maintaining their shares of the global market.

Source: [www.investopedia.com](http://www.investopedia.com)

- 2.3.1 Identify the product supplied by the OPEC member countries. (1)
- 2.3.2 Write the acronym for OPEC in full. (1)
- 2.3.3 Name the type of market structure in which OPEC operates? (2)
- 2.3.4 Why firms in this market structure regarded as price makers? (2)
- 2.3.5 In your own opinion, why would member countries want to manage the supply of oil. (4)
- 2.4 Discuss in detail factors that determine value of a good or service (4 x 2) (8)
- 2.5 What negative impact would globalisation have on world market. (4 x 2) (8)

### **QUESTION 3**

**40 MARKS – 35MINUTES**

3.1 Answer the following questions

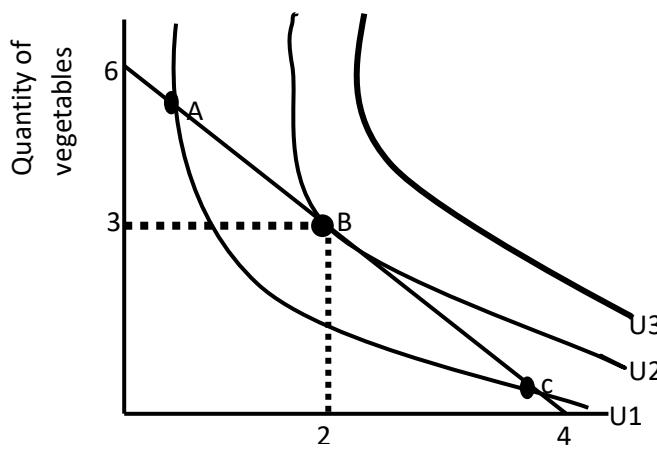
- 3.1.1 List TWO characteristics of public goods. (2x1) (2)
- 3.1.2 Why is important for government to impose tax on business and individuals (1x2) (2)

Demo



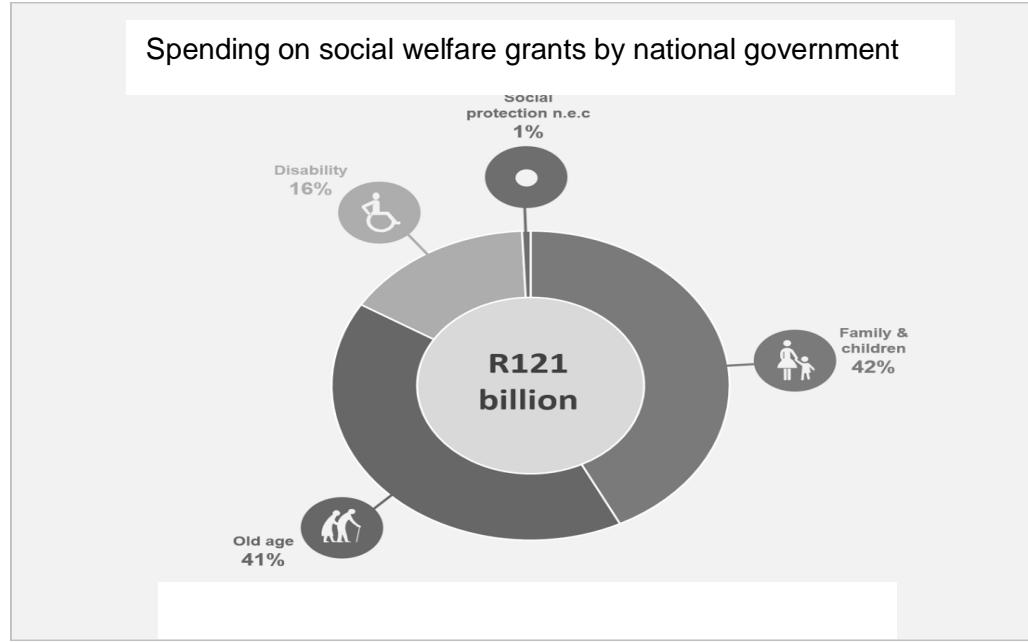
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3.2 Study the graph below and answer questions that follow



- 3.2.1 Give an appropriate heading for the graph. (1)
- 3.2.2 Identify the maximum point of satisfaction from the graph. (1)
- 3.2.3 Differentiate between curve  $U_1$  and  $U_3$ . (2 x 2) (4)
- 3.2.4 How can indifference curve and budget line be used to determine a consumer's maximum satisfaction point? (2 x 2) (4)

3.3 Study the table below and answer questions that follow



- 3.3.1 Identify the type of social grant where government allocated more funds? (1)
- 3.3.2 Name the agency responsible for provision of social grants. (1)
- 3.3.4 Briefly describe the reasons for government to pay social welfare grants to its citizens? (2 x 2) (4)

- 3.3.5 Critically evaluate the negative effects of social grants on society with special reference to child support grant. (2 x 2) (4)
- 3.4 Discuss productive inefficiency and allocative inefficiency as effects of market failure (2 x 4) (8)
- 3.5 Argue why government should not intervene in the labour market and impose minimum wage (4 x 2) (8)
- TOTAL SECTION B: 40**

### **SECTION C**

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

Your answer will be assessed as follows:

| STRUCTURE OF THE ESSAY   | MARK ALLOCATION  |
|--|------------------|
| Introduction   | Max 2            |
| Body:<br><b>Main part:</b> Discuss in detail/in-depth discussion/Examine/Critically evaluate/Analyse/compare/Distinguish/explain/Assess/Debate<br><b>Additional part:</b><br>Give own opinion/ critically discuss/Evaluate/Draw a graph and explain/Distinguish/Interpret/Briefly debate   | Max 26<br>Max 10 |
| Conclusion<br>Any higher order conclusion should include :<br><ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating the facts already mentioned on the body</li> <li>• Any opinion or value judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion/analysis</li> <li>• A contradictory viewpoint with motivation, if required</li> <li>• Recommendations</li> </ul> | Max 2            |
| <b>TOTAL</b>   | <b>40</b>        |

### **QUESTION 4**

### **40 MARKS – 35 MINUTES**

Market forces are economic factors that affect the availability of goods and the demand for them.

- Discuss the factors that influence demand and quantity. (26)
  - Critically evaluate movement along the demand curve. (10)
- [40]**

### **QUESTION 5**

The South African government has adopted the developmental state idea, which means it tends to interfere increasingly in the economy.

- Discuss the reasons for implementing maximum prices and the effect of maximum prices. (26)
  - In addition explain by means of a graph maximum prices. (10)
- [40]**

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 100**

