



**GAUTENG PROVINCE**  
EDUCATION  
REPUBLIC OF SOUTH AFRICA



# **PROVINCIAL EXAMINATION**

## **NOVEMBER 2023**

### **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 Various options are provided as possible answers to the following questions. Choose the 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 D.

1.1.1 Which of the following topics is studied in Macro-economics?

- A The micro economy
- B Changes in the supply of goods
- C The costs and revenues of a firm
- D Business cycles

1.1.2 When there is not enough of a resource to satisfy existing demand for it, ... exists.

- A absolute scarcity
- B relative scarcity
- C opportunity cost
- D scarcity

1.1.3 Which of the following would most likely cause an increase in national income in the circular flow?

- A An increase in taxation
- B An increase in public spending
- C A decrease in disposable income of households
- D An increase in import expenditure

1.1.4 A Keynesian explanation for economic fluctuations may include ...

- A the invention of the internet.
- B variations in inventory levels.
- C the war in Ukraine.
- D weather conditions.

1.1.5 The natural growth rate of a population is determined by the ...

- A number of migrants.
- B number of refugees.
- C birth rate and mortality rate.
- D life expectancy of the population.

1.1.6 Which of the following indicates a static phase of the demographic cycle?

- A The growth is steadily increasing.
- B Children are seen as economic liabilities.
- C Births and death rates are very high.
- D Mechanisation and urbanisation is increasing.

1.1.7 People entering a country on a permanent basis are known as ...

- A emigrants.
- B immigrants.
- C voluntary migrants.
- D involuntary migrants.

1.1.8 Measures taken to put pressure on a nation to do away with unacceptable policies:

- A Trade embargoes
- B Tariffs
- C Sanctions
- D Quotas

(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 Resources	A Money entering the circular flow
1.2.2 Capital goods	B People who move from place to place for food, water, and pasture
1.2.3 Injections	C Land, capital, labour and entrepreneurship
1.2.4 Trough	D A practice of extending a country's power through colonisation of other nations or territories
1.2.5 Nomadic	E Goods used in the production of other goods and services
1.2.6 Economic policy	F Circumstances in which members of the labour force are without work
1.2.7 Imperialism	G The lowest point of a business cycle
1.2.8 Unemployment	H Government actions to influence economic activities
	I Includes discouraged work seekers, students, people with disabilities etc.

(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 assumption that means 'all other things being equal'

1.3.2 The value of the best forgone alternative

1.3.3 An economy that excludes the foreign sector

1.3.4 The worldwide integration of markets and production

1.3.5 An organisation of workers who combine to achieve common goals such as better working conditions

1.3.6 The proportion of the economically active population that finds employment in the formal sector of the economy (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

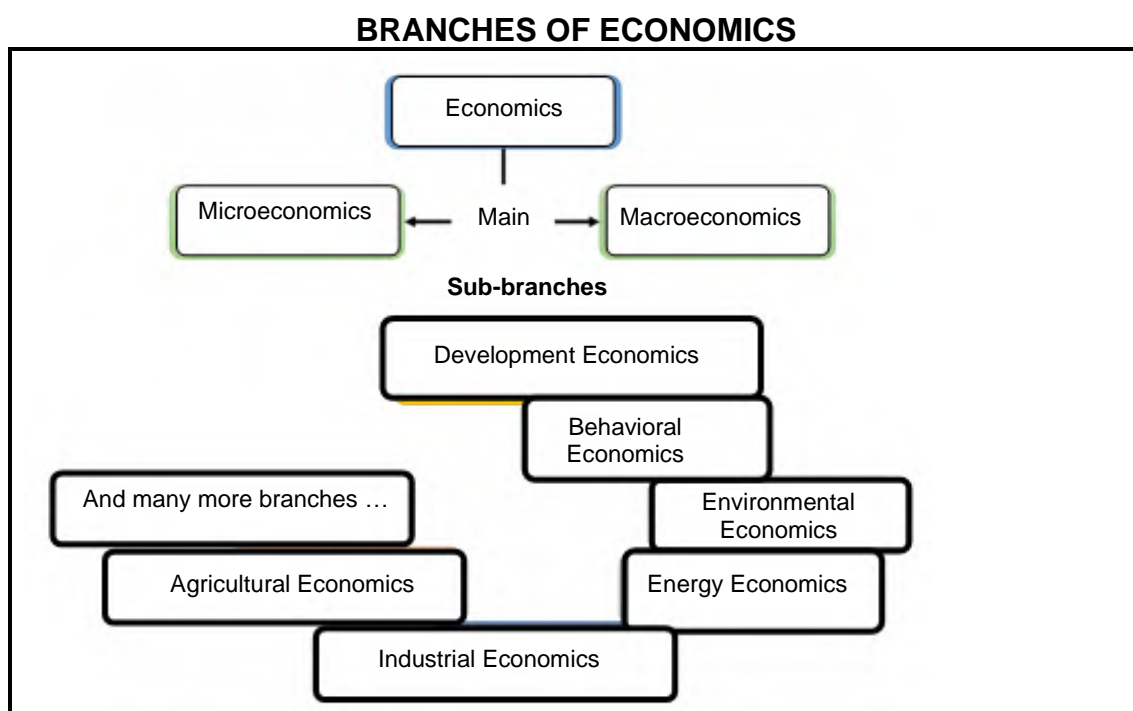
40 MARKS – 30 MINUTES

2.1 Answer the following questions.

2.1.1 Name the TWO broad approaches to Economics. (2 x 1) (2)

2.1.2 Why is Economics an important subject for policymakers to study? (1 x 2) (2)

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



[Adapted source:www.astro4dev.org]

2.2.1 Name the branch of Economics that deals with national aggregates. (1)

2.2.2 Which branch of Economics studies how low-income countries can achieve economic prosperity? (1)

2.2.3 Briefly describe the term *environmental economics*. (2)

2.2.4 How does Mathematics relate to Economics? (2)

2.2.5 Why should people consider Economics when choosing a career? (2 x 2) (4)

2.2 Study the illustration below and answer the questions that follow.



[Adapted source: www.google.com]

- 2.3.1 Identify ONE durable consumer good in the illustration above. (1)
- 2.3.2 Name ONE basic need of a household. (1)
- 2.3.3 Briefly describe the term *consumption*. (2)
- 2.3.4 Why is an increase in consumption needed for economic growth? (2)
- 2.3.5 How does scarcity affect the choices consumers make? (2 x 2) (4)
- 2.4 Describe the differences between *economic goods* and *free goods*. (2 x 4) (8)
- 2.5 How do fluctuations in the business cycle affect the level of unemployment? (4 x 2) (8)
- [40]**



**QUESTION 3: ECONOMIC PURSUITS**

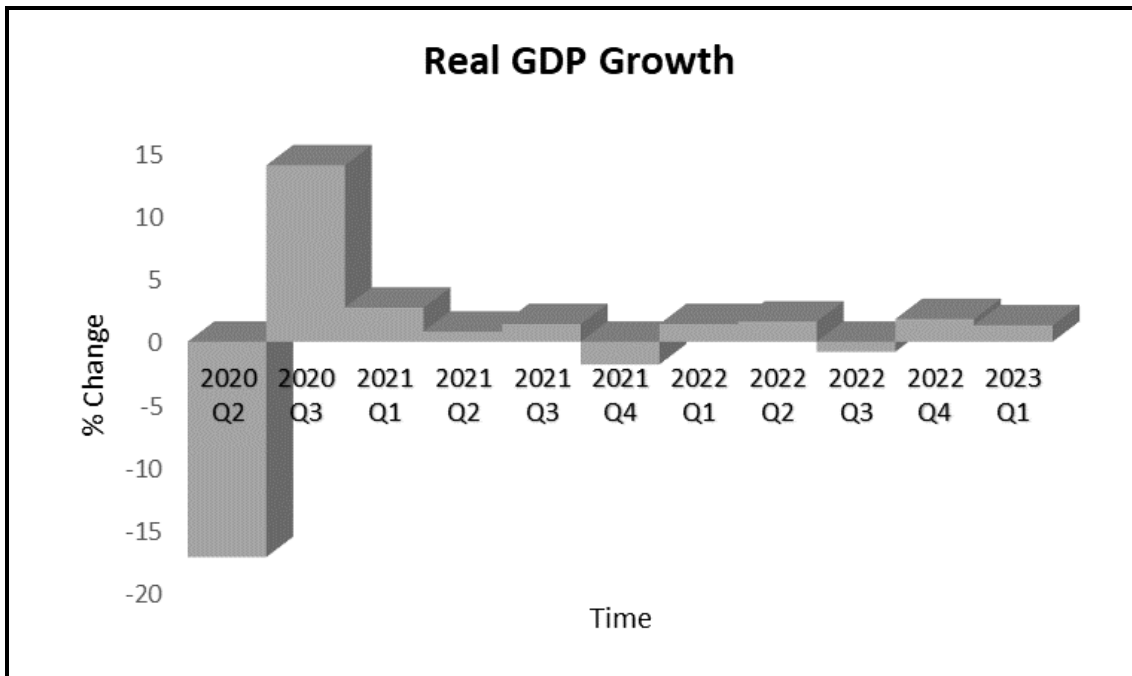
**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

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

3.1.2 Why is a rapidly growing population a challenge for developing nations? (1 x 2) (2)

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



[Adapted source: [www.tradingeconomics.co.za](http://www.tradingeconomics.co.za)]

3.2.1 Identify the quarter with the highest real GDP growth. (1)

3.2.2 Which economic indicator is used to measure economic growth? (1)

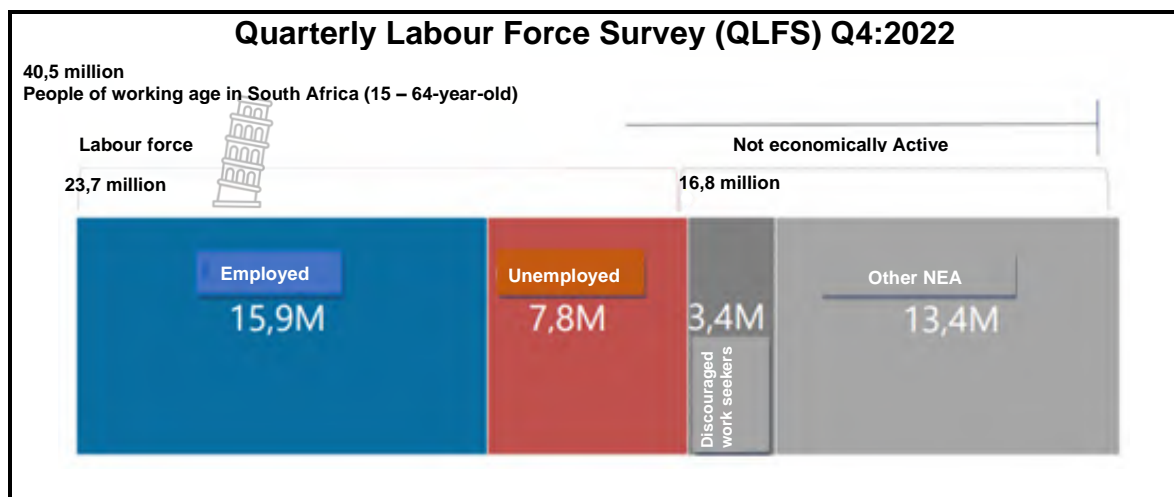
3.2.3 Briefly describe the term *gross domestic product*. (2)

3.2.4 Why do injections lead to an increase in economic activity? (2)

3.2.5 What is the cause of the low economic growth rate in South Africa? (2 x 2) (4)



3.3 Study the data below and answer the questions that follow.



[Adapted source: Stats SA]

- 3.3.1 Give ONE example of people who are economically inactive. (1)
- 3.3.2 What does the population between the ages of 15 – 64 represent? (1)
- 3.3.3 Briefly describe the term *involuntary migration*. (2)
- 3.3.4 Why is the rapid rate of urban migration a problem for the government? (2)
- 3.3.5 Calculate the unemployment rate for the 4<sup>th</sup> quarter of 2022. (2 x 2) (4)
- 3.4 Differentiate between *economic growth* and *economic development*. (2 x 4) (8)
- 3.5 How do high immigration figures impact local wages? (4 x 2) (8)
- [40]**



**QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS**

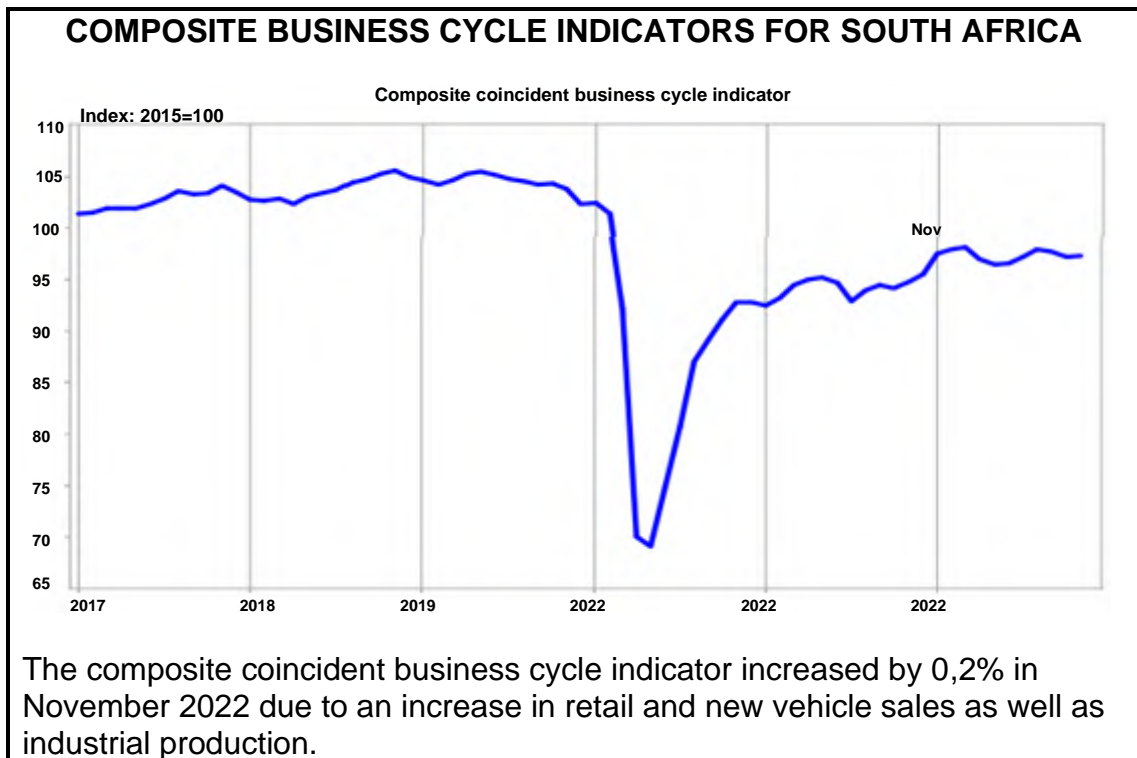
**40 MARKS – 30 MINUTES**

4.1 Answer the following questions.

4.1.1 Name any TWO phases of a business cycle. (2 x 1) (2)

4.1.2 Why do people migrate to urban areas? (1 x 2) (2)

4.2 Study the following table and answer the questions below.



[Adapted: SARB Quarterly Bulletin, February 2023]

4.2.1 Give an example of a coincident indicator. (1)

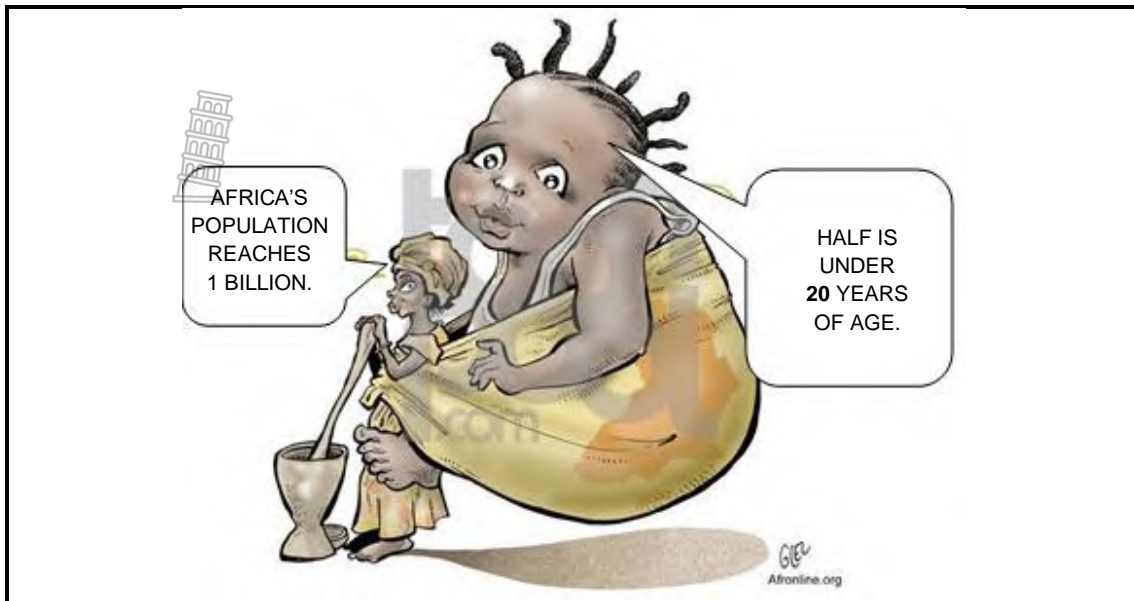
4.2.2 Which phase of a business cycle has the highest unemployment rate? (1)

4.2.3 Briefly describe the term *business cycle*. (2)

4.2.4 Explain the *endogenous view of business cycles*. (2)

4.2.5 How can the South Africa Reserve Bank (SARB) act proactively to prevent the economy from falling into a recession? (4)

4.3 Study the following cartoon and answer the questions below.



[Adapted source: www.google.com]

- 4.3.1 What percentage of people in Africa are below the age of 20? (1)
- 4.3.2 According to the cartoon, what is the biggest driver of population growth in Africa? (1)
- 4.3.3 Briefly describe the term *urbanisation*. (2)
- 4.3.4 Why is it necessary to do a population census? (2)
- 4.3.5 What is the effect of a high population growth rate on the South African economy? (2 x 2) (4)
- 4.4 Discuss the *age composition* and *geographic distribution* of the South African labour force. (4 x 2) (8)
- 4.5 What are some solutions that can be used to address environmental problems? (4 x 2) (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:

 <b>STRUCTURE OF ESSAY</b>	<b>MARK ALLOCATION</b>
<p><b>Introduction</b> The introduction is a lower-order response.</p> <ul style="list-style-type: none"> <li>• A good starting point would be to define the main concept related to the question topic.</li> <li>• Do not include any part of the question in your introduction.</li> <li>• Do not repeat any part of the introduction in the body.</li> <li>• Avoid mentioning in the introduction what you are going to discuss in the body.</li> </ul>	<p>Max. 2</p>
<p><b>Body</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Differentiate/Explain</p> <p><b>Additional part:</b> 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>	<p>Max. 26</p> <p>Max. 10</p>
<p><b>Conclusion</b> Any higher-order conclusion should include the following:</p> <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating facts already mentioned</li> <li>• Any opinion or value judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion/analysis</li> <li>• A contradictory viewpoint with motivation, if required</li> <li>• Recommendations</li> </ul>	<p>Max. 2</p>
<p><b>TOTAL:</b></p>	<p><b>40</b></p>



**QUESTION 5: MACROECONOMICS**

**40 MARKS – 40 MINUTES**

- Discuss, in detail, the 4 participants of the circular flow of an open economy and the interrelationships between them. (26 marks)
- How has BRICS membership helped South Africa with its foreign sector trade relationships? (10 marks)

**[40]**

**QUESTION 6: ECONOMIC PURSUITS**

**40 MARKS – 40 MINUTES**

- Discuss, in detail, industrial development with focus on the following aspects:
  - Mechanisation of production
  - Urbanisation and migration (26 marks)
- How did the influx of immigrants contribute to the industrial development of South Africa? (10 marks)

**[40]**

**TOTAL SECTION C: 40**

**TOTAL: 150**





**PROVINCIAL EXAMINATION**  
**NOVEMBER 2023**  
**GRADE 10**  
**MARKING GUIDELINES**

**ECONOMICS (PAPER 1)**

**21 pages**



**SECTION A (COMPULSORY)**

**QUESTION 1**



**1.1 MULTIPLE CHOICE QUESTIONS**

- 1.1.1 D – Business cycles ✓✓
- 1.1.2 A – absolute scarcity ✓✓
- 1.1.3 B – an increase in public spending ✓✓
- 1.1.4 B – variations in inventory levels. ✓✓
- 1.1.5 C – birth rate and mortality rate. ✓✓
- 1.1.6 D – Birth and death rates are very high. ✓✓
- 1.1.7 B – immigrants. ✓✓
- 1.1.8 C – Sanctions ✓✓ (8 x 2) (16)

**1.2 MATCHING ITEMS**

- 1.2.1 C – Land, capital, labour and entrepreneurship ✓
- 1.2.2 E – Goods used in the production of other goods and services ✓
- 1.2.3 A – Money entering the circular flow ✓
- 1.2.4 G – The lowest point of a business cycle ✓
- 1.2.5 B – People move from place to place for food, water, and pasture ✓
- 1.2.6 H – Government actions to influence economic activities ✓
- 1.2.7 D – A practice of extending a country's power through colonisation of other nations or territories ✓
- 1.2.8 F – Circumstances in which members of the labour force are without work ✓ (8 x 1) (8)

1.3 **GIVE THE CONCEPT**

1.3.1 Ceteris Paribus ✓

1.3.2 Opportunity costs ✓

1.3.3 Closed economy ✓

1.3.4 Globalisation ✓

1.3.5 Labour union ✓

1.3.6 Labour force participation rate ✓

(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 the TWO broad approaches to Economic.

- Macro ✓
- Micro ✓
- Monetarist ✓
- Keynesian ✓

(Accept any other correct relevant response.)

(2 x 1)

(2)

2.1.2 Why is Economics an important subject for policymakers to study?

Economic principles can be applied to a wide range of policy issues such as taxation, trade, education, healthcare, environmental protection and poverty reduction. ✓✓

(Accept any other correct relevant response.)

(1 x 2)

(2)

### 2.2 DATA RESPONSE

2.2.1 Name the branch of Economics that deals with national aggregates.

Macroeconomics ✓

(1)

2.2.2 Which branch of Economics studies how low-income countries can achieve economic prosperity?

Development Economics ✓

(1)

2.2.3 Briefly describe the term *environmental economics*.

Environmental economics is the study of the economic importance of the environment for sustainable economic growth and development. ✓✓  
(Accept any other correct relevant response.)

(2)

2.2.4 How does Mathematics relate to Economics?

- Mathematics plays a crucial role in Economics as it provides tools for analysing economic relationships and making predictions about economic behaviour. ✓✓

(Accept any other correct relevant response.)

(2)

2.2.5 **Why should people consider Economics when choosing a career?**

- Economics is a field that is closely tied to public policy and decision-making. ✓✓
- Economics graduates work on issues that have a significant impact on society such as poverty, inequality, environmental sustainability, and international development. ✓✓
- Economics is a versatile field that provides graduates with a broad range of skills and knowledge that can be applied to many different career paths. ✓✓
- Economics graduates are well-prepared for careers in finance, consulting, public policy, data analysis, research and many other fields. ✓✓

(Accept any other correct relevant response.)

(Any 2 x 2)

(4)

2.2 **DATA RESPONSE**

2.3.1 **Identify ONE durable consumer good in the illustration above.**

- Bicycle ✓
- Microwave oven ✓
- Fridge ✓

(Any 1 x 1)

(1)

2.3.2 **Name ONE basic need of a household.**

- Food ✓
- Water ✓
- Shelter ✓
- Clothes ✓

(Any 1 x 1)

(1)

2.3.3 **Briefly describe the term *consumption*.**

Consumption is the use of goods and services by households. ✓✓  
(Accept any other correct relevant response.)

(2)

2.3.4 **Why is an increase in consumption needed for economic growth?**

- An increase in consumption will lead to increased demand for goods and services, which can in turn lead to higher levels of production, employment and economic growth.
- When there is an increase in consumer demand businesses are more likely to invest in expanding their production capacity to meet the demand. ✓✓

(Any 1 x 2)

(2)

2.3.5 **How does scarcity affect consumers' choice?**

- Scarcity limits the resources available to consumers. ✓✓
- Since resources are scarce, consumers must decide how to allocate their limited income among competing goods and services. ✓✓
- They must make choices based on their preferences and the prices of the goods. ✓✓

(Accept any other correct relevant response.)

(Any 2 x 2) (4)

2.4 **Describe the differences between *economic goods* and *free goods*.**

Free goods

- Free goods are goods that have utility but are so abundant and have no economic cost. ✓✓
- They do not require any effort or resources to obtain, and have no market or exchange value. ✓✓
- These goods cannot be counted as wealth since they have no economic value. ✓✓
- Examples of free goods include air and sunshine. ✓

Economic goods

- Economic goods are goods that have utility, are scarce and have a positive economic value. ✓✓
- They are limited in supply and require resources or effort to produce or obtain.
- Economic goods are bought and sold in markets and have market value, ✓✓
- These goods can be considered as part of the wealth of individuals and organisations. ✓✓
- Examples of economic goods include, among others, food and clothing. ✓

(Accept any other correct relevant response.)

(Any 4 x 2)

(8)



2.5 **How do fluctuations in the business cycle affect the level of unemployment?**

- During the expansion phase, economic activity increases, and businesses expand production and hire additional workers. ✓✓
- Conversely, during the contraction phase unemployment increases as firms reduce production and lay off workers. ✓✓
- During the peak phase, employment may remain high, but it will typically begin to decrease as the economy slows down. ✓✓
- During the trough phase, economic activity is at its lowest point, and businesses are forced to cut costs and layoff workers. ✓✓

(Accept any other correct relevant response.)

(4 x 2)

(8)

[40]

**QUESTION 3: ECONOMIC PURSUITS**

**40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 **Name TWO South African labour unions.**

- NEHAWU (National Education, Health and Allied Workers Union) ✓
- NUMSA (National Union of Metal Workers of South Africa) ✓
- NUM (National Union of Mine Workers) ✓
- COSATU (Congress of South African Trade Unions) ✓
- FEDUSA (Federation of Trade Unions of South Africa) ✓
- NACTU (National Council of Trade Unions) ✓
- AMCU (Association of Construction and Mineworker Unions). ✓

(Accept any other correct relevant response.)

(Any 2 x 1)

(2)

3.1.2 **Why is a rapidly growing population a challenge for developing nations?**

A rapidly growing population places a strain on the limited resources of developing nations, which can lead to shortages and higher prices. ✓✓  
(Accept any other correct relevant response.)

(2)

### 3.2 DATA RESPONSE

3.2.1 Identify the quarter with the highest real GDP growth.

Q2 2020 ✓

(1)

3.2.2 Which economic indicator is used to measure economic growth?

Real GDP ✓

(Accept any other correct relevant response.)

(1)

3.2.3 Briefly describe the term *gross domestic product*.

Measures the value of all final goods and services that are produced within the borders of the country in a given period of time, normally within a year. ✓✓

(2)

3.2.4 Why do injections lead to an increase in economic activity?

Injections cause an increase in economic activity by increasing demand, leading to increasing investment, and lifting confidence in the economy. ✓✓  
(Accept any other correct relevant response.)

(2)

3.2.5 What is the cause of the low economic growth rate in South Africa?

- The country is heavily reliant on a few sectors, such as mining and agriculture, and has low levels of productivity and investment in other sectors. ✓✓
- High levels of inequality lead to social and political instability, which can discourage investment and economic activity. ✓✓
- There has been a lack of clarity and consistency in economic policies, which has created uncertainty for investors and businesses. ✓✓
- South Africa has strict labour laws and high minimum wages. This has limited the ability of firms to adjust their labour force in response to changes in demand and has contributed to high levels of unemployment. ✓✓
- South Africa's electricity supply constraints and poor transportation networks limit the country's ability to attract investment. ✓✓

(Accept any other correct relevant response.)

(Any 2 x 2)

(4)

### 3.3 DATA RESPONSE

3.3.1 Give **ONE** example of people who are economically inactive.

- Children under the age of 16. ✓
- Elderly/Retired people. ✓
- Homemakers/Housewives. ✓

(Accept any other correct relevant response.)

(1 x 1) (1)

3.3.2 What does the population between the ages of 15 – 64 represent?

- It represents the economically active population. ✓

(1)

3.3.3 Briefly describe the term *involuntary migration*.

- The movement of individuals or groups of people who are compelled to leave their homes or countries against their will. ✓✓

**OR**

- When people move because of any circumstance that make it unsafe or impossible for them to remain in their place of origin. ✓✓

(Accept any other correct relevant response.)

(2)

3.3.4 Why is the rapid rate of urban migration a problem for the government?

- Migration leads to densely populated informal settlements. ✓✓
- Slums necessitating a massive demand for housing and infrastructure such as land, roads, health clinics. ✓✓
- Uncontrolled migration leads to service delivery problems where the demand for electricity, water supply and other services puts a lot of pressure on the government. ✓✓

(Accept any other correct relevant response.)

(Any 1 x 2) (2)

3.3.5 Calculate the unemployment rate for the 4<sup>th</sup> quarter of 2022.

$$\text{Unemployment rate} = \frac{7,8}{23,7} \times 100$$

33% of 32,9% ✓✓

(2 x 2) (4)

3.4 **Differentiate 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 of time. ✓✓
- It is measured by the real GDP from one year to another. ✓✓
- It is concerned with goods and services. ✓✓ (Max 4) (2 x 2)

Economic development

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

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

3.5 **How do high immigration figures impact local wages?**

- Due to the increased supply of labour there will be a decrease in the wage rate. ✓✓
- But in South Africa there is a minimum wage that is implemented by government. ✓✓
- Some immigrants will accept a job below the minimum wage rate, saving the employers some money. ✓✓
- If employers pay the minimum wage, it normally leads to fewer people being employed. ✓✓
- There would be more people offering their services to be employed. ✓✓

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

**[40]**



**QUESTION 4: MACROECONOMICS AND ECONOMIC PURSUITS**

**40 MARKS – 30 MINUTES**



4.1 Answer the following questions.

4.1.1 Name any **TWO** phases of a business cycle.

- Recovery phase ✓
- Prosperity phase ✓
- Recession phase ✓
- Depression phase ✓

(Any 2 x 1) (2)

4.1.2 Why do people migrate to urban areas?

- People are searching for better economic opportunities. ✓✓
  - Looking for a better standard of living. ✓✓
  - Searching for employment. ✓✓
- (Accept any other relevant answer.)

(Any 1 x 2) (2)

4.2 **DATA RESPONSE**

4.2.1 Give an example of a coincident indicator.

- Real retail sales ✓
  - Production of durable goods, such as a vehicle ✓
- (Accept any other correct relevant response.)

(Any 1 x 1) (1)

4.2.2 Which phase of a business cycle has the highest unemployment rate?

- Depression ✓

(1)

4.2.3 Briefly describe the term *business cycle*.

- A business cycle is a successive period of increasing and decreasing economic activity. ✓✓
- (Accept any other relevant correct response.)



(2)

4.2.4 Explain the *endogenous view of business cycles*.

- The endogenous view that markets are inherently unstable and therefore government intervention may be required. ✓✓
- The price mechanism fails to co-ordinate demand and supply in markets, and this gives rise to upswings and downswings. ✓✓

(Accept any other correct relevant response.)

(Any 1 x 2) (2)



4.2.5 **How can the South African Reserve Bank (SARB) act proactively to prevent the economy from falling into a recession?**

The Reserve Bank can:

- Adjust the interest rate (repo rate) downwards, that will make loans and credit cheaper and stimulate aggregate demand. ✓✓
- Decrease cash reserve requirements to make more money available at banks, for loans. ✓✓
- Buy securities in the open market to make money available for loans (open market transactions.) ✓✓
- Persuade commercial banks to increase lending. ✓✓
- Increase the money supply. ✓✓

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

4.3 **DATA RESPONSE**

4.3.1 **What percentage of people in Africa are below the age of 20?**

- 50% ✓ (1)

4.3.2 **According to the picture, what is the biggest driver of population growth in Africa?**

- The continent's high birth rate ✓ (1)
- (Accept any other correct relevant response.)

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

- Urbanisation refers to the process by which an increasing proportion of a country's population lives in urban areas, resulting in the growth and expansion of cities and towns. ✓✓ (2)
- (Accept any other correct relevant response.)

4.3.4 **Why is it necessary to do a population census?**

- A population census provides accurate and up-to-date information on the size, composition, and distribution of the population ✓✓
- Governments use population figures to allocate resources, including budgetary funds, to different regions or communities based on their population size and needs. ✓✓

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

4.3.5 **What is the effect of a high population growth rate on the South African economy.**

- Reduces the per capita income of all citizens. ✓✓
- A large population creates the problem of unemployment. ✓✓
- Food shortages and other social services becomes a big problem. ✓✓
- A high population growth requires more investment from government. ✓✓

(Accept any other correct relevant response.)

(Any 2 x 2) (4)

4.4 **Discuss the *age composition* and *geographic distribution* of the South African labour force.**

Age composition:

- The age composition of the South African labour force is composed of individuals between the ages of 25 and 65, which represents the working-age group. ✓✓
- There is an increasing focus on youth employment and efforts to include more young people in the labour force. ✓✓

(Accept any other correct relevant response.)

(2 x 2)

Geographic Distribution:

- The geographic distribution of the South African labour force is influenced by various factors, including historical patterns of urbanisation, economic development, and regional disparities. ✓✓
- The majority of the labour force is concentrated in urban areas, particularly in major cities such as Johannesburg, Cape Town, and Durban. ✓✓
- These urban areas offer more employment opportunities and access to various industries and sectors. ✓✓
- Rural areas still have a significant portion of the labour force primarily engaged in agricultural activities. ✓✓
- The geographic distribution of the labour force is also influenced by factors such as migration, availability of jobs, and regional economic disparities. Some regions, such as Gauteng Province, have a higher concentration of employment opportunities compared to other provinces. ✓✓

(Accept any other correct relevant response.)

(2 x 2)

(8)

4.5 **What are some solutions that can be used to address environmental problems?**

- Promote the use of renewable energy sources such as solar, wind, hydro, and geothermal power. ✓✓
- Invest in research and development of clean energy technologies. ✓✓
- Implement policies and incentives to encourage the adoption of clean energy and discourage reliance on fossil fuels. ✓✓
- Improve energy efficiency in industries, buildings, and transportation. ✓✓
- Encourage waste reduction, recycling, and reuse. ✓✓
- Develop and enforce stricter regulations on waste disposal and management. ✓✓
- Invest in waste treatment and recycling infrastructure. ✓✓
- Educate and raise awareness among the public about proper waste management practices. ✓✓
- Develop and enforce stringent environmental standards and regulations across industries. ✓✓
- Implement effective monitoring and enforcement mechanisms to ensure compliance. ✓✓
- Encourage companies to adopt environmentally friendly practices and technologies. ✓✓
- Provide incentives and support for companies that implement sustainable measures. ✓✓
- Improve public transportation systems to reduce reliance on private vehicles. ✓✓
- Encourage the use of electric vehicles and support the development of charging infrastructure. ✓✓
- Implement measures to reduce traffic congestion and promote non-motorised transportation options like cycling and walking. ✓✓
- Incorporate sustainable principles into urban planning, such as creating green spaces, improving pedestrian infrastructure, and promoting mixed land use to reduce commuting distances. ✓✓

(Accept any other correct relevant response.)

(Any 4 x 2)

(8)

[40]



**TOTAL SECTION B:**

**80**

**SECTION C**



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

STRUCTURE OF ESSAY	MARK ALLOCATION
<p><b>Introduction</b> The introduction is a lower-order response.</p> <ul style="list-style-type: none"> <li>• A good starting point would be to define the main concept related to the question topic.</li> <li>• Do not include any part of the question in your introduction.</li> <li>• Do not repeat any part of the introduction in the body.</li> <li>• Avoid mentioning in the introduction what you are going to discuss in the body.</li> </ul>	<p>Max. 2</p>
<p><b>Body</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/ Critically discuss/Analyse/Compare/Evaluate/Distinguish/ Differentiate/Explain</p> <p><b>Additional part:</b> 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>	<p>Max. 26</p> <p>Max. 10</p>
<p><b>Conclusion</b> Any higher-order conclusion should include the following:</p> <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed without repeating facts already mentioned</li> <li>• Any opinion or value judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion/ analysis</li> <li>• A contradictory viewpoint with motivation, if required</li> <li>• Recommendations</li> </ul>	<p>Max. 2</p>
<p><b>TOTAL:</b></p>	<p><b>40</b></p>



**QUESTION 5 MACROECONOMICS**

**40 MARKS – 40 MINUTES**

- **Discuss, in detail, the 4 participants of the circular flow of an open economy and the inter relationships between them** (26 marks)
- **How has BRICS membership helped South Africa with its foreign sector trade relationships?** (10 marks)

**INTRODUCTION**

Markets co-ordinate 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)

**MAIN PART**

In Economics, the circular flow model represents the flow of goods, services, and money between four main participants: households, firms, the government, and the foreign sector. ✓✓

Households ✓

- Households are the individuals or groups that consume goods and services and supply factors of production (such as labour, land, and capital) to firms. ✓✓
- They receive income from their participation in the production process, primarily in the form of wages, salaries, rents, and profits. ✓✓
- Households allocate their income to consumption, saving, and payment of taxes. ✓✓

Interrelationships

- Households act as consumers, purchasing goods and services from firms. ✓✓
- This consumption expenditure is a crucial source of revenue for firms. ✓✓
- Households supply factors of production to firms, such as labour. ✓✓
- In return, they receive income in the form of wages, which they can then use for consumption or saving. ✓✓
- Households pay taxes to the government, which helps fund public goods and services. ✓✓

Firms ✓

- Firms, also known as businesses or producers, are the economic entities that produce goods and services using the factors of production supplied by households. ✓✓
- Firms aim to generate revenue through the sale of their products and maximise profits by controlling costs and optimising production. ✓✓

### Interrelationships

- Firms produce goods and services that are consumed by households.
- They supply the goods and services demanded by households and receive revenue from their sales. ✓✓
- Firms employ labour and other factors of production provided by households, paying wages, salaries, and other forms of compensation. ✓✓
- Firms pay taxes to the government, which contributes to government revenue. ✓✓

### Government ✓

- The government plays a crucial role in the circular flow model. It provides public goods and services, regulates economic activities, and implements fiscal and monetary policies. ✓✓
- Governments collect taxes, incur expenditures, and redistribute income through various programmes. ✓✓

### Interrelationships

- The government collects taxes from both households and firms, which form a significant portion of government revenue. ✓✓
- These taxes are used to finance public goods and services, such as infrastructure, education, healthcare, and defence. ✓✓
- The government purchases goods and services from firms, such as defence equipment or infrastructure projects. ✓✓
- The government implements fiscal policies, such as taxation and government spending, which can influence the behaviour of households and firms. ✓✓

### Foreign Sector ✓

- The foreign sector represents economic transactions between the domestic economy and the rest of the world. It includes imports, exports, foreign investments, and international borrowing. ✓✓

### Interrelationships

- The foreign sector imports goods and services produced by firms in the domestic economy. ✓✓
- This provides revenue to domestic firms and affects their production decisions. ✓✓
- Domestic firms export goods and services to the foreign sector, generating income from foreign countries. ✓✓
- The foreign sector can also invest in domestic firms, providing capital and influencing the domestic investment environment. ✓✓
- The circular flow model illustrates the interconnectedness of these participants, highlighting how income, goods, and services flow among them. ✓✓
- It emphasises the interdependence of households, firms, the government, and the foreign sector in the functioning of the overall economy. ✓✓

(Accept any other correct relevant response.)

(Max. 26)

## ADDITIONAL PART

How has BRICS membership helped South Africa with its foreign sector trade relationships?



- Being a member of BRICS provides South Africa with opportunities to enhance trade and investment with the other member countries. ✓✓
- It can lead to increased bilateral trade and investment flows, as well as the exploration of new markets for South African goods and services. ✓✓
- South Africa can benefit from greater access to the large and rapidly growing consumer markets of the other BRICS countries. ✓✓
- BRICS membership fosters economic cooperation and collaboration among the member countries. ✓✓
- This can lead to the sharing of best practices, knowledge, and expertise in various sectors, including technology, infrastructure, agriculture, and finance. ✓✓
- Such cooperation can contribute to economic development and competitiveness in South Africa. ✓✓
- BRICS has established financial institutions like the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). ✓✓
- These institutions aim to provide financial support and stability to member countries, particularly during times of economic crisis. ✓✓
- South Africa can access funding from these institutions for infrastructure projects and other development initiatives. ✓✓

(Accept any other correct relevant response.)

(Max. 10)

## CONCLUSION

The actual impact of BRICS membership on South Africa's foreign sector relationships would depend on various factors, including the policies and strategies implemented by the South African government, the level of cooperation among BRICS countries, and the broader global economic conditions. ✓✓

(Accept any other relevant conclusion.)

(Max. 2)

**[40]**



**QUESTION 6: ECONOMIC PURSUITS**

**40 MARKS – 40 MINUTES**

- **Discuss in detail industrial development with focus on the following aspects:**
  - **Mechanisation of production**
  - **Urbanisation and migration** (26 marks)
- **How did the influx of immigrants contribute to the industrial development of South Africa?** (10 marks)

**INTRODUCTION**

Industrial development is the building and growing of industries within an economy by using new technologies which make jobs easier, faster, and better and leads to an increase in a business's output and an increase in profits. ✓✓

(Accept any other relevant introduction.)

(Max. 2)

**MAIN PART**

**Mechanisation of production**

- The Industrial Revolution was the transition to new manufacturing processes.
- The way people worked and the way goods were produced, changed. ✓✓
- Mechanisation, the use of machines to do the work of animals or humans, was employed in the manufacturing processes. ✓✓
- The factory system is characterised by a complicated division of labour, called the organisation of work. ✓✓
- In this system a worker is responsible for a task in the production line. ✓✓
- Hand tools were replaced with mechanical tools. ✓✓
- The processing of iron is a good example of this. ✓✓
- Before mechanisation, many workers had to handle bulk material with shovels and wheelbarrows. ✓✓
- After mechanisation, an iron ore processing plant processes 20,000 tons of ore per day, with two shifts of five men each. ✓✓
- Agricultural innovation included better farming methods and techniques, which improved soil fertility and the quality of products. ✓✓
- Before mechanisation and factories, textiles were made mainly in people's homes using basic equipment. ✓✓

**Urbanisation and migration**

- Industrialisation led to the establishment of cities around coalfields or factories and near important ports. ✓✓
- A considerable growth occurred during this period in urban populations as people from the countryside flocked to live and work in the cities. ✓✓
- There was a big demand for IT workers to do various types of work at the factories. ✓✓



- In addition to internal migration, the population is also influenced by immigration and emigration. ✓✓
- As the opportunities in the industrialising areas began to attract people from other countries, more than a million English, Welsh and Scottish workers in the eighteenth century also left their homelands for overseas destinations, mainly to the colonies. Besides the political and religious refugees, most of them were in search of better economic opportunities. ✓✓
- By 1900 the most industrialised countries at least 50% were urbanised. ✓✓
- Large markets for manufactured goods began to open in the new cities. ✓✓
- The living conditions of workers in the cities were very difficult. ✓✓
- Long working hours (up to 16 hours a day) was common. ✓✓
- In many cases, residences were overcrowded and without proper drainage and water supply. Women earned very low wages. ✓✓
- In Africa the transition from colonial systems of government to self-government was very difficult. ✓✓
- The rapid rate of urbanisation has not kept up with increasing economic activities. (not accompanied.) ✓✓
- In sub-Saharan Africa, skilled labour and management skills were essential and capital was very scarce. ✓✓
- Most countries, apart from South Africa, do not have a strong non-industrial basis. Industrialisation requires investment in infrastructure such as road and electricity networks and in labour quality, as well as in expensive machines. ✓✓
- South Africa, and to a lesser extent the then Southern Rhodesia, has developed a considerable manufacturing sector. ✓✓
- Apart from a little growth in the manufacturing sector in the then Belgian Congo, the rest of Africa did not become industrialised. ✓✓
- In some countries, elite groups have benefitted when, after independence, ownership of companies was transferred to local owners. ✓✓ (Max. 26)

## ADDITIONAL PART

### How did the influx of immigrants contribute to the industrial development of South Africa?

- Immigrants have provided a diverse and often highly skilled labour force to support industrial development in South Africa. ✓✓
- Many immigrants possess specialised skills and expertise that are in demand in various sectors, including engineering, healthcare, information technology, and finance. ✓✓
- By filling skill gaps in the labour market, immigrants have contributed to the growth and productivity of industries. ✓✓
- Immigrants have also played a crucial role in entrepreneurship and business development in South Africa. ✓✓
- Many migrants have established businesses, ranging from small-scale enterprises to large corporations, thereby creating job opportunities and contributing to economic growth. ✓✓

- Their entrepreneurial spirit and willingness to take risks have helped stimulate innovation and competition in various sectors. ✓✓
  - Immigrants, particularly those with financial resources, have contributed to economic investment in South Africa. ✓✓
  - They often bring capital from their home countries or have access to international networks that can facilitate investment. ✓✓
  - This investment has been instrumental in the establishment and expansion of businesses, leading to job creation, technology transfer and industrial growth. ✓✓
  - The influx of immigrants has facilitated the transfer of knowledge, ideas, and technological advancements to South Africa. ✓✓
  - Immigrants bring diverse experiences, expertise, and international perspectives, which can lead to the introduction of new technologies, management practices, and innovation. ✓✓
  - This knowledge exchange has positively influenced industrial sectors, improving efficiency, competitiveness, and productivity. ✓✓
  - Immigrants have contributed to the expansion of domestic markets in South Africa. ✓✓
  - With their diverse backgrounds and cultural ties to other countries, immigrants have helped foster international trade and investment links. ✓✓
  - They often act as intermediaries, facilitating trade between South Africa and their home countries or other regions. ✓✓
  - This increased market connectivity has opened up new opportunities for South African industries to access global markets and expand their customer base. ✓✓
- (Accept any other correct relevant response.) (Max. 10)

## CONCLUSION

The history of industrial development in Africa has evidence of efforts to mechanise production and shows the significant trends of urbanisation and migration. While challenges persist, progress has been made in the adoption of mechanisation in agriculture and manufacturing sectors. ✓✓

(Accept any other relevant conclusion.)

(Max. 2) [40]



**TOTAL SECTION C: 40**

**TOTAL : 150**