



**PROVINCIAL EXAMINATION
NOVEMBER 2022
GRADE 10**

**ECONOMICS
(PAPER 2)**

TIME: 2 hours

MARKS: 150

13 pages



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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. Read the questions carefully.
5. Start EACH question on a NEW page.
6. Leave 2 – 3 lines between subsections of questions.
7. 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.
8. Use only blue or black ink.
9. You may use a non-programmable pocket calculator.
10. Write neatly and legibly.



SECTION A (COMPULSORY)

QUESTION 1: MULTIPLE-CHOICE QUESTIONS

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.

1.1.1 The ... is an example of a perfect market.

- A cellular phone market
- B oil market
- C electricity market
- D fuel station market

1.1.2 Which of the following is a factor that influences supply?

- A Change in income
- B Change in trends
- C Competing goods
- D Advertisements

1.1.3 A/An ... is the effect on a party not directly involved in the transaction.

- A outside factor
- B externality
- C factor of production
- D internality

1.1.4 The lowest price that a consumer has to pay is called the ...

- A buying price.
- B selling price.
- C maximum price.
- D minimum price.

1.1.5 Which of the following is an entity that protects and fights for the rights of employees?


- A Labour Union
- B Workplace Forum
- C Bargaining Council
- D Employers' Organisation

Commented [PT(1)]: Is the question not supposed to be an imperfect market? Oil market is a good example of a market with very few sellers. OPEC



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- 
- 1.1.6 The ... is the total number of employed and unemployed people.
- A Economically active population
 - B Employment rate
 - C Unemployed rate
 - D Under-employment rate
- 1.1.7 A voluntary proceeding, where the parties involved are free to agree and attempt to resolve their dispute is referred to as
- A bargaining.
 - B arbitration.
 - C mediation.
 - D conciliation.
- 1.1.8 Which of the following laws does NOT fall under the responsibilities of the Department of Labour?
- A Skills Development Act
 - B Skills Development Levies Act
 - C Schools Act
 - D South African Qualifications Authority Act

(8 x 2) (16)



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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.

COLUMN A		COLUMN B
1.2.1	Monopoly	A People lose their jobs due to the shrinking of the economy
1.2.2	Equilibrium quantity	B Quantity demanded is equal to quantity supplied
1.2.3	Efficiency	C The capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.
1.2.4	Maximum price	D Highest price at which producers can sell a product
1.2.5	Public sector	E Machinery used for production
1.2.6	Cyclical unemployment	F Central government, provincial government, local government, and state-owned companies
1.2.7	Capital intensive production	G Only one supplier in the market
1.2.8	Working capital	H The economy's resources are being used effectively
		I Lowest price that consumers must pay

(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 The price at which one good will exchange for another good

1.3.2 Factors over which you have no control

1.3.3 The lowest wage that an employer is allowed to pay

1.3.4 The percentage of the working age population that is employed

1.3.5 All laws and regulations are subject to this

1.3.6 Institutions that are set in place in each industry for them to be responsible for its own regulation

(6 x 1) (6)

Commented [PT(2)]: The answer has exchange in it. Learners are taught not to use a term already in the statement. Other option could be price

Commented [PT(3)]: This is ambiguous. Alternatively "elements or items or factors which you have no control over"



TOTAL SECTION A: 30

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SECTION B

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

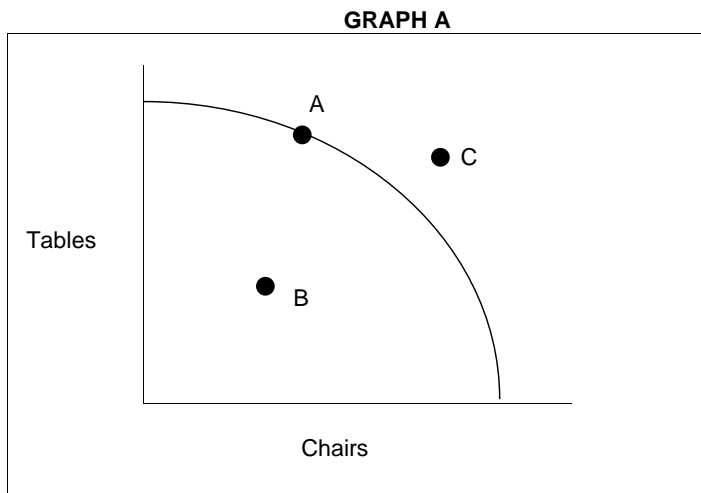
QUESTION 2: MICROECONOMICS

40 MARKS – 30 MINUTES

2.1 Answer the following questions.

- 2.1.1 List TWO conditions for a market to be established. (2 x 1) (2)
- 2.1.2 Give ONE reason why the public sector will intervene in markets. (1 x 2) (2)

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



- 2.2.1 Supply an appropriate heading for GRAPH A. (1)
- 2.2.2 Identify the point on the graph where inefficiencies occur. (1)
- 2.2.3 Briefly explain the purpose of the indifference curve. (2)
- 2.2.4 If there is a decrease in both the production of chairs and tables, briefly describe the shift of the graph. (2)
- 2.2.5 Using a graph, show how an increase in resources for the production of tables could affect the PPC. (4)



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- 2.3 Study the following extract and answer the questions that follow.

Oil shortage: SA oilseed farmers set on planting more

The worldwide edible oil shortage has left a clear window of opportunity for the limited oilseed farmers in Mzansi, and local canola growers have already indicated that they plan to increase their planting hectares this winter.

Both Corné Louw, senior economist at Grain SA, and Zander Spammer, agricultural resource manager at Southern Oil, say canola farmers have confirmed that they plan to increase their plantings from last year. Louw reckons the increase could reach 20%, although farmers are currently only starting to plant and Spammer warns that it's a dry early season.

There is also a limit to what farmers can do. Despite some canola being grown on a trial basis in irrigation areas to the north, almost all the country's canola is produced in the Western Cape. Expansion into other parts of the country will need better-suited varieties, according to Louw.

[Adapted from: [Oil shortage: SA oilseed farmers set on planting more – Food For Mzansi](#)]

- 2.3.1 Where in South Africa is the most Canola oil produced? (1)
- 2.3.2 Identify the company responsible for majority of South Africa's edible oil production. (1)
- 2.3.3 Explain what is meant by the term *monopolistic competition*. (2)
- 2.3.4 Describe ONE characteristic of a monopoly. (2)
- 2.3.5 Using a graph, illustrate how the added supply of canola will affect the market price. (4)
- 2.4 Explain the characteristics of the indifference curve. (8)
- 2.5 Analyse the impact of minimum wages on unemployment. (8)

[40]



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QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name TWO labour unions in South Africa. (2 x 1) (2)

3.1.2 What is the purpose of the Expanded Public Works Programme? (1 x 2) (2)

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

SOCIAL GRANTS IN SOUTH AFRICA



[https://www.google.com/url?sa=i&url=https%3A%2F%2Fwww.dailynews.com%2F2020%2F04%2F08%2Fsocial-distancing-in-the-unemployment-line-political-cartoons%2F&psig=AOvVaw0JHnyimgksDnTWK11Sgs8D&ust=1652965153379000&source=images&cd=ve&ved=0CAwQJRxqFwoTCMDvrcSM6fcFQAAAAAAdA AAAABAD]

3.2.1 Identify ONE marginalised group from the cartoon above. (1)

3.2.2 Name any ONE social grant for which the people are waiting in line. (1)

3.2.3 Briefly explain the term *unemployment*. (2)

3.2.4 How did COVID-19 affect the unemployment rate in South Africa? (2)

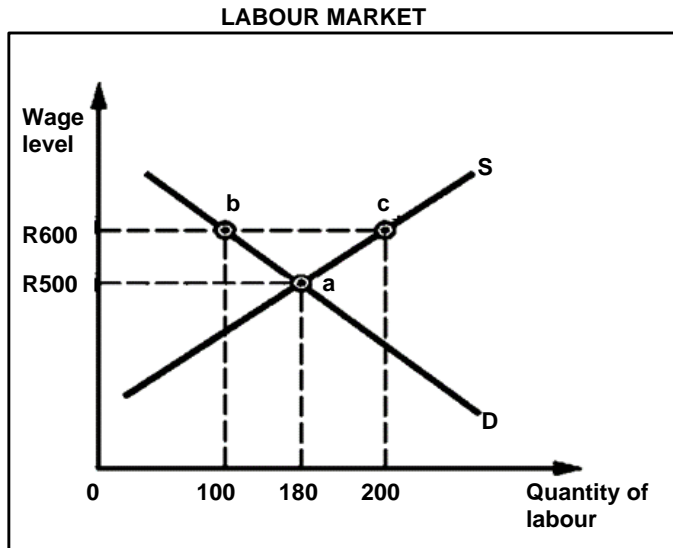
3.2.5 Distinguish between seasonal and structural unemployment. (4)



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



- 3.3.1 Identify the market wage from the graph above. (1)
- 3.3.2 From the above graph, what will the labour surplus be at a wage of R600? (1)
- 3.3.3 Briefly explain the term *labour union*. (2)
- 3.3.4 How will an increase in the population shift the supply curve of labour? (2)
- 3.3.5 Briefly explain the effects of increased employment on the economy. (4)
- 3.4 Discuss the functions of the Commission for Conciliation, Mediation and Arbitration. (8)
- 3.5 Analyse the steps government has taken in the democratisation of the economy since 1994. (8)

[40]



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QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

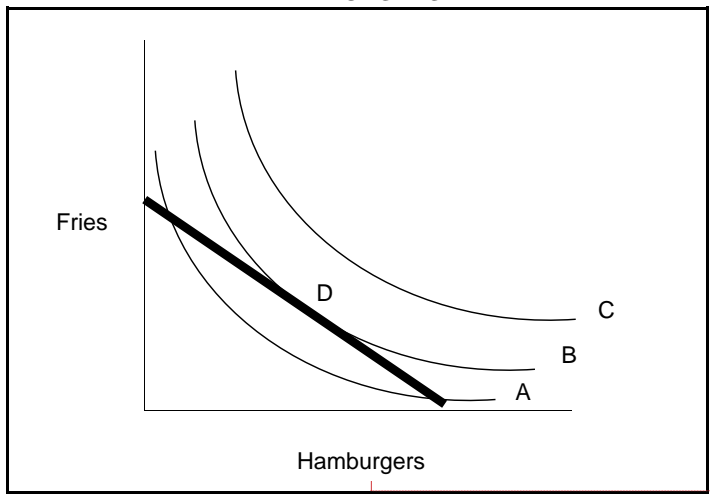
4.1 Answer the following questions.

4.1.1 Name TWO sources of capital to acquire properties. (2 x 1) (2)

4.1.2 How will consumers benefit from production subsidies? (1 x 2) (2)

4.2 Study the following graph and answer the questions that follow.

CONSUMER'S INDIFFERENCE MAP FOR FRIES AND HAMBURGERS



Commented [PT(4)]: Please insert suitable heading

4.2.1 Which indifference curve will yield the highest utility? (1)

4.2.2 Identify line D. (1)

Commented [PT(5)]: D is over assessed

4.2.3 Briefly explain the term *utility*. (2)

4.2.4 Why will two indifference curves never intersect each other? (2)

4.2.5 Describe any TWO characteristics of utility. (4)



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4.3 Study the following image and answer the questions that follow.

LABOUR STRIKES IN SOUTH AFRICA



- 4.3.1 Identify the percentage increase demanded. (1)
- 4.3.2 Which sector of the economy is on strike, according to the image? (1)
- 4.3.3 Briefly describe the main reason why people will go on strike. (2)
- 4.3.4 Explain arbitration in dispute resolution. (2)
- 4.3.5 Why does the Labour Appeal Court have greater powers than the Labour Court? (4)
- 4.4 How can the government solve unemployment through a sound monetary and fiscal policy? (8)
- 4.5 Evaluate the benefits of competition in the marketplace. (8)

[40]

TOTAL SECTION B: 80



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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 ESSAY	MARK ALLOCATION
<p>Introduction</p> <p>The introduction is a lower-order response.</p> <ul style="list-style-type: none"> • A good starting point would be to define a key concept 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 saying in the introduction what you are going to discuss in the body. 	Max. 2
<p>Body:</p> <p>Main part: Discuss in detail/In depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Explain/Assess/Debate</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/Use the information and argue/Debate</p>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion</p> <p>Any relevant higher-order conclusion should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40



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QUESTION 5: MICROECONOMICS

40 MARKS – 40 MINUTES

- Discuss the characteristics of perfect and imperfect markets in detail. (26 marks)
- Evaluate the impact of the setting of a minimum price in the economy. (10 marks) **[40]**

Commented [PT(6): Impact of

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES

- Discuss the redress efforts of the South African economy in detail. (26 marks)
- What are the challenges faced by forestry industries in South Africa? (10 marks) **[40]**

TOTAL SECTION C: 40

TOTAL: 150



END



**PROVINCIAL EXAMINATION
NOVEMBER 2022
GRADE 10
MARKING GUIDELINES**

ECONOMICS (PAPER 2)

21 pages



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SECTION A (COMPULSORY)

30 MARKS – 20 MINUTES

QUESTION 1: MULTIPLE-CHOICE QUESTIONS

- 1.1 1.1.1 B oil market ✓✓
1.1.2 C Competing goods ✓✓
1.1.3 B externality ✓✓
1.1.4 D minimum price. ✓✓
1.1.5 A Labour union ✓✓
1.1.6 A Economically active population ✓✓
1.1.7 D conciliation. ✓✓
1.1.8 C Schools Act ✓✓

(8 x 2) (16)

1.2 MATCHING COLUMNS

- 1.2.1 G ✓
1.2.2 B ✓
1.2.3 H ✓
1.2.4 D ✓
1.2.5 F ✓
1.2.6 A ✓
1.2.7 E ✓
1.2.8 C ✓

(8 x 1) (8)

1.3 IDENTIFY THE TERM

- 1.3.1 Exchange value ✓
1.3.2 External factors ✓
1.3.3 Minimum wage ✓
1.3.4 Labour absorption rate ✓
1.3.5 Constitution ✓
1.3.6 Self-regulating bodies ✓

(6 x 1) (6)

TOTAL SECTION A: 30



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SECTION B

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

QUESTION 2: MICROECONOMICS

40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 List TWO conditions for a market to be established.

- There must be at least one buyer and one seller. ✓
 - Sellers must have goods or services to sell and must be willing to sell. ✓
 - Buyers should have the means to pay for goods. ✓
 - There must be agreement on price and quantity between buyer and seller ✓
 - Transactions should be formalised according to laws ✓
- (Accept any other relevant response.) (2 x 1) (2)

2.1.2 Give one reason why the public sector will intervene in markets.

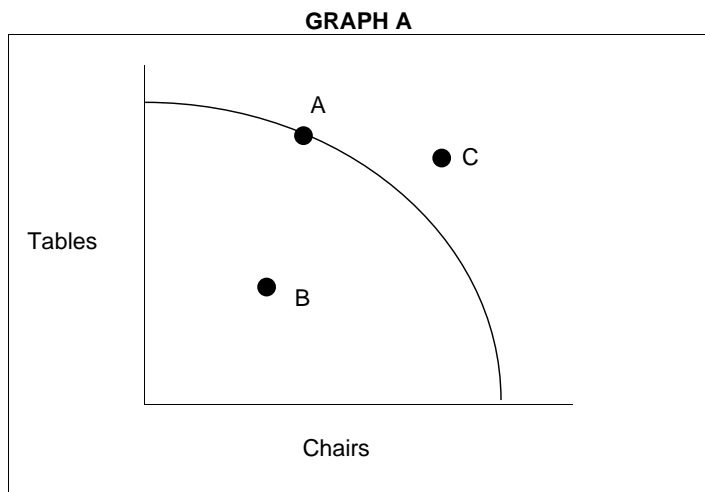
- Without government intervention, firms can exploit monopoly power to pay low wages to workers and charge high prices to consumers. ✓✓
 - Government intervention can regulate monopolies and promote competition. ✓✓
 - Government intervenes to prevent market failures. ✓✓
- (Accept any other relevant answer.) (1 x 2) (2)



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

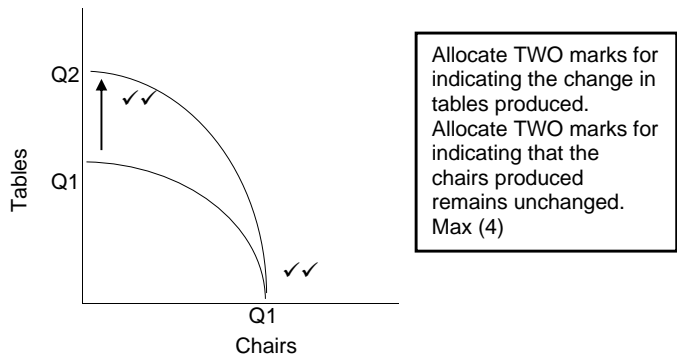


- 2.2.1 Supply an appropriate heading for GRAPH A. (1)
- Production Possibility Frontier for table and chairs ✓ (1)
- 2.2.2 Identify the point on the graph where inefficiencies occur. (1)
- B ✓ (1)
- 2.2.3 Briefly explain the purpose of the indifference curve. (2)
- The indifference curve shows combinations of two products that will give the consumer the same amount of utility. ✓✓ (Accept any relevant answer.) (2)
- 2.2.4 If there is a decrease in both the production of chairs and tables, briefly describe the shift of the graph. (2)
- If there is a decrease in output of both chairs and tables, the whole PPC will shift inwards. ✓✓ (Accept any relevant response.) (2)



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2.2.5 Using a graph, show how an increase in resources for the production of tables could affect the PPC. (4)



2.3 Study the following extract and answer the questions that follow.

Oil shortage: SA oilseed farmers set on planting more

The worldwide edible oil shortage has left a clear window of opportunity for the limited oilseed farmers in Mzansi, and local canola growers have already indicated that they plan to increase their planting hectares this winter.

Both Corné Louw, senior economist at Grain SA, and Zander Spammer, agricultural resource manager at Southern Oil, say canola farmers have confirmed that they plan to increase their plantings from last year. Louw reckons the increase could reach 20%, although farmers are currently only starting to plant and Spammer warns that it's a dry early season.

There is also a limit to what farmers can do. Despite some canola being grown on a trial basis in irrigation areas to the north, almost all the country's canola is produced in the Western Cape. Expansion into other parts of the country will need better-suited varieties, according to Louw.

[Adapted from: [Oil shortage: SA oilseed farmers set on planting more - Food For Mzansi](#)]

2.3.1 Where in South Africa is the most Canola oil produced?

- Western Cape ✓ (1)

2.3.2 Identify the company responsible for majority of South Africa's edible oil production.

- Southern Oil ✓ (1)

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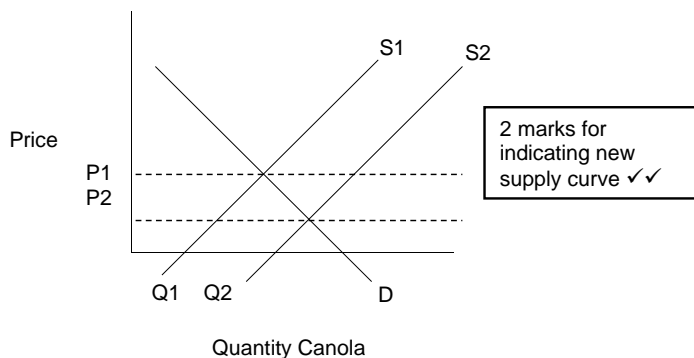
2.3.3 Explain what is meant by the term *monopolistic competition*.

- It is a type of imperfect market which consists of a large number of sellers who sell differentiated products./It is a market structure which combines elements of a monopoly and a perfect market. ✓✓ (2)

2.3.4 Describe ONE characteristic of a monopoly.

- There is only one seller. ✓✓
 - Products sold are heterogeneous. ✓✓
 - Imperfect information available on market conditions. ✓✓
 - Other sellers are prevented from entering the market. ✓✓
 - The seller has control over the price. ✓✓
- (Accept any other relevant response.) (2)

2.3.5 Using a graph, illustrate how the added supply of canola will affect the market price.



- The market price dropped ✓✓ (4)

2.4 Explain the characteristics of the indifference curve.

- Always downward-sloping/negatively sloping** – When the quantity of one product increases, the other must decrease, as the curve represents all the combinations that give the same utility. The gradient of the slope shows the marginal rate of satisfaction. ✓✓
- Higher indifference curves are preferred** – There are many different combinations of the consumer's choice between the two products. The further the curve is away from the origin of the graph, the greater the satisfaction that is gained. ✓✓



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- **They bend inwards (convex)** – The slope of an indifference curve represents the marginal rate of substitution (MRS). This is the rate at which the consumer trades off one product (of which they have a greater quantity) for the other product (of which they have a smaller supply). ✓✓
- **Do not cross or touch** – As all points on the curve represent the same utility, and all combinations of two goods on a particular curve will yield the same satisfaction to the consumer, this means all points will always give the same satisfaction. It is therefore impossible for the consumer to be indifferent. ✓✓
- **Differently shaped curves from consumer to consumer** – An indifference curve only reflects the preferences and utility gained by the individual consumer. ✓✓

(Maximum 4 marks for listing of characteristics only.)

(8)

2.5 Analyse the impact of minimum wages on unemployment.

- The problem that contributes to unemployment is that minimum wages lead to an excess or a surplus supply of labour in the market. ✓✓
- People are paid a more equitable and fair wage for their services which causes higher wage costs. ✓✓
- If a minimum wage is set, the demand for labour will decrease and some people may become unemployed due to the introduction of a minimum wage. ✓✓
- Employers will cut production costs by retrenching the workers or alternatively reducing the hours of work. ✓✓
- This can lead to employment of foreign nationals who accept lower wages. ✓✓

(Accept other relevant and correct responses.)

(8)

[40]



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QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name TWO labour unions in South Africa.

- NEHAWU ✓
- NUMSA ✓
- NUM ✓
- COSATU ✓
- FEDUSA ✓

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

3.1.2 What is the purpose of the Expanded Public Works Programme?

- The EPWP arranges for and creates jobs for the poor and the vulnerable, such as rural women, households without breadwinners, the youth and disabled people. ✓✓ (1 x 2) (2)

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

SOCIAL GRANTS IN SOUTH AFRICA



[https://www.google.com/url?sa=i&url=https://3A%2Fwww.dailynews.com%2F2020%2F04%2F08%2Fsocial-distancing-in-the-unemployment-line-political-cartoons%2F&psig=AOvVaw0JHnyimgksDnTWK1Sgs8D&ust=1652965153379000&source=images&cd=vfe&ved=0CAwQjRqFwoTCMDvrcSM6fcFQAAAAAdAAAAABAD]



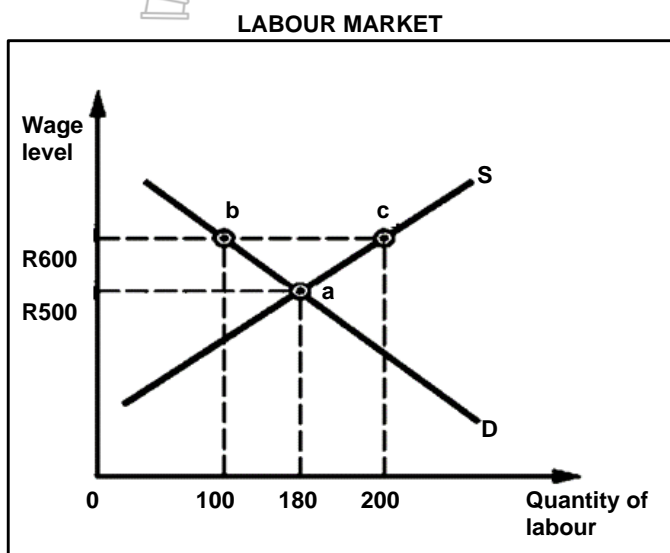
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- 3.2.1 Identify ONE marginalised group from the cartoon above.
- Women ✓ (1)
- 3.2.2 Name any ONE social grant for which the people are waiting in line.
- Covid-19 Relief Grant ✓
 - Old age grants ✓
 - Disability grants ✓
 - UIF ✓
- (Accept any other relevant response.) (1)
- 3.2.3 Briefly explain the term *unemployment*.
- Unemployment is a situation in which members of the labour force are without work, are available or suitable for work and are seeking work, but are unable to find employment. ✓✓
- (Accept any other relevant response.) (2)
- 3.2.4 How did COVID-19 affect the unemployment rate in South Africa?
- Due to many businesses closing down, the unemployment rate increased. ✓✓
- (Accept any other relevant response.) (2)
- 3.2.5 Distinguish between seasonal and structural unemployment.
- Seasonal unemployment
 - It occurs when workers are only needed during certain periods of the year. ✓✓
 - Structural unemployment
 - It occurs when fundamental or big changes occur in a country's economy. ✓✓
- (Accept any other relevant answer.) (4)



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



3.3.1 Identify the market wage from the graph above.

- R500 ✓ (1)

3.3.2 From the graph above, what will the labour surplus be at a wage of R600?

- 100 ✓ (1)

3.3.3 Briefly explain the term *labour union*.

- An organisation that protects and fights for the rights of employees. ✓✓ (Accept any other relevant response.) (2)

3.3.4 How will an increase in the population shift the supply curve of labour?

- The supply curve will shift to the right as the size of the labour force has increased. There will be a greater supply of labour. ✓✓ (Accept any other relevant response.) (2)

Commented [PT(1)]: This answer is not direct. It is an explanation of the direct answer which could either be the market wage will either increase or decrease. The question does not necessarily ask about the shifts in curves



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3.3.5 Briefly explain the effects of increased employment on the economy.

- Living standard decreases. ✓✓
- More people earn income, thus relieving the pressure on government. ✓✓
- More people will take part in the economic activities. ✓✓
- Greater demand for goods and services, stimulating economic growth. ✓✓

(Accept any other relevant response.)

(4)

3.4 Discuss the functions of the Commission for Conciliation, Mediation and Arbitration.

- They resolve disputes through conciliation or arbitration. ✓✓
- The CCMA publishes information on its activities and guidelines for dispute resolutions ✓✓
- The CCMA advises on getting legal advice. ✓
- The CCMA determines dispute resolution fees. ✓
- The CCMA makes rules to regulate. ✓
- The CCMA is an independent body that helps to resolve labour disputes. ✓✓
- Any party of a dispute can approach the CCMA to assist with legal aid. ✓✓
- The aim is to resolve the dispute before strike action occurs. ✓✓
- The CCMA assists with the establishment of workplace forums. ✓✓

(Accept any other relevant answer.)

(8)

3.5 Analyse the steps government has taken in the democratisation of the economy since 1994?

- **Labour legislation:** ✓ Gives workers the opportunities to express themselves concerning policies in their workplaces. ✓✓ They can participate in workplace forums and contribute to discussions on issues such as employment equity. ✓✓
- **Public hearings:** ✓ Parliamentary processes provide for various kinds of committees in which members of the parliament serve. ✓✓ debate important issues like the fiscal and monetary policies. ✓✓ Private individuals are requested to testify in such hearings where committee members listen and deliberate the issues presented. ✓✓ Eventually they will make recommendations for parliament to consider. ✓✓
- **Nedlac:** ✓ The National Economic Development and Labour Council established in 1994, consists of representatives of the government, business, labour ✓ and development organisations. ✓✓ They have to debate and reach consensus on important labour, economic and financial matters before these are tabled in parliament. ✓✓
- **Self-regulating bodies:** ✓ A large number of self-regulating bodies have been established by the government comprising representatives of members and government. ✓✓ E.g. communications energy, technology, agriculture, construction and real estates. ✓

(Accept any other relevant answers.)

(Any 2 x 4/Maximum of 2 marks for mere listing and examples.)



(8)

[40]

MARKING GUIDELINES	ECONOMICS (PAPER 2)	GRADE 10
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QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES
40 MARKS – 30 MINUTES

4.1 Answer the following questions.

4.1.1 Name TWO sources of capital to acquire properties.

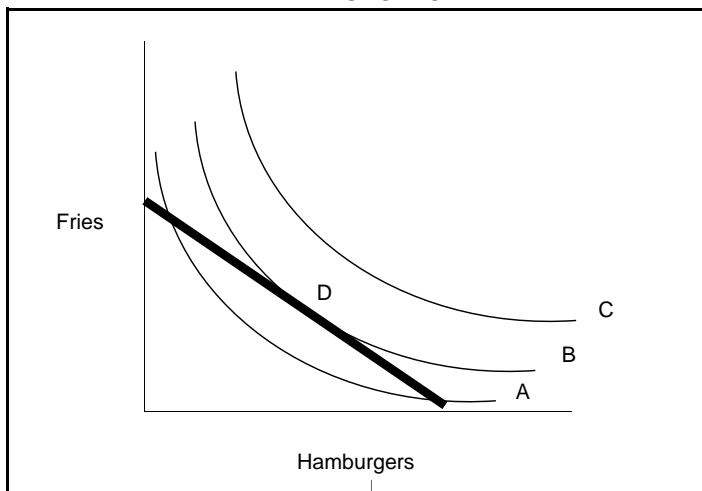
- Government subsidies ✓
 - Home loans ✓
- (2 x 1) (2)

4.1.2 How will consumers benefit from production subsidies?

- Subsidies lowers the production price of goods, this leads to lower prices for the consumers. ✓✓
- (1 x 2) (2)

4.2 Study the following graph and answer the questions that follow.

CONSUMER'S INDIFFERENCE MAP FOR FRIES AND HAMBURGERS



Commented [PT(2)]: Please insert suitable heading

4.2.1 Which indifference curve will yield the highest utility?

- Curve C ✓
- (1)

4.2.2 Identify line D.

- Budget line ✓
- (1)

Commented [PT(3)]: D is over assessed

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4.2.3 Briefly explain the term *utility*.

- Utility is the degree of satisfaction that a consumer gains by consuming a good or service. ✓✓
(Accept any other relevant answer.) (2)

4.2.4 Why will two indifference curves never intersect each other?

- Two indifference curves will never intersect as all points on the curve will yield the same amount of utility. If curves intersect the utility on all points, it will not yield the same utility. ✓✓
(Accept any other relevant answer.) (2)

4.2.5 Describe any TWO characteristics of utility.

- Utility varies from person to person. ✓✓
- Utility does not mean usefulness. ✓✓
- Utility changes from time to time. ✓✓
- Utility differs from place to place. ✓✓
- There is no standard way of measuring utility. Each consumer's satisfaction is taken into account and then compared. ✓✓ (4)

4.3 Study the following image and answer the questions that follow.

LABOUR STRIKES IN SOUTH AFRICA



4.3.1 Identify the percentage increase demanded.

- 8,5% increase ✓

4.3.2 Which sector of the economy is on strike, according to the image?

- Public Services Sector ✓

(1)
(1)

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4.3.3 Briefly describe the main reason why people will go on strike.

- They are unhappy with salaries, work benefits and/or working conditions. ✓✓ (2)

4.3.4 Explain arbitration in dispute resolution.

- During arbitration, a decision is made by a third person. ✓✓
 - A commissioner/arbitrator hears both sides of the dispute and makes a ruling that is binding on both the parties. ✓✓
- (Accept any other relevant answer.) (2)

4.3.5 Why does the Labour Appeal Court have greater powers than the Labour Court?

- It can hear appeals against Labour Court decisions. ✓✓
 - It can make final decisions which are legal and binding. ✓✓
 - It can deal directly with matters normally dealt with by the Labour Court. ✓✓
- (Accept any other relevant answer.) (4)

4.4 How can the government solve unemployment through a sound monetary and fiscal policy?

- Monetary policy:
 - Government can reduce interest rates which makes credit cheaper. ✓✓
 - Consumers and producers can therefore borrow more and spend more. ✓✓
 - Interest costs on previous borrowing e.g. home loans and hire-purchases fall when interest rates are reduced, hence they will have more money available to spend. ✓✓
 - Aggregate demand increases, leading to an increase in demand for labour/workers. ✓✓
 - An increase in demand and production will result in an increase in the employment rate. ✓✓
- Fiscal policy:
 - The government can budget for a deficit and decrease taxation which will leave consumers and businesses with more money to spend. ✓✓
 - As a result, aggregate demand, production and employment will increase. ✓✓

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



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4.5 Evaluate the benefits of competition in the marketplace.

- When firms compete with each other, consumers buy goods and services at a lower price. ✓✓
- Lower prices will lead to an increase in aggregate demand. ✓✓
- As a result, firms will expand and produce more goods and services and boost the economy in general. ✓✓
- This will increase the demand for labour and employment opportunities will increase. ✓✓
- Competition encourages businesses to conduct a needs analysis for their consumers in order to meet their demands. ✓✓
- Increasing competition opens business opportunities and improves a country's productive capacity. ✓✓
- Competition can lead to higher productivity and efficiency in the market. ✓✓

(8)
[40]

TOTAL SECTION B: 80



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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 ESSAY	MARK ALLOCATION
<p>Introduction</p> <p>The introduction is a lower-order response.</p> <ul style="list-style-type: none"> • A good starting point would be to define a key concept 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 saying in the introduction what you are going to discuss in the body. 	Max. 2
<p>Body:</p> <p>Main part: Discuss in detail/In depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Explain/Assess/Debate</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/Use the information and argue/Debate</p>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion</p> <p>Any relevant higher-order conclusion should include:</p> <ul style="list-style-type: none"> • A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations 	Max. 2
TOTAL	40



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QUESTION 5: MICROECONOMICS

40 MARKS – 40 MINUTES

- Discuss the characteristics of perfect and imperfect markets in detail. (26 marks)
- Evaluate the impact of the setting of a minimum price in the economy. (10 marks) **[40]**

Commented [PT(4)]: Impact of

INTRODUCTION

A market is any place where buyers and sellers meet to determine a price and to exchange goods and services. ✓✓

OR

A market exists wherever buyers and sellers meet to exchange goods and services at a price. ✓✓

(Accept any other relevant introduction.)

(2)

BODY: MAIN PART

Perfect markets

A perfect market is one where no supplier is able to manipulate the price. ✓✓

Characteristics of perfect markets

- Number of sellers:
 - There are large numbers of buyers and sellers. ✓✓
 - No individual participant can affect the price through their own supply or demand of goods. ✓✓
- Nature of the product:
 - The perfect market consists of homogeneous products. ✓✓
 - The products are all more or less the same. ✓✓
- Barriers to entry:
 - There is easy entry and exit into the market. ✓✓
 - Sellers can enter the market at will. ✓✓
 - If they enter they will be able to sell their product just as easily as other suppliers. ✓✓
 - Sellers can leave the market when they want to. ✓✓
- Information availability:
 - There is perfect information in the perfect market. ✓✓
 - Buyers know exactly what the price is. ✓✓
- Influence on prices:
 - Sellers are price takers. ✓✓
 - Sellers have to accept the prevailing market price. ✓✓
 - If they increase the price above the prevailing market price, they will not sell anything. ✓✓
 - There are few perfect markets, however, there are some sectors such as mining (e.g. oil and gold) and agriculture (e.g. beef and maize) where the above conditions are met. ✓



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Imperfect markets

Imperfect markets are markets in which suppliers are able to manipulate the price. There are three specific types of imperfect markets, namely monopolies, oligopolies and monopolistic competition. ✓✓

Characteristics of imperfect markets:

- Number of sellers:
 - There are few sellers. ✓✓
 - The producers have a direct influence on the price of the product. ✓✓
 - They are not held back by other competitors and are able to affect the price. ✓✓
- Nature of the product:
 - Products are heterogeneous. ✓✓
 - The products are quite different from each other. ✓✓
 - Consumers look for specific qualities of each product. ✓✓
 - The supplier supplies goods or services that have no close substitutes. ✓✓
- Information availability:
 - There is imperfect information in the market. ✓✓
 - It is not easy, and sometimes impossible for buyers to know what all the prices of a product are within the market. ✓✓
- Barriers to entry:
 - Other sellers are prevented from entering the market. ✓✓
 - The seller is protected from competition through patents, control of resources and government restrictions. ✓✓
- Influence on prices:
 - The seller has control over the price. ✓✓
 - The producers of the goods and services can set the prices. ✓✓
 - Buyers are not able to bargain or affect the prices in a significant way.
 - There are many imperfect markets. Examples include Eskom, computer manufacturers and cell phone companies. ✓✓

(Allocate a maximum of 8 marks for headings, subheadings or examples.)

(Max. 26 marks)

ADDITIONAL PART

- Suppliers will supply more and consumers will demand less due to the higher price. ✓✓
- This means that there will be a surplus of the product in the market, which will have a negative influence on the market. ✓✓
- The price will be higher than it would be if it were left to the market mechanism. ✓✓
- Businesses subject to price fluctuations are offered some protection. ✓✓
- This will keep these businesses in the market. ✓✓
- To cope with the surplus, government can try to restrict the supply of the product by exporting these goods and this will then lead to an injection in the market. ✓✓
- Minimum prices limit competition, and this will exploit the consumer. ✓✓

(Accept any other relevant answer.)

(Max. 10 marks)



Commented [PT(5): Wouldn't the price be lower if left to the Price mechanism

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CONCLUSION

It is important to ensure that all the resources are used efficiently in order for the economy to function at optimal capacity and growth can take place. ✓✓
(Accept any other relevant higher order response.) (2)

QUESTION 6: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 40 MINUTES

- Discuss the redress efforts of the South African economy in detail. (26 marks)
- What are the challenges faced by forestry industries in South Africa? (10 marks) **[40]**

INTRODUCTION

Redress means to put right something that was wrong. ✓✓
(Accept any other relevant answer.) (2)

BODY: MAIN PART

Human resources: ✓

- As a factor of production, this focuses on the quality and quantity of the labour force. ✓✓
- The quality of labour depends on people's education, training and experience. ✓✓
- This depends on both birth and mortality rates relative to the availability of wage and self-employment. ✓✓

Education: ✓

- The government has worked to reverse the impact that apartheid education policies and practices had on the majority of South Africa's population. ✓✓
 - All South Africans have the right to a basic education, adult education and further education. ✓✓
 - South Africa was ill-equipped to enter the global arena in terms of the training of the majority of its workforce. ✓✓
 - The Department of Education and the Department of Higher Education and Training must ensure that the education system improves in South Africa. ✓✓
 - Government invests a lot into the development of education. ✓✓
 - The number of learners enrolled at schools is increasing. ✓✓
 - Programmes that were implemented:
 - Fee-free schools. All the funding comes from the state and there is no school fees. ✓✓
 - The National Schools Nutrition Programme which feeds learners every day. ✓✓
 - Improvement in HIV/Aids Awareness Programmes and sex education in schools. ✓✓
- (Max. 10 marks)

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Training and skills development ✓

- There was a severe shortage of professionals, technical and managerial experience. ✓✓
- The Skills Development Act, No. 97 of 1998 was implemented to redress problems in relation to training and skills development. ✓✓
- The aims of the Act are:
 - To provide an institutional framework to devise and implement national, sector and workplace strategies to develop the skills of South Africans. ✓✓
 - To integrate those strategies within the National Qualifications Framework. ✓✓
 - To provide for learnerships that lead to recognised occupational qualifications. ✓✓
 - To provide for the financing of skills development by means of a levy-grant scheme. ✓✓
 - To provide for and regulate employment services and to provide for matters connected therewith. ✓✓
- 21 SETAs (Sector Education and Training Authorities) were established to develop a series of sector skills plans within a clearly defined framework of the National Skills Development Strategy. ✓✓
- Objectives of the SETAs:
 - To collect skills levies from employers within each sector ✓✓
 - To make the money available within the sector for education and training ✓✓
 - To identify workplaces for practical work experience ✓✓
 - To ensure the quality of training providers and assessors ✓✓
- The position of the South African Qualifications Authority Act (58 of 1995) which created the South African Qualification Authority (SAQA) which had to implement the Act. ✓✓ (Max. 10 marks)

Employment equity ✓

- Apartheid caused many disparities in employment, occupation and income levels within the labour market. The Employment Equity Act, No. 55 of 1998 was implemented to rectify these disparities. ✓✓
- Purpose of the Act:
 - Promoting equal opportunities and fair treatment through the elimination of unfair discrimination ✓✓
 - Implementing affirmative action measures to redress the disadvantages in employment ✓✓
 - Ensuring that there is equitable representation on all levels in the workforce ✓✓✓
 - Achieving a diverse workforce that is broadly representative of our people ✓✓
- Employment Equity Plan Objectives:
 - Must include affirmative action measures ✓✓
 - Have numerical goals for achieving equitable representation in their workplace ✓✓
 - Have a timetable for each year ✓✓
 - Have monitoring and evaluation procedures ✓✓
 - Identify persons to monitor and implement the plan ✓✓

(Accept any other relevant answer.)

(Max. 6 marks)
(26 marks)



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ADDITIONAL PART

- There is a need to plant and preserve indigenous trees throughout South Africa. ✓✓
- This is promoted by observances such as Arbor Day or Arbor Week. ✓✓
- A large part of the current forested area is subject to land claims. ✓✓
- It is important to keep these areas intact. ✓✓
- New forestry areas must be developed. ✓✓
- The Broad-Based Black Economic Empowerment (BBBEE) Charter has the following aims: ✓✓
 - An inclusive and equitable forestry sector ✓✓
 - A forestry sector that is characterised by sustainable use of resources and growth. ✓✓
 - A forestry sector that contributes to, amongst other things, job creation and rural development. ✓✓

(Accept any other relevant higher order response.)

(Max. 10 marks)

CONCLUSION

It is essential that education and training remain a high priority to eliminate poverty and to improve the skills of all the people in the country. ✓✓

(Accept any other relevant higher order response.)

(2)

TOTAL SECTION C: 40

TOTAL: 150

