



DEPARTMENT OF
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

ECONOMICS P1

MID YEAR 2025


Stanmorephysics.com

MARKS: 100

DURATION: 1 HOUR 30 minutes

This question paper consists of 10 pages

INSTRUCTIONS AND INFORMATION

- 
1. Answer **THREE** questions as follows in the **ANSWER BOOK**.
 - **SECTION A** : COMPULSORY
 - **SECTION B**: Answer any **ONE** of the two questions.
 - **SECTION C** : Answer any **ONE** of the two questions
 2. Write the question number above each answer.
 3. Answer only the required numbers of questions. Answers in excess of the required number will not be marked.
 4. 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.
 5. Number the answers correctly according to the numbering system used in this question paper.
 6. Read the questions carefully.
 7. Start each question on a new page.
 8. Leave 2-3 lines between sub sections of questions.
 9. Use only black or blue ink.
 10. You may use a non- programmable pocket calculator.
 11. Write legible and present your work neatly.

SECTION A: COMPULSARY

QUESTION 1

20 MARKS – 20 MINUTES

1.1 Various 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 number (1.1.1-1.1.5) in the ANSWER BOOK, for example 1.1.6. D.

1.1.1 The study of the total consumption, production and exchange of individual, households and industries in a country.

- A labour economics
- B environmental economics
- C microeconomics
- D macro economics

1.1.2 Leakage in the circular flow model is represented by ...

- A export earnings
- B Investments
- C government spending
- D taxes

1.1.3 Involves a subjective value judgement.

- A positive statement
- B realistic statement
- C normative statement
- D negative statement

1.1.4 A negative economic growth for the two consecutive quarters

- A recession
- B depression
- C prosperity
- D recovery

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

- A peak
- B trough
- C expansion
- D contraction

(5 x 2) (10)

- 1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-G) next to the question numbers (1.2.1. to 1.2.6) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Factor market	A Change at the same time with economic activities
1.2.2 Free goods	B A place where goods and services are sold
1.2.3 Keynesian	C Trade with other countries
1.2.4 Coincident indicators	D Have utility but no exchange value
1.2.5 Opportunity cost	E Believes that market is inherently instable
1.2.6 Open economy	F A place in which the factors of production are sold
	G The value of the next best goods that is given up

(6 x 1) (6)

- 1.3 Give ONE term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 to 1.3.4) in the ANSWER BOOK. Abbreviations, acronyms and examples will NOT be accepted.

- 1.3.1 Goods used to produce other goods.
- 1.3.2 Study of the role of money and banking in the economy.
- 1.3.3 Change before the economic activities
- 1.3.4 Addition of money in the economy

(4 x 1) (4)

TOTAL SECTION A: [20]

SECTION B

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

QUESTION 2: MACROECONOMICS

40 MARKS – 30 MINUTES

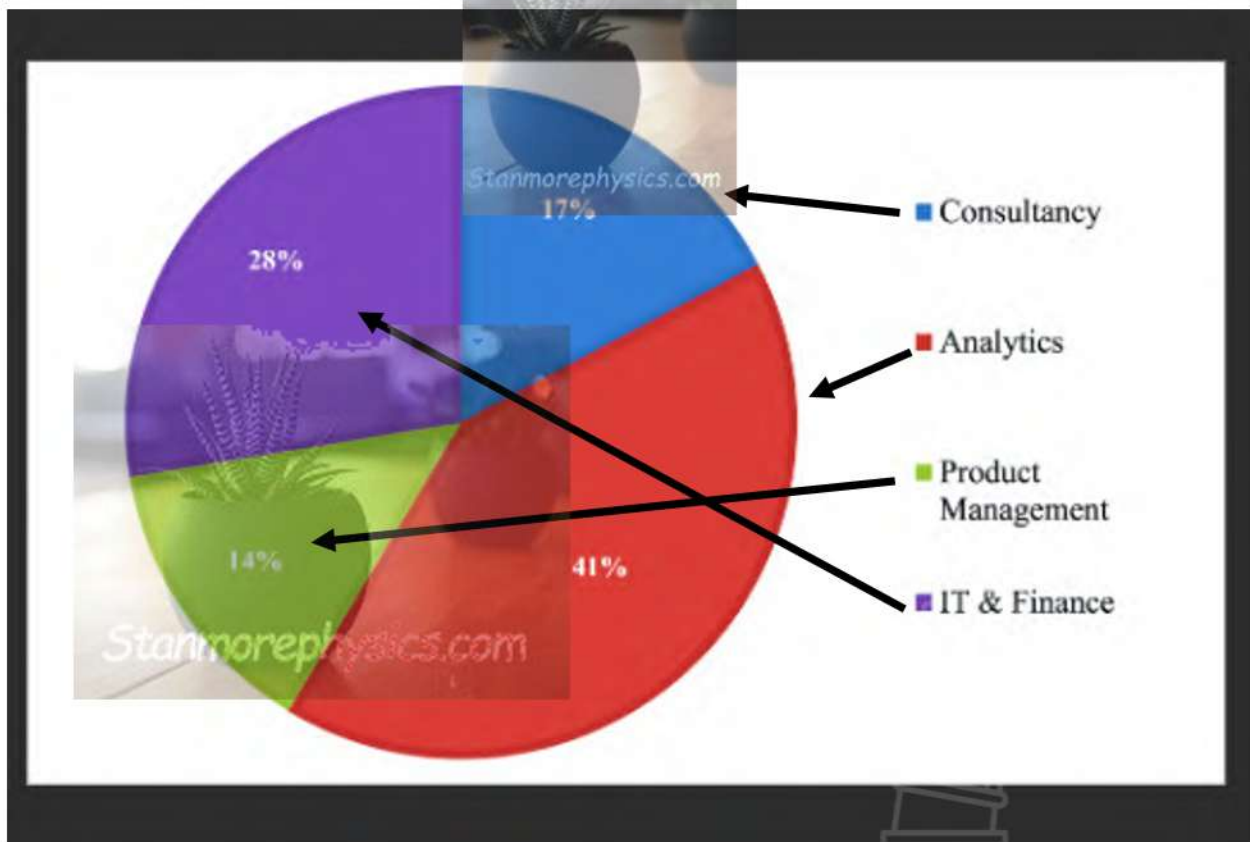
2.1 Answer the following questions.

2.1.1 Name TWO factors to consider when choosing a career (2 x 1) (2)

2.1.2 What are the difficulties faced by social sciences (1 x 2) (2)

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

CAREERS IN ECONOMICS



Source: Google

- 2.2.1 Identify from the graph one career in Economics. (1)
- 2.2.2 Name any other career in the field of Economics? (1)
- 2.2.3 Briefly describe the term *career*. (2)
- 2.2.4 Why is economics regarded as a social science? (2)
- 2.2.5 What are the effects of not having a career? (2x2) (4)

2.3. Read the extract below and answer the questions that follow.

ECONOMICS AS A SOCIAL SCIENCE

Economics is concerned with studying and influencing the economy. Politics is the theory and practice of influencing people through the exercise of power.e.g Governments.

In theory, economics could be non-political. An ideal economist should ignore any political bias or prejudice to give neutral, unbiased information and recommendations on how to improve the economic performance of a country.

www.saeconnews.co.za

- 2.3.1 Identify from the extract factor that economics is concerned about (1)
- 2.3.2 Name any subject that is related to Economics. (1)
- 2.3.3 Briefly describe the term *Economics*. (2)
- 2.3.4 Explain the importance of Economics. (2)
- 2.3.5 How can economic models be used in economic theories. (4)
- 2.4 Tabulate the difference between free and economic goods. (2 x4) (8)
- 2.5 Analyse the FOUR elements of Economics. (4 x 2) (8)

[40]

QUESTION 3: Macro economics

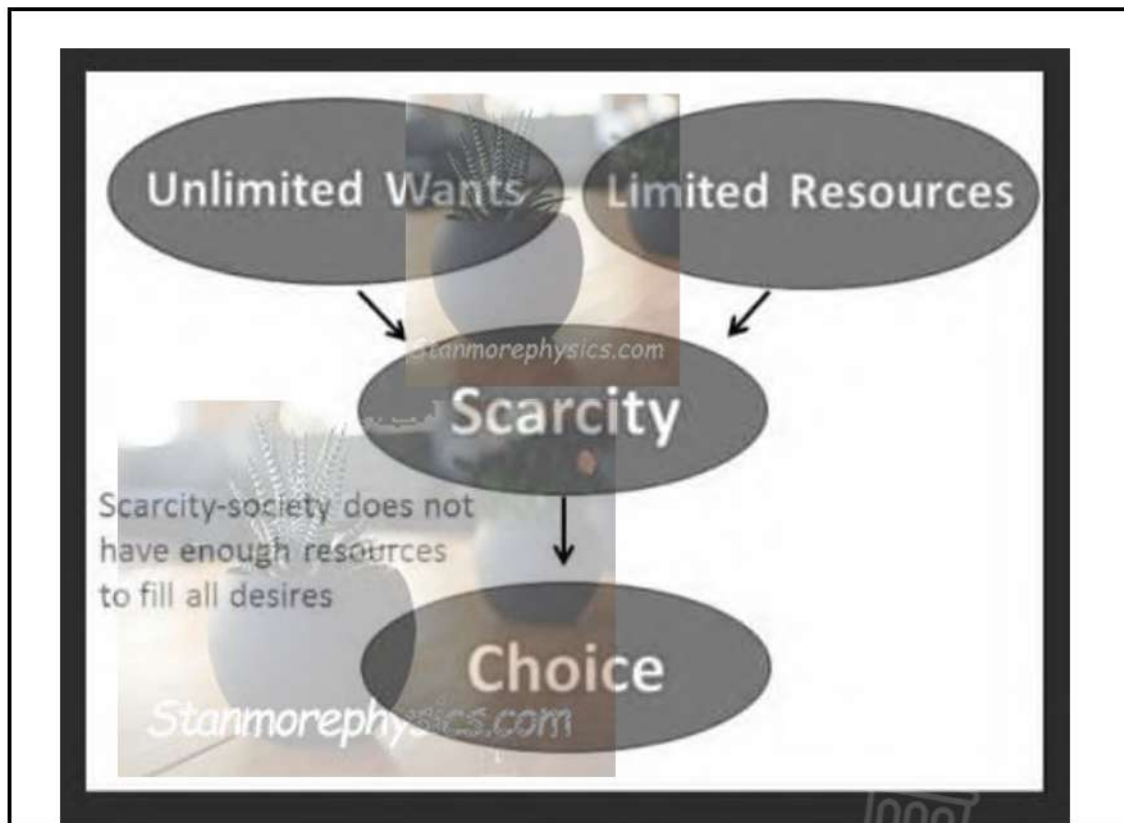
40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO branches of Economics (2 x 1) (2)

3.1.2 How can the environment be protected? (1 x 2) (2)

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



Source: Google images

3.2.1 Identify the cause of scarcity from the above picture. (1)

3.2.2 Name one type of scarcity (1)

3.2.3 Briefly describe the term *production* (2)

3.2.4 Explain the importance of capital goods. (2)

3.2.5 Why does scarcity force consumers to make choices? (4)

3.3 Read the table below and answer the questions that follow.

Consumer goods	2023	2024
Durable goods	2 034 920	225 906
Semi-durable goods	2 142 021	182 345
Non-durable goods	3 512 005	259 264
Services	145 230	153 056
TOTAL	A	

Source: SARB Quarterly Bulletin 2025

- 3.3.1. Identify the type of consumer goods where households spent the most in 2024. (1)
- 3.3.2. Name one example of durable goods (1)
- 3.3.3. Briefly describe the term *non-durable goods*. (2)
- 3.3.4. Why do consumers spend more on non-durable goods? (2)
- 3.3.5. Calculate the total consumption expenditure by households in 2023 (A). Show all calculations. (4)
- 3.4 Briefly explain the TWO main approaches to Economics. (2 x 4) (8)
- 3.5 How can secondary sector be used to boost the economy? (4 x2) (8)

[40]

SECTION C

Answer any ONE of the two questions in this section in the ANSWER BOOK. Ensure that your answer follows the structure indicated below in order to obtain maximum marks:

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

QUESTION 4: MACROECONOMICS

40 MARKS – 40 MINUTES



- Discuss in detail the role of the FOUR markets in the circular flow of an open economy. (26)
- Explain the importance of GDP aggregates. (10)

QUESTION 5: MACROECONOMICS

40 MARKS – 40 MINUTES

- Discuss in detail the phases of business cycles. Use fully labelled business cycles in your answer. (26)
- Examine the reasons for fluctuations in the business cycle. (10)



TOTAL SECTION C: [40]

GRAND TOTAL: [100]



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**NATIONAL
SENIOR CERTIFICATE**



GRADE 10

**ECONOMICS
MID YEAR EXAM P1
MARKING GUIDELINES**

Stanmorephysics.com

MARKS: 100

This marking guide consists of 12 pages including cover page

SECTION A

QUESTION 1 (COMPULSORY)

1.1. Multiple-choice type questions

- 1.1.1 D (macroeconomics) ✓✓
- 1.1.2 D (taxes) ✓✓
- 1.1.3 C (normative Statement)
- 1.1.4 A (change at the same time with economic activities) ✓✓
- 1.1.5 B (trough) ✓✓

(5X2) (10)

1.2. MATCH TYPE

- 1.2.1. F - A place in which the factors of production are sold ✓
- 1.2.2. D - Have utility but no exchange value ✓
- 1.2.3. E - Believes that market is inherently instable ✓
- 1.2.4. A - The upper turning point of a business cycle ✓
- 1.2.5. G - The value of the next best goods that is given up ✓
- 1.2.6. C - Trade with other countries ✓

(6 x 1) (6)

1.3. CONCEPTS

- 1.3.1 Capital goods ✓
- 1.3.2 Monetary economics ✓
- 1.3.3 Leading indicators ✓
- 1.3.4 Injections ✓

(4X1) (4)

TOTAL [20]

SECTION B

QUESTION 2

2.1 Answer the following questions

2.1.1 Name TWO factors to consider when choosing a career.

- Risk ✓
- Interest ✓
- Financial implications

(Accept any other correct relevant response) (2X1) (2)

2.1.2 What are the difficulties faced by social sciences?

Difficulty is that human nature is not predictable. ✓ ✓

(Accept any other correct relevant response) (1X2) (2)

2.2 DATA RESONSE

2.2.1 Identify from the graph one career in Economics.

- Analytics ✓
- Consultancy ✓
- Product Management ✓
- IT & Finance ✓

(1)

2.2.2 Name any other career in the field of Economics?

- Central Banker ✓
 - International Trade Specialist ✓
- (Accept any other correct relevant response)

(1)

2.2.3 Briefly describe the term *career*.

- Career refers to experience, roles and positions that individuals undertake to achieve their professional goals. ✓ ✓
(Accept any other correct relevant response)

2.2.4 Why is economics regarded as a social science?

- Because Economics studies about human behaviour. ✓ ✓ (2)
(Accept any other correct relevant response)

2.2.5 What are the effects of not having a career?

- People without career can have limited income potential to satisfy their needs and wants. ✓ ✓
- It reduces job security in their lives ✓ ✓
(Accept any other correct relevant response) **(2X2) (4)**

2.3 DATA RESPONSE

2.3.1 Identify from the extract factor that economics is concerned about.

- Studying and influencing the economy ✓ **(1)**

2.3.2 Name any subject that is related to Economics.

- Accounting ✓
- **Mathematics** ✓ **(1)**
(Accept any other correct relevant response)

2.3.3 Briefly describe the term *Economics*.

- Economics is the study of how individuals, businesses and other organisations choose to use scarce resources to satisfy needs and wants. ✓ ✓
(Accept any other correct relevant response) **(2)**

2.3.4 Explain the importance of Economics

- Provide information to make informed decision ✓ ✓
- Helps in the distribution of resources ✓ ✓
- Helps in achieving social efficiency ✓ ✓
- Gives forecast for economy ✓ ✓
- Helps in understand consumer behaviour ✓ ✓
(Accept any other correct relevant response) **(2)**

2.3.5 How can economic models be used in economic theories.

- Models can be used to explain what is happening in a particular situation and predict what is going to happen next. ✓ ✓
- Making theories more concrete, in a verbal or mathematical description ✓ ✓ **(2 x2)(4)**
(Accept any other correct relevant response)

2.4 Tabulate the differences between free and economic goods

Economic goods	Free good
They are scarce ✓✓	They are plentiful✓✓
They have exchange value and utility✓✓	They have no exchange value but utility✓✓
Possession indicate wealth✓✓	Possession does not indicate wealth✓✓
They command a price ✓✓	They do not command price ✓✓
Examples :Air, sunshine, sea water, rain✓✓	Examples: cars, houses ✓✓

(2 x4) (8)

2.5 Analyse the four elements of Economics.

- Scarcity
 - We live in a world of scarce resources✓✓
 - There is no endless supply of resources that nature provides such as land, minerals ,fish and energy ✓✓
- Choice
 - People must make choices because their wants are unlimited to compare to the means to satisfy them ✓✓
 - People's wants are unlimited while means to satisfy them are only limited✓✓
- Efficiency
 - Ability to achieve an end goal with little or no waste ✓✓
 - Concerned with how well resources e.g. money, time etc. are used to produce an end result ✓✓
- Equity
 - Means being fair and just ✓✓

Meaning that one should not only be thinking of one's own needs and interest but those of others too ✓✓

(Accept any correct relevant response)

(4 X 2) (8)

(A maximum of 2 marks may be allocated for mere listing of facts/examples)

QUESTION 3

3.1 Answer the following questions

3.1.1 Name any TWO branches of Economics.

- Micro economics ✓
- Macro economics ✓
- Monetary economics ✓
- Development economics ✓

(Accept any other correct relevant response)

(2 X 1) (2)

3.1.2 How can the environment be protected?

- By preventing pollution and ecological degradation ✓✓
- By promoting conservation ✓✓
- By securing ecologically sustainable development. ✓✓

(Accept any other correct relevant response)

(1X2) (2)

3.2 DATA RESPONSE

3.2.1 Identify the cause of scarcity from the above picture.

- Unlimited wants ✓
- Limited resources ✓

3.2.2 Name one type of scarcity

- Relative scarcity ✓
- Absolute scarcity ✓

3.2.3 Briefly describe the term production

- The process of transforming raw materials into finished good ✓✓

(Accept any other correct relevant response)

(2)

3.2.4 Explain the importance of capital goods..

- Capital goods are important because they are used in the production of other goods.

(Accept any other correct relevant response)

(2)

3.2.5 Why does scarcity force consumers to make choices?

- Scarcity means that consumers want, more than is available therefore scarcity requires choice. ✓✓
 - consumers must choose which of their design they will satisfy and which will leave unsatisfied ✓✓
 - consumer forced to make choice. ✓✓
- (Accept any other correct relevant response)

(2x2) (4)

3.3 DATA RESPONSE



3.3.1 Identify the type of consumer goods where households spent the most in 2024.

- Non-durable goods ✓ (1)

3.3.2 Name one example of durable goods

- Car ✓
- Furniture ✓
(Accept any other correct relevant response) (1)

3.3.3 Briefly describe the term non-durable goods.

- Non-durable are goods that are consumed ones ✓✓
(Accept any other correct relevant response) (2)

3.3.4 Why do consumers spend more on non-durable goods?

- Because they cater for daily needs and wants, making them a necessity for consumers. (2)
(Accept any other correct relevant response)

3.3.5 Calculate the total consumption expenditure by households in 2023 (A) .Show all calculations.

$$2034920+2142021+3512005+145230 \checkmark\checkmark \\ =7834176 \checkmark\checkmark \quad (2X2) (4)$$

3.4 Briefly explain the TWO main approaches to Economics.

Monetarist Approach. ✓✓

The monetarist approach sees the economy as follows:

- The free-market economy is inherently stable. ✓✓
- It can achieve desired macroeconomic objectives effectively. ✓✓
- External factors cause variations in the economy ✓✓
- This approach restricts government intervention to a minimum ✓✓

Keynesian Approach ✓✓

The Keynesian approach sees the economy as follows:

- The free-market economy is inherently unstable. ✓✓
- It cannot achieve desired macroeconomic objectives effectively. ✓
- Believe that markets react slowly to changes in equilibrium. ✓✓
- Active government intervention is sometimes the best method to get the economy into equilibrium ✓✓

(2X4) (8)

3.5 How can the secondary sector be used to boost the economy.

The secondary sector can be used to boost the economy by

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

(Accept any other correct relevant response)

(4X2) (8)

(A maximum of 2 marks may be allocated for mere listing of facts)

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SECTION C

QUESTION 4: MACROECONOMICS

40 MARKS – 40 MINUTES

- Discuss in detail the role of the FOUR markets in the circular flow of an open economy. (26)
- Explain the importance of GDP aggregates. (10)

INTRODUCTION

- The circular flow model is a simplified representation of interaction between the participants of the economy. ✓✓
- Market is the mechanism that brings buyers and sellers together to exchange goods and services. ✓✓
- Markets coordinate economic activities and determine prices of goods and services ✓✓

Product and factor markets

Product market/Goods/Output markets ✓

- Product market is where goods and services are exchanged for money ✓✓
- E.g. Shoprite retailer. ✓
- These are markets for consumer goods and services ✓✓
- Consumer goods are durable consumer goods, semi-durable goods and non-durable goods ✓✓
- Capital and consumer goods are traded in these markets ✓✓
- Capital goods market are trading buildings and machinery ✓✓
- Services are defined as non-tangible actions ✓✓ e.g. wholesalers and retailer, transport and financial markets ✓

Factor market/Resource/Input markets ✓

- Factor market is where factors of production are traded ✓✓
- Households sell factors of production in this market ✓✓
- Labour can be bought and sold in this market. ✓✓
- Factor market includes labour, property and financial markets ✓✓
- These services earn wages for labour, interest for capital, rent for natural resources and profits for entrepreneurship. ✓✓

Financial markets ✓

- Financial markets consist of money market and financial market ✓✓
- E.g. banks, insurance companies and pension funds ✓

Money and capital markets

Money markets✓

- The money market is for short term savings and loans (less than 3 years). ✓✓
- The key institution of money market is the South African Reserve Bank (SARB) ✓✓
- ✓Products sold in this market are bank debentures, treasury bills and government bonds. ✓✓

Capital markets✓

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

Foreign exchange markets✓

- Foreign exchange market is where currencies are traded for other currencies. ✓✓
- This the market engaged in the buying and selling of foreign currencies. ✓✓
- Businesses buy foreign exchange to pay for imports and exports. ✓✓
- The most important foreign exchange markets are in London, New York and Tokyo. ✓✓

ADDITIONAL PART

The importance of GDP aggregates

- A country's GDP is a measure of the level of economic activity. ✓✓
- This is important to know because it shows the quantity of goods and services that is produced in the economy✓✓
- GDP figures give an indication of the material well-being of the people of a country✓✓
- GDP figures also provide information on the direction that the economy is heading ✓✓
- This helps policymakers in formulating good economic policies ✓✓
- GDP indicates the relative importance of the different economic sectors ✓✓
- Therefore, national income statistics are closely watched by businesses and governments at all levels✓✓

(Accept any other correct relevant response)

(5X2) (10)

(A maximum of 2 marks may be allocated for mere listing of facts)

CONCLUSION

- Markets are critically important institutions in our economic system, because they safeguard price stability and general business confidence. ✓✓
(Accept any other correct relevant response)

QUESTION 5: MACROECONOMICS

40 MARKS – 40 MINUTES



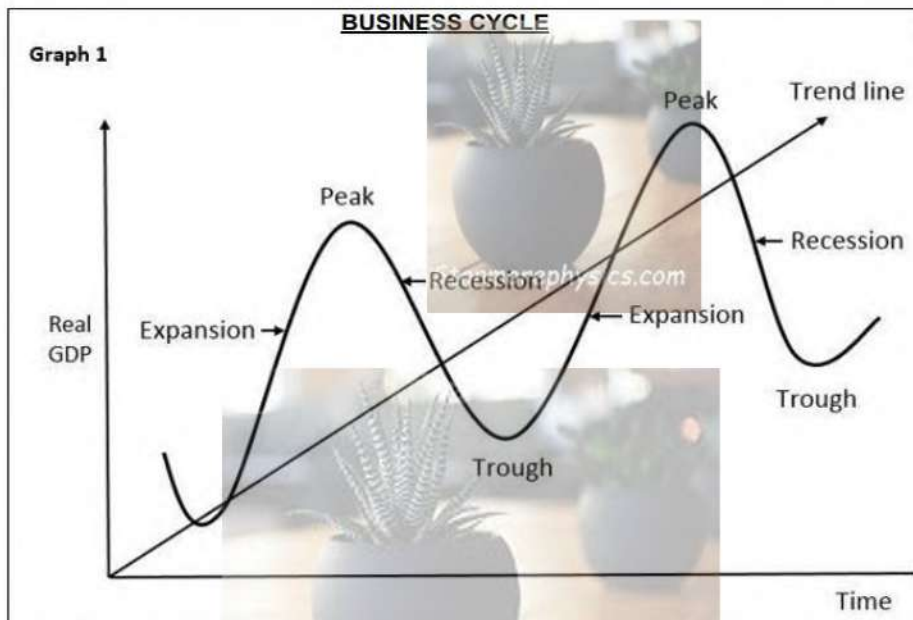
- Discuss in detail the phases of business cycles. Use a full-labelled business cycles in answer. (26)
- Examine the reasons for fluctuations in the business cycle. (10)

INTRODUCTION

- Business cycle is consecutive period of increasing and decreasing economic activities. ✓✓
- Business cycle is successive period of growth and decline in economic activities. ✓✓
- This is the upswing and downswing of economic activities. ✓✓

MAIN PART

COMPOSITION OF BUSINESS CYCLE



• Heading=	1 mark
• Trend line=	1 mark
• Peak=	1 mark
• Trough=	1 mark
• Labeling of axis =	2 marks
TOTAL MARK: (6)	

Recession ✓

- Recession is negative economic growth for at least two successive quarters. ✓✓
- Economic activity starts to decline. ✓✓
- It is called economic downturn. ✓✓
- Jobs are lost / employment levels drop. ✓✓
- Aggregate demand falls. ✓✓
- The value of money depreciates. ✓✓
- Inflation increases. ✓✓
- Interest rates will increase, discouraging the demand for credit. ✓✓



Depression ✓✓

- The economic activity is at its lowest. ✓✓
- It is also known as economic slump. ✓✓
- Many businesses slow down resulting in a low output. ✓✓
- Aggregate demand decreases due to little or no income. ✓✓
- Business sentiment is depressed. ✓✓
- Low demand for credit. ✓✓
- Share prices start to increase ✓✓

Recovery ✓

- Recovery is a sustained period of improving economic activity. ✓✓
- Production increases and more jobs are created. ✓✓
- Business sentiment rises and there is increased spending by firms. ✓✓
- Exports increase and the value of money appreciates. ✓✓
- Inflation decreases. ✓✓

Prosperity ✓

- The economic activity is at its highest. ✓✓
- There is an increase in real GDP. ✓✓
- Firms makes high profits and attract other businesses to enter the market. ✓✓
- As more businesses open, more factors of production are employed. ✓✓
- Aggregate demand will increase and force production to increase. ✓✓

(26)

ADDITIONAL PART

Examine reasons for fluctuations in the business cycle

- South African Reserve Bank (SARB), adjust interest rates to influence economic activity. ✓✓
- Lower interest rates can stimulate borrowing and investment, leading to economic expansion. ✓✓
- Higher rates can dampen spending and investment, potentially leading to a contraction. ✓✓
- An increase in interest rate slows down economic growth. ✓✓
- Increased government spending can stimulate economic activity.
- Tax cuts can boost consumer spending. ✓✓
- Reduced spending or higher taxes can lead to economic contraction. ✓✓
(Accept any other correct relevant response) (5X2) (10)

(A maximum of 2 marks may be allocated for mere listing of facts)

CONCLUSION

- Economic indicators such as leading, coincident and lagging indicators are used to predict business cycle. ✓✓

TOTAL SECTION C: [40]

GRAND TOTAL: [100]