



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA



**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

**ECONOMICS
COMMON TEST
MARCH 2024**

Stanmorephysics.com

MARKS: 100

TIME : 1½ HOURS

This question paper consists of 9 pages including this page.

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. Answer 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 blue or black ink.
9. Non-programmable pocket calculators may be used.
10. 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 goods and services that individual can live without are called ...

- A. wants
- B. needs
- C. demand
- D. basic

1.1.2. Tangible items that can be used over and over again and can last a long period are called ... goods

- A. public
- B. semi-durable
- C. durable
- D. services

1.1.3. The person who takes the financial risk by starting the business is called ...

- A. technology
- B. labour
- C. communication
- D. entrepreneurship

1.1.4 The process of buying capital goods is referred to as ...

- A. exports
- B. investment
- C. specialisation
- D. imports

1.1.5 The lowest turning point of the business cycle is known as ...

- A. equilibrium
- B. peak
- C. trough
- D. break even

(5x2) (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 Microeconomics	A. Products that are sold to other countries.
1.2.2 Human rights	B. A technique of using machines to manufacture goods.
1.2.3 Non-durable goods	C. The study of individual consumers and firms in the economy.
1.2.4 Capital intensive production	D. An acceptable value and rules that are fair and just and everyone is entitled to
1.2.5 Exports	E. Used only once to satisfy consumer needs and wants.
1.2.6 Lagging indicators	F. A method that relies on workers labour than equipment.
	G. Changes direction after the economy has changed.

(6x 1) (6)

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

- 1.3.1 An approach that study the economy as a whole.
- 1.3.2 The process whereby products are traded between producer to consumer for money.
- 1.3.3 The compulsory payment made by household and firms to the government.
- 1.3.4 The feature in business cycles which indicates the general direction of the economy.

(4 x 1) (4)

TOTAL SECTION A: [20]

SECTION B

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

QUESTION 2: MACRO-ECONOMICS**40 MARKS – 30 MINUTES**

2.1 Answer the following questions.

2.1.1. Name any TWO branches of economics. (2 x 1)(2)

2.1.2. How can industries cause environmental damage in economy? (1 x 2)(2)

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

CAREER OPPORTUNITIES

A study of Economics will help to prepare you to enter a variety of different careers in the fields of finance, manufacturing, commerce, tourism and many others. It will also help you to apply your entrepreneurial talents and skills to create employment for yourself and for others.

[Source: www.google.com]

2.2.1 Identify one career field an economics learner can follow from the extract. (1)

2.2.2 Which other skill is in demand in S.A labour market? (1)

2.2.3 Briefly describe the term *needs* (2)

2.2.4 Why is economics regarded as a social science? (2)

2.2.5 How can economic models be used in economic theories? (4)
(10)

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



[Source:www.google.com]

- 2.3.1 Identify any ONE example of economic goods as shown above. (1)
- 2.3.2 Name any ONE product that can be produced with trees. (1)
- 2.3.3 Briefly describe the term *opportunity cost*. (2)
- 2.3.4 Explain the importance of making choice by consumers. (2)
- 2.3.5 Why do producers choose economic goods over free goods? (4)
(10)
- 2.4 Differentiate between normative statements and positive statements in economics (2x4) (8)
- 2.5 How can the secondary sector be used to boost the economy? (8)

QUESTION 3: MACRO-ECONOMICS**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Name TWO flows found in the circular flow. (2 x 1) (2)

3.1.2 How can business cycle be measured? (1 x 2) (2)

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

NATIONAL ACCOUNT AGGREGATES (2022)

	R million
Primary sector	336 448
Secondary sector	734 423
Tertiary sector	3 088 825
GDP at basic prices	4 159 696
PLUS Taxes on products	100 745
Minus Subsidies on products	108 906
GDP at market prices	(A)

Source: SARB Quarterly Bulletin

3.2.1 Identify the method of national account used above? (1)

3.2.2 Which sector contributed the most to the South African GDP according to the extract? (1)

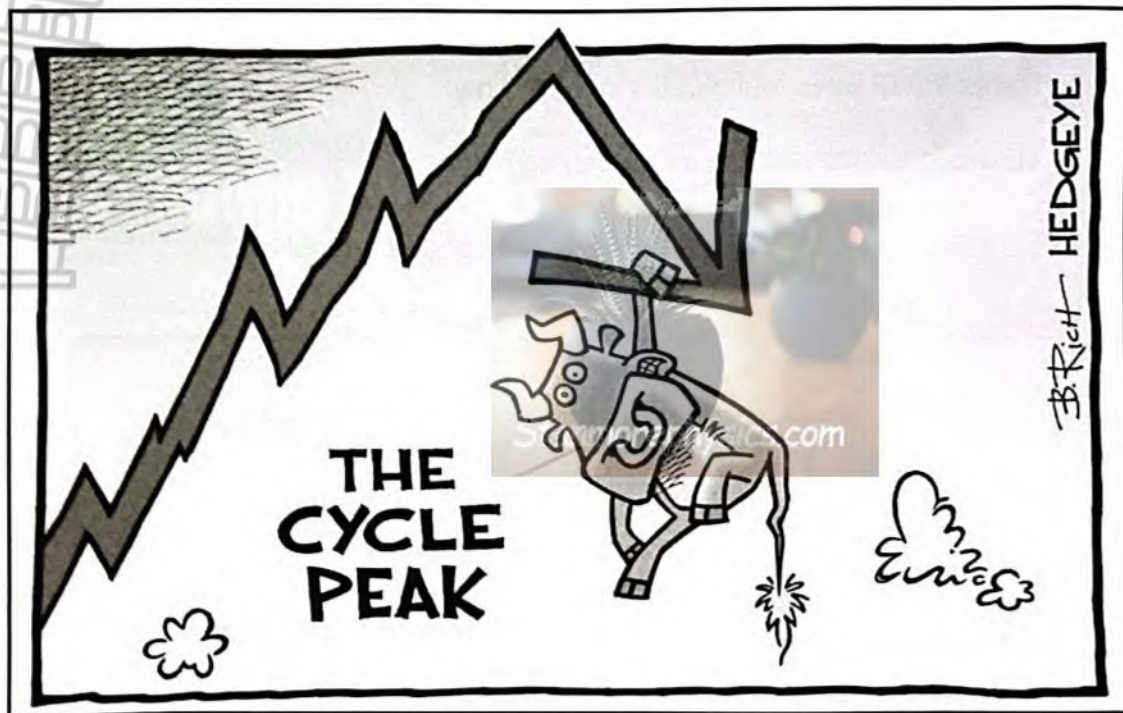
3.2.3 Briefly describe the term *subsidies*. (2)

3.2.4 Why are SA GDP figures always greater the GNP figures? (2)

3.2.5 Calculate the GDP at market prices (A) as shown by the table. Show ALL your calculations. (4)

(10)

3.3 Study the information below and answer the following questions.



Source: www.google.com

- 3.3.1 Identify the graph shown by the picture above. (1)
- 3.3.2 Which period is illustrated in the above picture? (1)
- 3.3.3 Briefly describe the term *leading indicators*. (2)
- 3.3.4 Explain recovery as a phase of business cycle. (2)
- 3.3.5 How does load shedding affect the business cycle in SA? (4)
- (10)**
- 3.4 Discuss exogenous factors as cause of business cycle. (8)
- 3.5 Evaluate the effect of leakages in the economy. (8)

TOTAL SECTION B: [40]

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
<p>Introduction</p> <p>The introduction is a lower order-response</p> <p>A good starting point would be to define the main concept related to the question topic.</p> <p>Do not include any part of the question in your introduction.</p> <p>Do not include any part of the introduction in your body.</p> <p>Avoid saying in the introduction what you are going to discuss in the body.</p>	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>	Max. 26 Max. 10
<p>Conclusion</p> <p>Any high-order conclusion should include:</p> <p>A brief summary of what has been discussed without repeating facts already mentioned.</p> <p>Any opinion or value judgment on the facts discussed.</p> <p>Additional support information to strengthen the discussion/analysis.</p> <p>A contradictory viewpoint with motivation, if required.</p> <p>Recommendations.</p>	Max. 2
TOTAL	40

QUESTION 5: MACRO-ECONOMICS**40 MARKS – 40 MINUTES**

- Discuss in details the role of markets in the circular flow of an open economy. (26)
- How can the government contribute positively to the economy? (10)

QUESTION 6: MACRO-ECONOMICS**40 MARKS – 40 MINUTES**

- Discuss in details the effects of the business cycles (26)
- How can endogenous factors benefit the economy? (10)

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



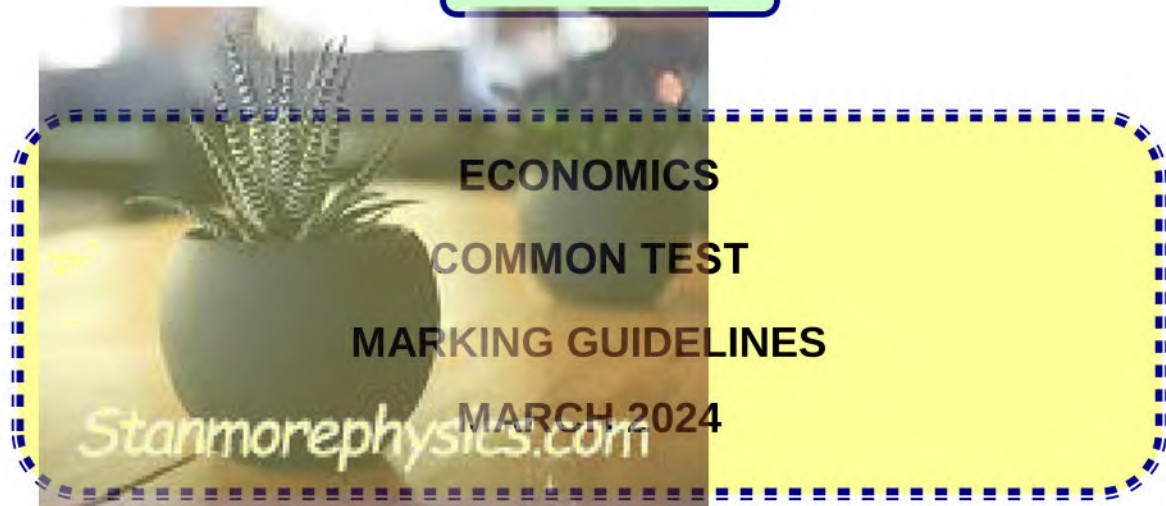
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This marking guideline consists of 13 pages including this page.

SECTION A (COMPULSORY)**QUESTION 1****1.1 MULTIPLE CHOICE**

1.1.1. A wants ✓✓

1.1.2 C. durable ✓✓

1.1.3 D. entrepreneurship ✓✓

1.1.4 B. investment ✓✓

1.1.5 C. trough ✓✓

(5x2) (10)

1.2 MATCHING ITEMS

1.2.1 C The study of individual consumers and firms in the economy ✓

1.2.2 D An acceptable value and rules that are fair and just and everyone is entitled to ✓

1.2.3 E Used only once to satisfy consumer needs and wants. ✓

1.2.4 B A technique of using machines to manufacture goods ✓

1.2.5 A Products that are sold to other countries ✓

1.2.6 G Changes direction after the economy has changed ✓ (6 x 1) (6)

1.3 CONCEPTS

1.3.1 Macroeconomics ✓

1.3.2 Exchange ✓

1.3.3 Taxes ✓

1.3.4 Trend line ✓

(4 x 1) (4)

TOTAL SECTION A: [20]

SECTION B

QUESTION 2

2.1

2.1.1. Name any TWO branches of economics.

(2x1) (2)

- Econometrics ✓
- Labour economics ✓
- Monetary economics ✓
- Development economics ✓

(Accept any other correct relevant answer)

2.1.2. How can industries cause environmental damage in the economy?

(1x2) (2)

- By throwing chemicals that affect the quality of water in the rivers and sea ✓✓
- By causing the smoke from their factories which in turn cause air pollution and climate change ✓✓

(Accept any other correct relevant answer)

2.2 DATA RESPONSE**2.2.1 Identify one career field an economics learner can follow from the extract.**

(1)

- Finance ✓
- Tourism ✓
- Manufacturing ✓
- Entrepreneurship ✓

(Accept any other correct relevant answer)

2.2.2 Which other skill is in demand in S.A labour market?

(1)

- Technicians ✓
- Engineering ✓

(Accept any other relevant correct answer)

2.2.3 Briefly describe the term *needs*

(2)

Goods and services the individual cannot live without. ✓✓

(Accept any other relevant correct answer)

2.2.4 Why is economics regarded as a social science?

(2)

- Studies daily choices the people make and how to satisfy their unlimited needs and wants. ✓✓
- Economics studies the human behaviour. ✓✓

2.2.5 How can economic models be used in economic theories? (4)

- Models can be used to explain what is happening in a particular situation and predict what is going to happen next. ✓✓
 - Making theories more concrete, in a verbal or mathematical description. ✓✓
- (Accept any other relevant correct answer)

2.3 DATA RESPONSE**2.3.1 Identify any ONE example of economic goods as shown above. (1)**

- Pens ✓
- Watch ✓
- stapler ✓
- hand sanitizer ✓

2.3.2 Name any ONE product that can be produced with trees (1)

- Furniture ✓
- Medicine ✓
- Paper. ✓

(Accept any other relevant correct answer)

2.3.3 Briefly describe the term *opportunity cost*. (2)

- The value of the next best alternative not chosen. ✓✓
- The sacrifice people make by choosing one option over the other. ✓✓

(Accept any other correct relevant answer)

2.3.4 Explain the importance of making choice by consumers (2)

- The consumers are making choices because resources are scarce while they must satisfy their needs and wants. ✓✓
- Consumers have to prioritise products that satisfy their needs before buying luxury goods and services ✓✓

(Accept any relevant correct answer)

2.3.5 Why do producers choose economic goods over free goods? (4)

- Economic goods have exchange value and usage value. ✓✓
- The possession of economic goods indicates wealth. ✓✓
- Economic goods have a price. ✓✓

(Accept any relevant correct answer)

2.4 **Differentiate between normative statements and positive statements in economics** (2x2) (4)

Normative statement

- The statement where economist has given his or her opinion/value judgement ✓✓
- The statement that focus on what ought to be. ✓✓
- These statements can be debated. ✓✓

Positive Statement

- The statement that deals with fact. ✓✓
 - It can be proved or disproved wrong or right. ✓✓
- (Accept any other correct relevant answer)

2.5 **How can the secondary sector be used to boost the economy?** (2x2) (4)

The secondary sector can be used to boost the economy by:

- Manufacturing /producing goods and services that satisfy the needs and wants of the people. ✓✓
- Creating local employment for the household. ✓✓
- Increasing industries that may diversify local production ✓✓
- Producing in large quantities (mass production) that will be exported to other countries and earn foreign exchange. ✓✓
- Contributing corporate tax to the government that can be used to pay for public goods and services. ✓✓

QUESTION 3

3.1

3.1.1 Name Two flows found in the circular flow. (2 x 1) (2)

- Real flow ✓
- Money flow ✓

3.1.2 How can business cycle be measured? (1 X 2) (2)

Business cycle can be measured from peak to peak or from through to through. ✓✓

(Accept any other correct relevant answer)

3.2 DATA RESPONSE

3.2.1 Identify the method of national account used above? (1)

Production method ✓

3.2.2 Which sector contributed the most to the South African GDP according to the extract? (1)

Tertiary sector ✓

3.2.3 Briefly describe the term *subsidies*. (2)

- Subsidies refer to financial assistance that is given by the government to businesses and households. ✓✓

(Accept any other correct relevant answer)

3.2.4 Why are SA GDP figures always greater the GNP figures? (2)

- South Africa invest less in other countries than the investment made by Foreigners in SA. ✓✓

(Accept any other correct relevant answer)

3.2.5 Calculate the GDP at market prices (A) as shown by the table. Show ALL your calculations. (4)

GDP at basic prices	4 159 696 ✓
Taxes on products	+ 100 745 ✓
Subsidies on products	- 108 906 ✓
GDP at market price	4 151 535 ✓

3.3 DATA RESPONSE**3.3.1 Identify the graph shown by the picture above.** (1)

Business cycles ✓

3.3.2 Which period is illustrated in the above picture? (1)

Upswing ✓

3.3.3 Briefly describe the term *leading indicators*. (2)

- Leading indicators are those indicators that change before the business cycle changes. ✓✓
- They tell economists about the future state of economy. ✓✓
- They reach the peak/trough before economy reaches it. ✓✓

(Accept any other correct relevant answer)

3.3.4 Explain recovery as a phase of business cycle. (2)

- This is a phase where economic activity slowly starts to increase. ✓✓
- It is the first phase after the trough. ✓✓
- They start to hire few people and order more materials ✓✓
- Producers take out more loans to buy capital goods. ✓✓
- Businesses are increasing their profits as more production take place. ✓✓

(Accept any other correct relevant answer)

3.3.5 How does load shedding affect the business cycle in SA? (4)

Business cycle may go to recession/depression because of:

- Load shedding which can cause the decrease of production in businesses and in turn results in loss of profits. ✓✓
- Businesses that may shutdown as they cannot bear the costs of replacing electricity with diesel. ✓✓
- Public sector loosing taxes as businesses shut down. ✓✓
- Household may be retrenched in some sectors of economy. ✓✓

(Accept any correct relevant answer)

3.4 Discuss exogenous factors as cause of business cycle. (8)

- Exogenous factors are external factors that affect the business cycles. ✓✓
- These factors originate from outside the economic system. ✓✓
- The monetarists believe that markets are inherently stable. ✓✓
- Monetarists argue that government intervention is not necessary as government can destabilise the stable economy. ✓✓
- Example like flooding can damage the infrastructure and agricultural products. ✓

(Accept any correct relevant answer)

3.5 Evaluate the effect of leakages in the economy. (8)**Negative**

- Leakages are withdrawals that decrease national income. ✓✓
- Taxes reduce disposable income of households and firms thus affect consumption. ✓✓
- High income taxes discourages workers and cause unemployment while others choose to work for foreign countries. ✓✓
- Imports will increase the outflow of money and will reduce job opportunities. ✓✓
- More savings may reduce disposable income that can be used for consumption. ✓✓

Positive

- Taxes are the main source of income that can help to boost government spending on public goods. ✓✓
- Import on capital goods benefit the country in the production process. ✓✓
- Savings are needed to ensure economic growth as they become investments in the long run. ✓✓

TOTAL SECTION B: [40]

SECTION C**QUESTION 5**

- Discuss in details the role of markets in the circular flow of an open economy. (26)

INTRODUCTION

- Markets coordinate economic activities and determine prices for goods and services. ✓✓
- The circular flow model is a simplified representation of the interaction between the participants of the economy ✓✓
(Accept any other relevant introduction) (Max 2)

BODY (MAIN PART)**Goods/Product/Output markets ✓**

- These are markets for consumer goods and services ✓✓
In economics a distinction is made between goods and services:
- Goods are defined as any tangible items such as food, clothing and cars that satisfy some human wants or need ✓✓
- Buying and selling of goods that are produced in markets, include: - Capital goods market for trading of buildings and machinery ✓✓
- Consumer goods market for trading of durable consumer goods, semi-durable consumer goods and non-durable consumer goods ✓✓
- Services are defined as non-tangible actions and includes wholesale and retail, transport and financial markets ✓✓
- Flows of private and public goods and services are real flows and they are accompanied by counter flows of expenditures and taxes on the product market ✓✓

Factors/Resources/Input markets ✓

- Factors of production are bought and sold in the factor market ✓✓
- The factor market includes the labour, property and financial markets ✓✓
- Factor services are real flows and they are accompanied by counter flows of income on the factor market ✓✓

Financial markets ✓

- They are not directly involved in production of goods and services, but act as a link between households, the business sector and other participants with surplus funds ✓✓
- Banks, insurance companies and pension funds form part of the financial market. ✓✓

Money markets ✓

- In the money market, short-term loans and very short-term funds (less than 3 years) are saved and borrowed by consumers and business enterprises ✓✓
- Products sold in this market are bank debentures, treasury bills and government bonds ✓✓
- The SARB is the key institution in the money market ✓✓

Capital markets ✓

- In the capital market long-term funds (3 years or longer) are borrowed and saved by consumers and business enterprises ✓✓
- The Johannesburg Security Exchange is a key institution in the capital market ✓✓
- Products sold in this market are mortgage bonds and shares ✓✓

Foreign exchange markets ✓

- On the foreign exchange market businesses buy/sell foreign currencies to pay for imported goods and services ✓✓
 - These transactions occur in banks and consists of an electronic money transfer from one account to another ✓✓
 - The most important foreign exchange markets are in London/New York/Tokyo ✓✓
 - The SA rand is traded freely in these markets when a person buys travellers' cheques to travel abroad ✓✓
 - Imports and exports are real flows and they are accompanied by counter flows of expenditure and revenue on the foreign exchange market ✓✓
- (Accept any other relevant correct answer) (Max 26)

ADDITIONAL PART

- How can the government contribute positively to the economy? (10)

Government can contribute to the economy by:

- Buying the factors of production from the household result in improved welfare of citizens. ✓✓
 - Buy products from the goods market and give that as public goods to poor people. ✓✓
 - Collect money from household and businesses to be used for infrastructure development. ✓✓
 - Supporting household by grants can increase consumption of consumer goods, allowing more profits to businesses. ✓✓
 - Giving financial assistance to local firms to boost exports of local production. ✓✓
 - Attracting more foreign firms that will lead to industrialization in the country. ✓✓
- (Accept any relevant correct answer)

CONCLUSION

- The circular flow will be in equilibrium when leakages are equal to injection and all participants play their functional roles effectively. ✓✓
- (Accept any relevant correct conclusion) (Max 2)

QUESTION 6**Discuss in details the effects of the business cycles****(26)****INTRODUCTION**

Business cycles are defined as consecutive periods of increasing and decreasing of economic activity. ✓✓ (Max. 2)
(Accept any other relevant correct introduction)

BODY: MAIN PART**CHANGES IN AGGREGATE SUPPLY AND AGGREGATE DEMAND ✓**

- Aggregate supply (AS) is the total supply of goods and services in the economy that domestic firms are willing to sell at a certain price and time. ✓✓
- Aggregate demand (AD) is the total demand for goods and services in the economy produced by the domestic firms over a certain period. ✓✓

During the downswing of the business cycle:

- There is a decrease in total spending ✓✓
- Firms decrease their production levels. ✓✓

During the upswing of the business cycle:

- There is an increase in total spending. ✓✓
- Firms increase their output levels. ✓✓

CHANGES IN ECONOMIC GROWTH RATES ✓

Changes in economic growth rates have important effects on the economy.

During the downswing of the business cycle:

- Output starts to decrease slowly then at a faster rate. ✓✓
- As the bottom of the cycle approaches (trough), the drop in output slows. ✓✓

During the upswing of the business cycle:

- Output starts to increase slowly during the recovery. ✓✓
- The rate of increase, increases during the prosperity phase until the peak is reached. ✓✓

An increase in economic growth is important because:

- It creates more employment opportunities. ✓✓
- Higher tax collection means that government can increase services and welfare levels. ✓✓
- Consumers can buy more goods and services, and enjoy better standard of living. ✓✓

CHANGES IN EMPLOYMENT ✓

During the downswing of the business cycle:

- Consumers demand and therefore output decrease, leading to a lower demand for labour. ✓✓
- New employment decreases after the peak, and then as the recession deepens people lose their jobs. ✓✓
- Unemployment levels remain very high during the depression. ✓✓

During the upswing of the business cycle:

- As output increases, employment also increases during the recovery; it is at highest levels during the prosperity phase. ✓✓
- Full employment is only reached by highly-skilled workers. ✓✓
- Unemployment among unskilled and low-skilled workers in South Africa remain high. ✓✓

CHANGES IN PRICE LEVELS ✓

- As the prosperity phase progresses there is an increase in demand and a shortage of output. ✓✓
- This allows producers to increase their prices leading to an increase in inflation. ✓✓
- As the recession sets in, prices rise less quickly: inflation rate drops. ✓✓
- In very deep recessions and depressions prices can drop to encourage demand. ✓✓

CHANGES IN EXCHANGE RATES ✓

- The exchange rate is the rate at which one currency is exchange for another. ✓✓
- During the downswing of the business cycle imports and foreign investment decrease.
So the demand for the currency decreases, and its price decreases. ✓✓

EFFECTS ON THE ECONOMICALLY VULNERABLE ✓

During upswing imports and foreign investment increase.

- The demand for the currency increase so the price 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 so social services and welfare grants are not likely to increase much. ✓✓

During the upswing of the business cycle:

- There are more jobs on offer so the economically vulnerable are more likely to be able to gain employment, although their position is always difficult. ✓✓
- The state is in a better position to provide social services and welfare grants. ✓✓

(Max 26)

Additional part

How can endogenous factors benefit the economy?

Endogenous factors can benefit the economy by:

- Increasing consumption businesses will get more profits and more labour will be employed to provide for increased demand of goods and services. ✓✓
- Decreasing interest rates will cause firms to increase investment that can create more growth. ✓✓
- Improved infrastructure that will attract foreign investors into the country. ✓✓
- Subsidising exports will enlarge the market for local producers that compete in global economy. ✓✓
- Increasing government spending that create more job opportunities for household while improving income levels. ✓✓

(Accept any other relevant correct answer)

CONCLUSION

The business cycle is the indicator of the position of real GDP, so it helps economists to predict the future using past information. ✓✓

(Accept any other relevant correct conclusion)

(Max 2)

[40]
TOTAL MARKS: [100]