GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 10

ECONOMICS

(PAPER 1)

TIME: 2 hours

MARKS: 150

13 pages

INSTRUCTIONS AND INFORMATION

1.   Answer FOUR questions as follows in the ANSWER BOOK:

      SECTION A: COMPULSORY
      SECTION B: Answer TWO of the three questions.
      SECTION C: Answer ONE of the two questions.

2.   Answer only the required number of questions. Answers in excess of the required number will NOT be marked.

3.   Number the answers correctly according to the numbering system used in this question paper.

4.   Write the question number above each answer.

5.   Read the questions carefully.

6.   Start each question on a NEW page.

7.   Leave 2 – 3 lines between subsections of questions.

8.   Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.

9.   Use only black or blue ink.

10.   You may use a non-programmable calculator.

11.   Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1   **30 MARKS – 20 MINUTES**

1.1   Four options are provided as possible answers to the following questions.
        Choose the correct answer and write only the letter (A – D) next to the question
        numbers (1.1.1 to 1.1.8) in the ANSWER BOOK, e.g. 1.1.9 E.

      1.1.1   Which of the following is not used when defining Economics?

          A   Scarcity
          B   Choice
          C   Profits
          D   Efficiency

      1.1.2   The basic economic problem faced by all economies is …

          A   rising prices.
          B   unemployment.
          C   scarcity of resources.
          D   low economic growth.

      1.1.3   National income will increase when …

          A   injections = leakages.
          B   leakages > injections.
          C   injections < leakages.
          D   leakages < injections.

      1.1.4   An indicator that changes before the economy changes is known as a
        … indicator.

          A   leading
          B   lagging
          C   coincidental
          D   composite

      1.1.5   In early societies every household aimed to produce all the goods and
        services that they needed. This was called …

          A   opportunity costs.
          B   alternatives.
          C   choices.
          D   self-sufficiency.

P.T.O.

1.1.6   Associations of craftsmen and other professions, during the Middle Ages, were known as …

    A   guilds.
    B   landlords.
    C   alliances.
    D   hierarchies.

1.1.7   South Africa has a shortage of ... labour.

    A   unskilled
    B   skilled
    C   permanent
    D   temporary

1.1.8   The population group that has the most difficulty in finding a job is …

    A   middle aged men.
    B   older women.
    C   the youth.
    D   children.   (8 x 2)   (16)

1.2   Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A – I) next to the question numbers (1.2.1 to 1.2.8) in the ANSWER BOOK, e.g. 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Economics	A The total value of final goods and services produced within the geographical boundaries of a country
1.2.2 Production	
1.2.3 Gross Domestic Product	B The repeating and fluctuating levels of economic activity
1.2.4 Business cycle	C Workers on a temporary leave of absence
1.2.5 Nomadic	D The process by which the entrepreneur combines labour and capital into a product
1.2.6 Mercantile Law	
1.2.7 Labour absorption rate	E Provides an indication to the lack of job opportunities
1.2.8 Furloughed employees	F The study of how to choose and use scarce resources

	G	People travel from place to place rather than living in one place
	H	A broad range of business customs and practices
	I	A business focussing on producing a limited range of goods and services to be more efficient

(8 x 1)   (8)

1.3   Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.6) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

  1.3.1   A branch of Economics that deals with polices that help low-income countries to develop

  1.3.2   The fairness of the allocation of resources among a group of people

  1.3.3   A simplified model that describes the interdependence of the major sectors in an economy

  1.3.4   A business structure that features transferable shares and limited liability for shareholders

  1.3.5   The process of increased international cooperation, communication, and trade

  1.3.6   Foreigners that enter a country on a permanent basis   (6 x 1)   (6)

TOTAL SECTION A: 30

SECTION B

Answer TWO of the three questions from this section in the ANSWER BOOK.
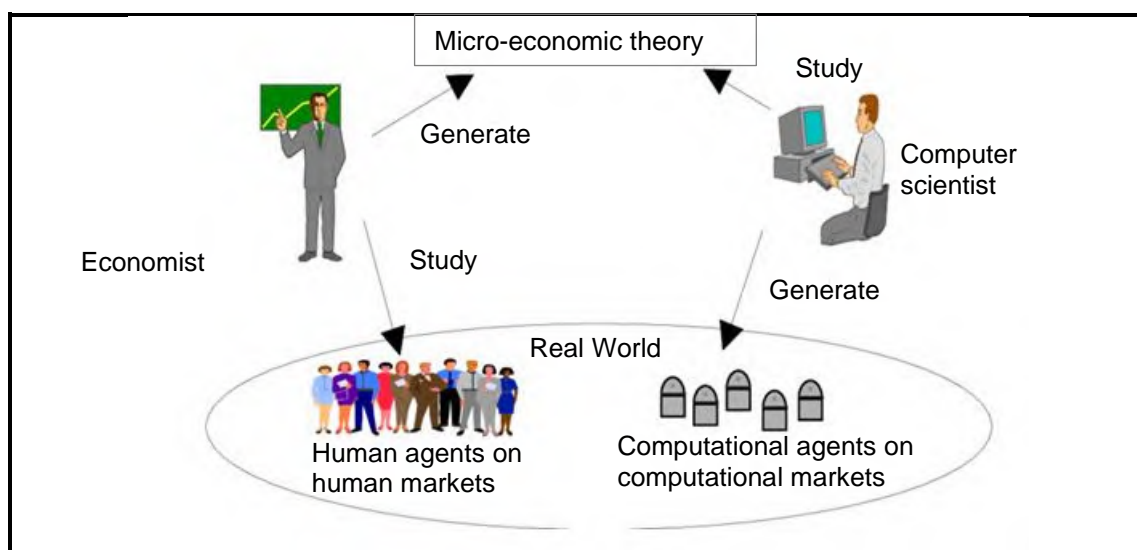
QUESTION 2: MACROECONOMICS   **40 MARKS – 30 MINUTES**

2.1   Answer the following questions.

     2.1.1   Name TWO elements of Economics.   (2 x 1)   (2)

     2.1.2   Why do economists use economic models?   (1 x 2)   (2)

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

[Adapted source: Google images]

     2.2.1   Name ONE factor to consider when choosing a career.   (1)

   2.2.2   Identify a career related to Economics.   (1)

     2.2.3   Briefly describe the term *microeconomics.*   (2)

     2.2.4   How does Economics relate to Computer Science?   (2)

     2.2.5   How can an economist use scientific methods to uncover regular
              economic patterns?   (2 x 2)   (4)

P.T.O.

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

[Adapted source: https://marketbusinessnews.com/financial-glossary/scarcity]
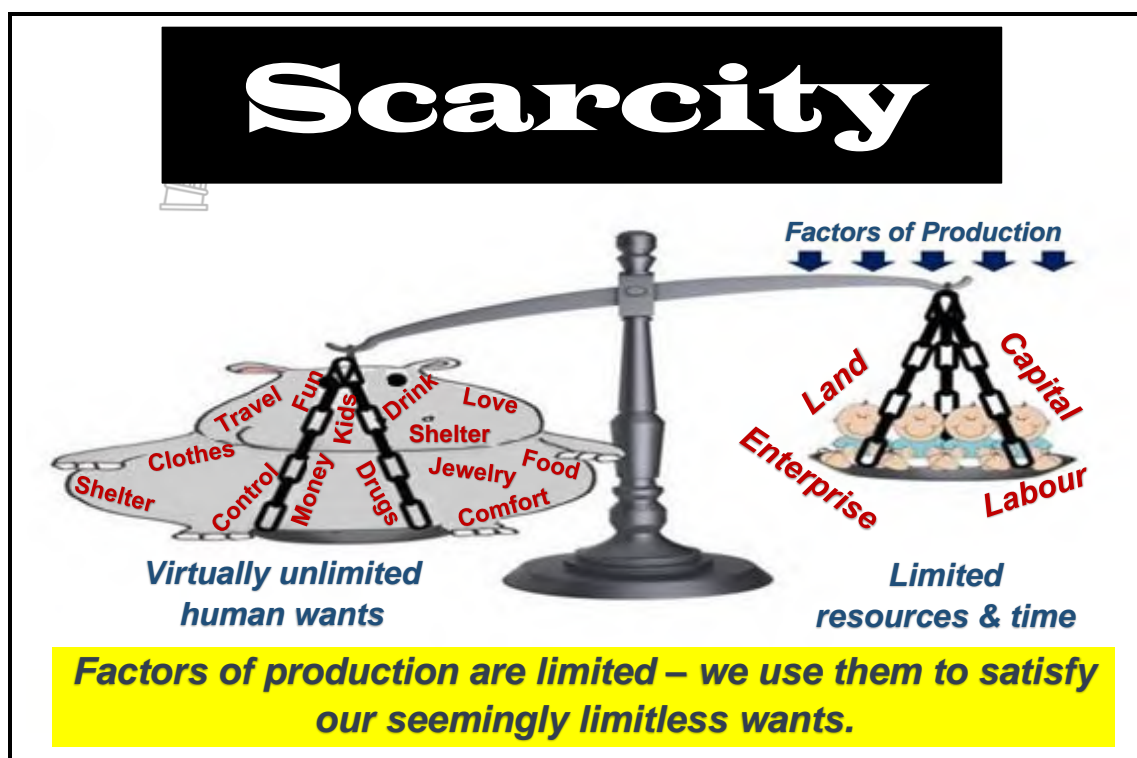
2.3.1 Identify an economic concept from the information above. (1)

2.3.2 Give ONE example of a capital good. (1)

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

2.3.4 Why are resources scarce? (2)

2.3.5 How should producers allocate their resources to ensure the maximum amount of consumer needs and wants are satisfied? (2 x 2) (4)

2.4 Distinguish between *absolute scarcity* and *relative scarcity*. (4 x 2) (8)

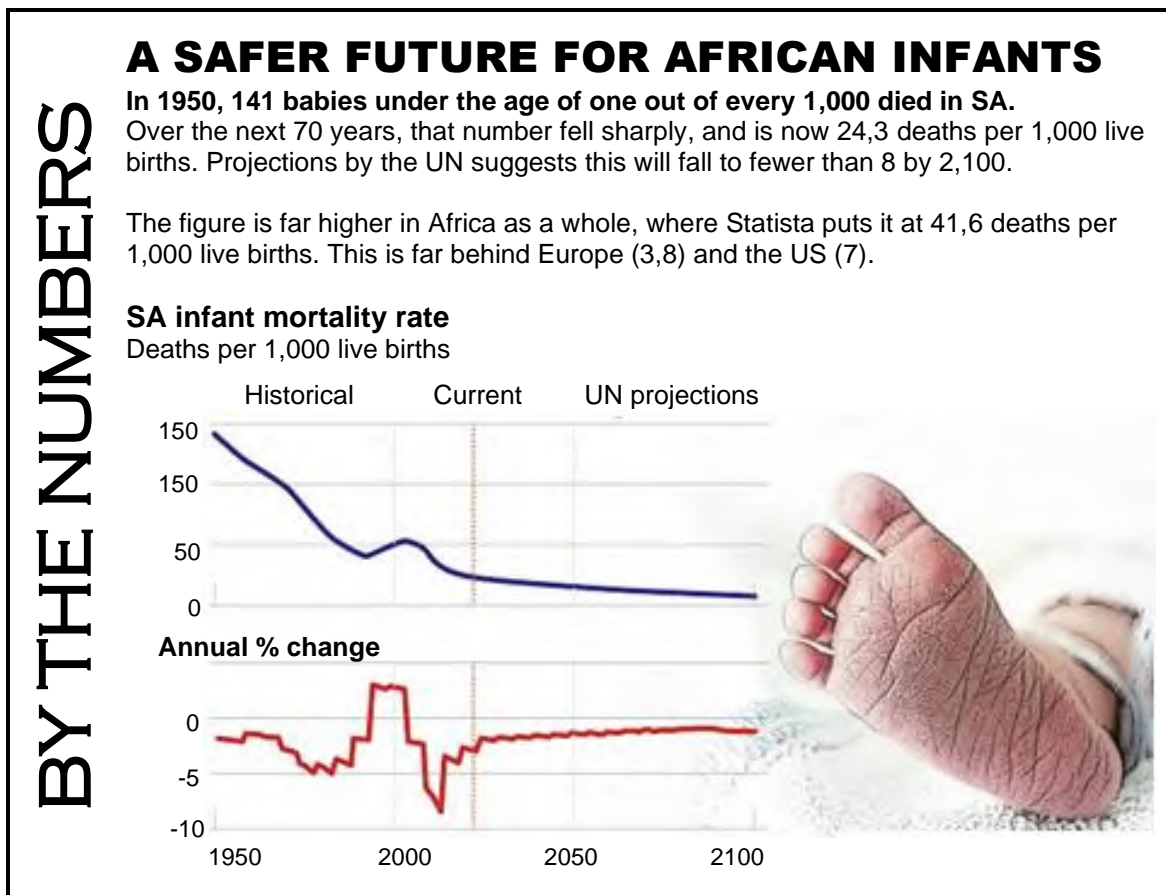2.5 How effective are government policies in protecting the environment? (8)

[40]

QUESTION 3: ECONOMIC PURSUITS 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

    3.1.1 Name any TWO of the G7 countries. (2 x 1) (2)

    3.1.2 What role did the development of towns and cities play in early economic development? (1 x 2) (2)

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

A SAFER FUTURE FOR AFRICAN INFANTS

In 1950, 141 babies under the age of one out of every 1,000 died in SA.
Over the next 70 years, that number fell sharply, and is now 24,3 deaths per 1,000 live births. Projections by the UN suggests this will fall to fewer than 8 by 2,100.

The figure is far higher in Africa as a whole, where Statista puts it at 41,6 deaths per 1,000 live births. This is far behind Europe (3,8) and the US (7).

SA infant mortality rate
Deaths per 1,000 live births

BY THE NUMBERS

Historical   Current   UN projections

150
150
50
0

Annual % change

0
-5
-10

1950   2000   2050   2100

[Adapted source: www.financialmail.co.za]

    3.2.1 Name the measure for infant mortality. (1)

    3.2.2 What is the current infant mortality rate in South Africa? (1)

    3.2.3 Briefly describe the term *mortality rate.* (2)

    3.2.4 According to the graph, what development has taken place over the last 70 years? (2)

    3.2.5 How can infant mortality be lowered in South Africa? (2 x 2) (4)

P.T.O.

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

[Adapted source: www.*businessday*.co.za]

3.3.1 Identify the institution depicted in the cartoon above. (1)

3.3.2 Name the character in the cartoon. (1)

3.3.3 Briefly describe the term *loadshedding*. (2)

3.3.4 Why is South Africa experiencing loadshedding? (2)

3.3.5 How does loadshedding negatively impact producers? (2 x 2) (4)

3.4 Differentiate between a *positive* and *negative population growth rate*. (2 x 4) (8)

3.5 How did an increase in the demand for goods and services contribute to industrial development? (4 x 2) (8)

[40]

P.T.O.

QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS
40 MARKS – 30 MINUTES

4.1   Answer the following questions.

    4.1.1   Name TWO participants in an open economy.   (2 x 1)   (2)

    4.1.2   Why is the population growth rate important for government planning?
                             (1 x 2)   (2)

4.2   Study the table below and answer the questions that follow.

| GROSS VALUE ADDED ACCORDING TO TYPE OF ECONOMIC ACTIVITY			
At current prices (R millions)	**2019**	**2020**	**2021**
Primary sector	425 216	492 772	631 848
Secondary sector	1 006 431	939 939	1 037 270
Tertiary sector	3 607 640	3 565 161	3 894 359
Gross value added at basic prices	**5 039 287**	**4 997 872**	**A**
At constant 2015 prices (R millions)	**2019**	**2020**	**2021**
Primary sector	326 210	314 060	346 995
Secondary sector	807 746	704 438	736 992
Tertiary sector	2 990 501	2 860 862	2 979 705
Gross value added at basic prices	**4 124 457**	**3 879 360**	**4 063 693**

[Adapted: *SARB Quarterly Bulletin*, March 2022]

    4.2.1   Name the method that was used to calculate national production above.   (1)

    4.2.2   What sector is the largest contributor to the GDP?   (1)

    4.2.3   Briefly describe the term *gross national income.*   (2)

    4.2.4   Calculate gross value added (GVA) as represented by **A**.   (2)

    4.2.5   What external factors contributed to the decline in gross value
             added (GVA) during 2020?   (2 x 2)   (4)

4.3   Study the following picture and answer the questions that follow.
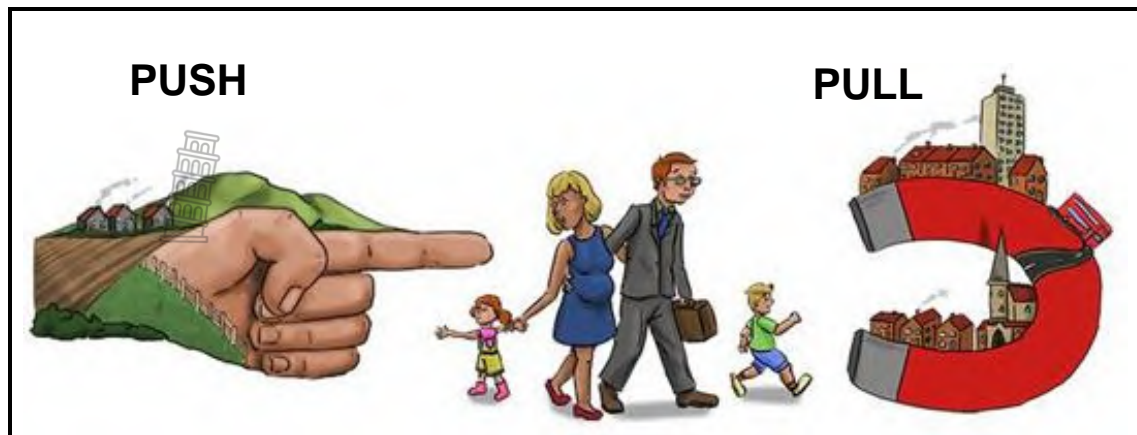
[Adapted source: www.google.com]

4.3.1   Identify the process depicted in the illustration above.   (1)

4.3.2   Why do most people prefer to live in cities?   (1)

4.3.3   Briefly describe the term *urbanisation.*   (2)

4.3.4   Why is the growing rate of urbanisation a problem for local government?   (2)

4.3.5   What measures may be used to slow down the rate of urbanisation?
(2 x 2)   (4)

4.4   Distinguish between *economic growth* and *economic development.*   (2 x 4)   (8)

4.5   How do markets contribute to the improved functioning of the economy?   (8)
[40]

TOTAL SECTION B: 80

P.T.O.

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. • A good starting point would be to define the main concept or keyword that appears in the question. • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body. • Avoid mentioning in the introduction what you are going to discuss in the body.	Max. 2
Body **Main part:** Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/Draw a graph and explain/Complete the given graph/Assess/Debate **A maximum of 5 marks may be allocated to headings/examples used.**	Max. 26
Additional part: Give own opinion/Critically discuss/Evaluate/Critically evaluate/Debate/Deduce/Compare/Explain/Distinguish/Interpret/Briefly debate/How?/Suggest **A maximum of 2 marks may be allocated for the mere mention of facts.**	Max. 10
Conclusion Any higher-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement on the facts already discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max. 2
TOTAL:	**40**

P.T.O.

QUESTION 5: MACROECONOMICS   40 MARKS – 40 MINUTES

*   Discuss, in detail, the effects of business cycles on the following:

    o   Aggregate supply and aggregate demand
    o   Employment
    o   Exchange rates
    o   The economically vulnerable   (26 marks)

*   How do external factors influence economic fluctuations?   (10 marks)   **[40]**

QUESTION 6: ECONOMIC PURSUITS   40 MARKS – 40 MINUTES

*   Discuss, in detail, the South African population size.   (26 marks)

*   What impact does the spread of COVID-19 have on the labour force of a
    country?   (10 marks)   **[40]**

                                                    TOTAL SECTION C: 40

                                                                TOTAL: 150

END

GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 10

MARKING GUIDELINES

ECONOMICS (PAPER 1)

19 pages

SECTION A (COMPULSORY)

QUESTION 1

1.1   **MULTIPLE-CHOICE QUESTIONS**

  1.1.1   C   Profits ✓✓

  1.1.2   C   scarcity of resources. ✓✓

  1.1.3   D   leakages < injections. ✓✓

  1.1.4   A   leading ✓✓

  1.1.5   D   self-sufficiency. ✓✓

  1.1.6   A   guilds. ✓✓

  1.1.7   B   skilled ✓✓

  1.1.8   C   the youth. ✓✓

                                                                (8 x 2)   (16)

1.2   **MATCHING ITEMS**

  1.2.1   F   The study of how to choose and use scarce resources ✓

  1.2.2   D   The process by which the entrepreneur combines labour and capital
              into a product ✓

  1.2.3   A   The total value of final goods and services produced within the
              geographical boundaries of a country ✓

  1.2.4   B   The repeating and fluctuating levels of economic activity ✓

  1.2.5   G   People travel from place to place rather than living in one place ✓

  1.2.6   H   A broad range of business customs and practices ✓

  1.2.7   E   Provides an indication to the lack of job opportunities ✓

  1.2.8   C   Workers on a temporary leave of absence ✓   (8 x 1)   (8)

2

1.3 **GIVE THE CONCEPT**

    1.3.1   Development Economics ✓

    1.3.2   Equity ✓

    1.3.3   Circular flow model ✓

    1.3.4   Company ✓

    1.3.5   Globalization/International trade ✓

    1.3.6   Immigrant/Refugees ✓   (6 x 1)   (6)

                  TOTAL SECTION A: **30**

SECTION B

Answer TWO of the three questions from this section in the ANSWER BOOK.

QUESTION 2: MACROECONOMICS   **40 MARKS – 30 MINUTES**

2.1   Answer the following questions.

2.1.1   **Name TWO elements of Economics.**

   - Production ✓, Distribution ✓, or Consumption ✓
   (Accept any other correct relevant response.)   (2 x 1)   (2)

2.1.2   **Why do economists use economic models?**

   Economic models are used to understand how the economy works and to make forecasts.✓✓
   (Accept any other correct relevant response.)   (1 x 2)   (2)

2.2   **DATA RESPONSE**

2.2.1   **Name ONE factor to consider when choosing a career.**

   - Financial implications ✓
   - Risks ✓
   - Interests and skills ✓
   (Accept any other correct relevant response.)   (1 x 1)   (1)

2.2.2   **Identify a career related to Economics.**

   - Commercial lawyer ✓
   - Statistician ✓
   - Business analyst ✓
   - Investor ✓
   (Accept any other correct relevant response.)   (1)

2.2.3   **Briefly describe the term *microeconomics.***

   Microeconomics is the study of the behaviour and decisions of individuals who participate in the economy to allocate limited resources. ✓✓
   (Accept any other correct relevant response.)   (2)

4

2.2.4 **How does Economics relate to Computer Science?**

- Computers are used in the field of Economics. Economists must keep up with the latest trends and information. ✓✓
- The use of information technology helps economists to understand how the economy functions.✓✓

(Accept any other correct relevant response.) (2)

2.2.5 **How can an economist use scientific methods to uncover regular economic patterns?**

- Economics is a science that uses scientific methods to uncover patterns. ✓✓
- Economists use these patterns to explain what happened in the economy in the past, and to predict what will happen in the future. ✓✓
- For example, economists will study the price of bread over the past ten years and predict future price increases. ✓✓

(Accept any other correct relevant response.) (4)

2.3 **DATA RESPONSE**

2.3.1 **Identify an economic concept from the information above.**

- The basic economic problem of scarcity ✓
- Unlimited human wants ✓
- Unlimited resources and time ✓
- Unlimited wants ✓
- Unlimited factors of production ✓

(Accept any other correct relevant response.) (1 x 1) (1)

2.3.2 **Give ONE example of capital goods.**

- Buildings ✓
- Machinery ✓
- Vehicles ✓

(Accept any other correct relevant response.) (1)

2.3.3 **Briefly describe the term *opportunity cost*.**

It is the cost of the next best alternative of a product or service. ✓✓
(Accept any other correct relevant response.) (2)

2.3.4 **Why are resources scarce?**

Resources are scarce because there are unlimited needs and wants and limited resources. ✓✓
(Accept any other correct relevant response.) (2)

5

| MARKING GUIDELINES | ECONOMICS (PAPER 1) | GRADE 10 |

2.3.5 **How should producers allocate their resources to ensure the maximum amount of consumer needs and wants are satisfied?**

- Producers must ensure that they produce the maximum amount of goods and services (production efficiency), by using efficient production techniques. ✓✓
- Firms should also produce an optimal distribution of goods and services, taking into account consumers' preferences (allocative efficiency). ✓✓
- Market research assists producers in determining the preference of consumers for the different goods and services.✓✓
- The price mechanism, through surpluses and shortages, will allow producers to determine the quantities that consumers prefer. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

2.4 **Distinguish between *absolute scarcity* and *relative scarcity*.**

Absolute scarcity	Relative scarcity
• Absolute means that there is nothing left of whatever you would be looking for. ✓✓ • Absolute scarcity is the inability of nature to provide the necessary resources to satisfy our daily needs. ✓✓ • E.g., a drought may limit the supply of agricultural produce. ✓	• Relative is not absolute, but it is minimal as interpreted in the comparison to something else. ✓✓ • Relative scarcity occurs when goods and services are available, but you do not have the resources to acquire it. ✓✓ • E.g., you want to buy Levi's jeans, but you do not have enough money to purchase it. ✓

(Accept any other correct relevant response.) (4 x 2) (8)

2.5 **How effective are government policies in protecting the environment?**

- In South Africa, the natural environment is protected by the Constitution. The Department of Environment, Forestry and Fisheries (DEFF) is mandated to give effect to the right of citizens to an environment that is not harmful to their health or well-being, and to have the environment protected for the benefit of present and future generations. ✓✓
- Since apartheid ended, South Africa has developed a legal and regulatory environmental framework that in some areas is more advanced that in other countries. The Green Stimulus Recovery Programme which forms part of the post Coronavirus Disease (COVID-19) recovery programme, aims to protect natural resources while contributing to equitable economic growth, providing employment to marginalised communities and growing economic sectors. ✓✓

MARKING GUIDELINES	ECONOMICS (PAPER 1)	GRADE 10

- Consumers and producers are charged for waste they produce and dump in the environment. ✓✓
- South Africa promotes recycling, reuse and reduce campaigns in all communities. For example, plastic shopping bags are discouraged. ✓✓
- Green taxes are charged on the production of products that are not biodegradable, for example tyres. ✓✓
- South Africa has advanced environmental policies but lacks the capacity or political will to implement them. ✓✓
- Examples of government's failure to implement its environmental policy can be seen by the high levels of air pollution and the polluted state of our dams and rivers. ✓✓

(Accept any other correct relevant response.)   (8)
                                                                                   [40]

QUESTION 3: ECONOMIC PURSUITS   **40 MARKS – 30 MINUTES**

3.1   Answer the following questions.

    3.1.1   **Name any TWO of the G7 countries.**

        USA ✓, Japan ✓, Germany ✓, France ✓, UK ✓, Italy ✓ and Canada ✓
                                                                (2 x 1)   (2)

    3.1.2   **What role did the development of towns and cities play in the early economic development?**

        - Commercial farming led to an increase in the production of wheat, maize, and meat. ✓✓
        - The development of towns created markets for manufactured products such as clothing, agricultural products, furniture, machinery, and services such as accommodation and transport. ✓✓
        - The increased production activities led to the emergence of a new class of entrepreneurs. ✓✓
        - People in towns and cities had higher incomes, so they saved and invested more. ✓✓

        (Accept any other correct relevant response.)   (1 x 2)   (2)

3.2   **DATA RESPONSE**

    3.2.1   **Name the measure for infant mortality.**

        Deaths per 1000 live births/Infant mortality rate ✓
        (Accept any other correct relevant response.)   (1)

    3.2.2   **What is the current figure for infant mortality in South Africa?**

        24,3 per 1000 ✓
        (Accept any other correct relevant response.)   (1)

7

| MARKING GUIDELINES | ECONOMICS (PAPER 1) | GRADE 10 |

3.2.3 **Briefly describe the term** *mortality rate.*

The mortality/death rate is a measure of the frequency of deaths in a
defined population during a specified interval. ✓✓
(Accept any other correct relevant response.) (2)

3.2.4 **According to the graph, what development has taken place over the
last 70 years?**

The mortality rate decreased substantially. ✓✓
(Accept any other correct relevant response.) (2)

3.2.5 **How can infant mortality be lowered in South Africa?**

- Create better access to improved healthcare in rural areas. ✓✓
- Educate parents on the use of safe drinking water. ✓✓
- Escalate the drive against teenage pregnancy. ✓✓
- Improve distribution of vaccinations through clinics in non-urban
  areas. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

3.3 **DATA RESPONSE**

3.3.1 **Identify the institution depicted in the cartoon above.**

Eskom ✓ (1)

3.3.2 **Name the character in the cartoon.**

Head of Eskom **OR** Andre van der Ruyte ✓
(Accept any other correct relevant response.) (1)

3.3.3 **Briefly describe the term** *loadshedding***.**

The interruption of an electricity supply to avoid an excessive load on the
generating plant. ✓✓
(Accept any other correct relevant response.) (2)

3.3.4 **Why is South Africa experiencing loadshedding?**

- Poor planning with regards to future energy demands. ✓✓
- Lack of proper maintenance of current power facilities. ✓✓
- Lack of proper leadership by the management board. ✓✓
- Corruption and mismanagement of funds. ✓✓

(Accept any other correct relevant response.) (1 x 2) (2)

3.3.5 **How does loadshedding negatively impact producers?**

- Less goods and services will be produced. ✓✓
- Influences the producers productive efficiency. ✓✓
- Hampers the economic growth of the country. ✓✓

(Accept any correct relevant response.) (2 x 2) (4)

3.4 **Differentiate between a *positive* and *negative population growth rate*.**

Positive population growth rate

The number of births is greater than the number of deaths during a period of population growth. ✓✓
Natural growth in the population occurs, this means that the population grows without an influx of immigrants. ✓✓
Developing nations tend to have a positive population growth. ✓✓

Negative population growth rate

The number of deaths is greater than the number of births during negative population growth. ✓✓
A negative population growth tends to occur in developed counties. ✓✓
These populations tend to get smaller over time. ✓✓

(Accept any other correct relevant response.) (2 x 4) (8)

3.5 **How did an increase in the demand for goods and services contribute to industrial development?**

- An increase in the demand for goods resulted in the need for more cost-effective methods of production, which led to the rise of mechanisation and the factory system. ✓✓
- The goods were manufactured on a large scale in the factories. ✓✓
- The factory system was characterised by division of labour. ✓✓
- Technological innovations led to ever-increasing productivity while requiring less human energy. ✓✓
- A greater volume and variety of factory-produced goods were manufactured which raised the standard of living of many people. ✓✓

(Any correct relevant answer.) (4 x 2) (8)

[40]

MARKING GUIDELINES	ECONOMICS (PAPER 1)	GRADE 10

QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS

40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 **Name TWO participants in an open economy.**

- Households ✓
- Business enterprises ✓
- Governments ✓
- Foreign sectors ✓ (2 x 1) (2)

4.1.2 **Why is the population growth rate important for government planning?**

- To be able to plan for sufficient infrastructure such as schools, hospitals, housing and roads. ✓✓
- To be able to plan for sufficient resources such as food, water and electricity. ✓✓
- To be able to plan for jobs for the near future.✓✓

(Accept any other relevant answer.) (1 x 2) (2)

4.2 **DATA RESPONSE**

4.2.1 **Name the method that was used to calculate national production.**

Production method/Value added/GDP(P) ✓ (1)

4.2.2 **What sector is the largest contributor to the GDP?**

Tertiary ✓ (1)

4.2.3 **Briefly describe the term *gross national income.***

The gross national income (GNI) is the total remuneration for the factors of production received by people of South African nationality during a specific period. ✓✓

(Accept any other correct relevant response.) (2)

10

4.2.4 **Calculate gross value added (GVA) as represented by A.**

Economic Sector	2021 (R Millions)
Primary sector	631 848
+ Secondary sector	1 037 270
+ Tertiary sector	3 894 359 ✓
Total	**5 563 477** ✓

(2)

4.2.5 **What external factors contributed to the decline in gross value added (GVA) during 2020?**

- A decrease in aggregate demand due to COVID-19 restrictions and lockdowns. ✓✓
- Many households had a decrease in income because they were unable to work. ✓✓
- Businesses reduced operating hours which led to reduced production levels. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

4.3 DATA RESPONSE

4.3.1 **Identify the process depicted in the illustration above.**

Migration or Urbanisation ✓
(Accept any other correct relevant response.) (1)

4.3.2 **Why do most people prefer to live in cities?**

For employment opportunities, ✓ education ✓ or cultural reasons. ✓
(Accept any other correct relevant response.) (1)

4.3.3 **Briefly describe the term *urbanisation*.**

Urbanisation refers to the population shift from rural to urban areas. ✓✓
(Accept any other correct relevant response.) (2)

4.3.4 **Why is the growing rate of urbanisation a problem for local government?**

Congestion, pollution, crime, and disease are problems associated with urbanisation. ✓✓
(Accept any other correct relevant response.) (2)

4.3.5 **What measures may be used to slow down the rate of urbanisation?**

- Combat poverty by promoting economic development in rural areas. ✓✓
- Create private-public partnerships to provide employment in rural areas. ✓✓

(Accept any other correct relevant response.) (2 x 2) (4)

4.4 **Distinguish between *economic growth* and *economic development*.**

Economic growth

- It is the increase in the production of goods and services of a country within a given period. ✓✓
- It is measured by comparing real GDP from one year to another. ✓✓
- It is concerned with goods and services. ✓✓

(Accept any other correct relevant response.)

Economic development

- It is the improvement in the standard of living of the entire population. ✓✓
- It is concerned with people and human development. ✓✓
- It deals with issues such as education, literacy, healthcare, employment and environmental sustainability. ✓✓

(Accept any other correct relevant response.) (4 x 2) (8)

4.5 **How do markets contribute to an improved functioning of the economy?**

- A market is a platform where, buyers and sellers meet, prices are decided upon, and quantities bought or sold are determined. ✓✓
- Factors of production are traded on the factor market. ✓✓
- Goods and services are traded on the product market. ✓✓
- Import and export of goods and services takes place in the foreign sector market. ✓✓
- Markets facilitate trade; more trade means more production. ✓✓
- More production means more employment and a higher national income. ✓✓
- Markets are essential for the development of industries and the economic growth of a country. ✓✓
- Without markets, consumers will not be able to access goods. ✓✓
- Factors of production need to be made available to producers and that takes place in a market. ✓✓
- The international market is important so that export of goods take place which will lead to the country earning foreign currency. ✓✓

(Accept any other correct relevant response.) (8)

[40]

TOTAL SECTION B: **80**

SECTION C

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

Your answer will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower-order response. • A good starting point would be to define the main concept or keyword that appears in the question. • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body. • Avoid mentioning in the introduction what you are going to discuss in the body.	Max. 2
Body **Main part:** Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain/Draw a graph and explain/Complete the given graph/Assess/Debate **A maximum of 5 marks may be allocated to headings/examples used.**	Max. 26
Additional part: Give own opinion/Critically discuss/Evaluate/Critically evaluate/Debate/Deduce/Compare/Explain/Distinguish/Interpret/Briefly debate/How?/Suggest **A maximum of 2 marks may be allocated for the mere mention of facts.**	Max. 10
Conclusion Any higher-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgement on the facts already discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max. 2
TOTAL:	**40**

QUESTION 5: MACROECONOMICS   **40 MARKS – 40 MINUTES**

- **Discuss, in detail, the effects of business cycles on the following:**

    - **Aggregate supply and aggregate demand**
    - **Employment**
    - **Exchange rates**
    - **The economically vulnerable**   **(26 marks)**

- **How do external factors influence economic fluctuations?**   **(10 marks)**   **[40]**

INTRODUCTION

Business cycles are the "ups and downs" in economic activity, defined in terms of periods of expansion or recession. ✓✓
(Accept any other correct relevant introduction.)   **(Max. 2)**

BODY

MAIN PART

Aggregate supply and aggregate demand

- Aggregate Demand (AD) is the total spending on goods and services by households, businesses, government and the foreign sector in the economy. ✓✓
- During the recovery, aggregate demand increases and peaks with the business cycle. ✓✓
- After the business cycle peaks aggregate demand will also start to decrease during the contraction phase and will reach its lowest level. ✓✓
- Aggregate Supply (AS) is the total quantity of goods and services supplied at every price level. ✓✓
- Aggregate supply only begins to increase in the recovery phase after inventories start to level off. ✓✓
- Aggregate supply will start decreasing after the business cycle has peaked when inventory levels in the economy start to build up, due to lower demand. ✓✓

Employment

- A recession is a significant and broad decline in economic output, typically lasting more than a few months. ✓✓
- At the onset of a recession, as companies cope with diminished demand, declining profits and elevated debt, many firms start to lay off workers to cut costs. ✓✓
- Increased unemployment causes demand, and output also declines further. ✓✓
- Unemployed workers find it harder to find new jobs, and the average period of unemployment increases. ✓✓
- Rising unemployment is the key indicator that defines a recession. ✓✓
- Joblessness tends to peak later and persists well into a recovery. ✓✓
- That is because the end of the recession marks the trough of the economic contraction and the start of a rebound rather than its completion. ✓✓

Exchange rates

- In the early stages of a downturn in the economy, there is declining demand for imported goods and services in foreign markets. ✓✓
- A decline in exports due to lower foreign demand for local goods, leads to lower demand for the local currency. ✓✓
- This causes a depreciation or a weakening of the country's currency. ✓✓
- When there is an upswing in foreign markets, there will be greater demand for imported goods. ✓✓
- This will lead to more exports from domestic businesses and an increase in demand for the local currency. ✓✓
- The increased demand leads to an appreciation or strengthening of the currency. ✓✓

The economically vulnerable

- The effects of ups and downs on the economically vulnerable are immense. ✓✓
- Any downturn will rob economically vulnerable people of their basic needs. ✓✓
- A downturn in the economy will result in businesses downsizing their production and businesses may close.
- This will lead to large-scale unemployment, starting with the less skilled labourers.

(Max. 26)

15

ADDITIONAL PART

- Exogenous factors are factors that originate from outside the economic system and act as trigger mechanisms for contractions and expansion, ✓✓
- E.g.:Weather (natural disasters) conditions, floods, changes in weather conditions etc., affect agricultural production and this has a major influence on the economy. ✓
- South Africa, as a developing country, depends on agriculture and any changes in weather conditions will have a detrimental impact on the GDP, e.g. the floods experienced in KwaZulu-Natal in April 2022. ✓✓
- In addition, Coronavirus Disease (COVID-19) negatively affected economic activity in South Africa. Many companies closed and this caused huge unemployment. ✓✓
- Political shocks and technology shocks cause changes in productivity that cause business cycles. When a political party is elected, it initially adopts a contractionary policy to reduce inflation, followed by expansionary policy to impress voters with low inflation and low unemployment rates. ✓✓
- Structural changes cause economic resources to become obsolete in one sector and moves to another sector. For example, when a country changes from a mainly primary-sector output to a mainly secondary-tertiary sector output. ✓✓
- Money supply refers to government either increasing or decreasing the money supply which alters equilibrium in the markets. For example the South African Reserve Bank (SARB) increased money supply during the Coronavirus Disease (COVID-19) pandemic to stabilise the economy ✓✓

(Accept any other correct relevant answer.)   **(Max. 10)**

Conclusion

Fluctuations in economic activities should be managed so that they impact the economy positively. ✓✓
(Accept any other correct relevant conclusion.)   **(Max. 2)**   **[40]**

MARKING GUIDELINES	ECONOMICS (PAPER 1)	GRADE 10

QUESTION 6: ECONOMIC PURSUITS   **40 MARKS – 40 MINUTES**

- **Discuss, in detail, the South African population size.**   **(26 marks)**

- **What impact does the spread of COVID-19 have on the labour force of a country?**   **(10 marks)**

INTRODUCTION

Statistics South Africa (Stats SA) estimates the population at 60,14 million people. ✓✓
(Any other relevant introduction.)   **(Max. 2)**

BODY

MAIN PART

Population growth ✓

- Population growth is influenced by birth, mortality rates and migration. ✓✓
- Population growth can be expressed as natural growth and overall growth. ✓✓
- Natural growth is the difference between the birth rate and death rate of a population. It represents the births and deaths in a country's population.
- The overall growth rate takes migration into account. ✓✓
- This is the annual change in a population due to natural growth (or decline) and the balance of migrants entering and leaving the country.   ✓✓
- Fertility is usually higher in rural areas, where women have a lower status and where children are needed to work. ✓✓
- High birth rates are associated with poverty and limited access to education. ✓✓
- By improving living conditions of people through better education, healthcare and income, the birth rate can be lowered. ✓✓
- Effective family planning and birth control programmes can also reduce birth rates. ✓✓
- The current population growth is too high and puts pressure on the provision of social services and infrastructure. ✓✓
- South Africa's 2010 mid-year population estimate was 49,99 million people, which was an increase on the previous year's updated estimate of 49,46 million. ✓✓
- For 2021, Statistics South Africa (Stats SA) estimated the mid-year population at 60,14 million people. ✓✓
- An increase in population growth brings a need for more food, infrastructure and services. ✓✓

Natural growth rate ✓

- The national growth rate of a country can be positive or negative. ✓✓
- It is usually expressed as being between about 0,1% and 3% per year. ✓✓
- Natural growth rate represents the births and deaths in a country's population and does not take migration into account. ✓✓

- The average growth rate takes migration into account. ✓✓
- The population of South Africa increased from 22 million in 1970 to almost 50 million in 2010. This includes immigration. ✓✓
- This rapid growth rate of 2,3% is one of the highest growth rates in the world. ✓✓
- In the period 1960 to 1970, the average growth rate was even higher (2,8%). ✓✓
- Since then, it has started to decline. It was estimated at 1,36% in 2010. ✓✓

The demographic cycle ✓

- By conducting a scientific analysis of the history of population growth, a cycle has been identified that shows changes in the natural population growth of a country over a period of time. ✓✓
- A population pyramid, which is also an age structure diagram, is a graphic illustration showing the distribution of various age groups in a population, which is usually a pyramid shape. ✓✓
- Men are usually shown on the left, and women on the right. ✓✓
- First phase (slow growing phase): ✓
  - High birth rates and high mortality rates. ✓✓
  - As both figures are high, the population is growing slowly. ✓✓
- Second phase (premodern phase): ✓
  - A sharp decline in mortality rates due to improved health services, water and sanitary infrastructure while the birth rate remains high. ✓✓
  - This results in an increase in population growth. ✓✓
- Third phase (modern phase, stagnant): ✓
  - A sharp increase in the standard of living affects family life. ✓✓
  - Birth control leads to a decrease in the birth rate. ✓✓
  - The decline in mortality rate continues. ✓✓
  - The natural growth rate decreases. ✓✓
- Fourth stage (shrinking): ✓
  - The birth rate falls below the replacement level, the death rate remains low – associated with high life expectancy, small families and an aging population. ✓✓

Projected growth rates ✓

- Projections are made to measure the size of the population at certain times in the future. ✓✓
- This enables government to plan what resources residents will need in terms of infrastructure, education and health projects. ✓✓
- The unknown factors make such projections risky. ✓✓
- In South Africa, unknown factors that may affect projections are the prevalence of HIV/Aids and migration. ✓✓
- Population projections are based on assumptions and scenarios. ✓✓
- Projections are often made to determine the effect of the projected population on the composition of the labour force and on the size of the future school-going population. ✓✓

- This is done to assist planning in meeting the needs of housing, education (school buildings, teacher training) and health services, or to address the issue of dealing with AIDS orphans as a result of the HIV/Aids pandemic. ✓✓
- Current population projections for South Africa indicate a decrease due to HIV/Aids. ✓✓
- The loss of economically active family members leads to a loss of income and social problems. ✓✓
- The declining rate of the national population growth in the 21st century will continue. ✓✓
- The main contributors to this trend are the decline in birth rates and increasing deaths due to the spread of HIV/Aids. ✓✓
- Empowerment of women has lowered the accrual rate. ✓✓
- The lower birth rates are partly due to social and economic trends like economic growth in South Africa, urbanisation, empowerment of women in education and family planning, and access to jobs. ✓✓
- Mortality rates also declined until the mid-1990s due to of improvements in diet and health awareness and better access to health care and clean water. ✓✓
- Like many other developing countries, South Africa is moving through a demographic transition with a declining mortality rate and declining birth rate and consequently a declining natural population growth. ✓✓
- Two decades ago it was generally believed that the population would grow slowly until the new millennium, but at a declining rate.
- These projections had to be reconsidered due to HIV/Aids. ✓✓

Migration ✓

- Urbanisation is the process by which the number of people living in cities increases relative to those in rural areas. ✓✓
- Urbanisation is part of the economic development of a country. ✓✓
- It occurs when people are moving from rural areas to urban areas in search of better employment opportunities. ✓✓
- Urbanisation has been widespread since 1994. ✓✓
- Large-scale migration has put pressure on municipalities to provide services at an increasing rate. ✓✓
- Large informal settlements developed on the outskirts of South African cities and towns. ✓✓
- Circular migration represents a large proportion of the movement among the black population. ✓✓ **(Max. 26)**

ADDITIONAL PART

The impact of COVID-19 on the labour force of the country:

- Workplaces closed, millions of workers lost part or all of their income. ✓✓
- Even among those who were still working, many had to accept shorter working hours and wage cuts in different industries ✓✓ such as airline, retail and accommodation, food services, textiles and government sectors. ✓
- Various countries also implemented wage cuts in the public sector. ✓✓
- It also resulted in great job losses in the economy. ✓✓
- Low-paid and often low-skilled workers were particularly affected during the initial phase of the crisis. ✓✓
- Many of the so-called frontline workers who put their health at risk, exposed themselves to the virus to ensure the continuation of essential services during lockdown.
- Work in many sectors was characterised by low wages. ✓✓
- This includes healthcare workers, cashiers, production and food processing workers, agricultural workers, delivery workers and truck drivers. ✓✓
- The impact of the crisis has been severe for the informal economy workers for whom staying at home meant losing their jobs and their livelihoods. ✓✓
- The impact of the pandemic led to a severe contraction in economic activity as many people were unable to go to work and businesses could no longer operate. ✓✓

(Accept any other correct relevant response.)   **(Max. 10)**

CONCLUSION

The COVID-19 pandemic has changed the very core of how we interact in society and what we once knew as normal. As new data becomes available over time, we will have a better sense of the full impact of the pandemic on the labour force and the South African population.✓✓

(Accept any other correct relevant response.)   **(Max. 2)   [40]**

                                                             TOTAL SECTION C: 40

                                                                         TOTAL: 150