



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF EDUCATION**

**CAPRICORN SOUTH  
DISTRICT**

**NATIONALSENIOR  
CERTIFICATE**

**GRADE 10**

**ECONOMICS**

**TASK 3**

**PROJECT**

**MICROECONOMICS**

*Stanmorephysics.com*

**DATE: 13 MAY 2026**

**MARKS: 50**

**TIME: 1 hour**

**This question paper consists of 05 pages**

TOPIC: MICROECONOMICS: DYNAMICS OF MARKETS AND STATE INTERVENTIONS

INSTRUCTIONS AND INFORMATION

Your project should meet the following criteria:

1. Graphs should be clearly labelled and drawn according to scale.
2. Number the answers correctly according to the numbering system used in this question paper.
3. Answer in full sentences.
4. This is an **INDIVIDUAL** project. Each learner's work must be **UNIQUE**.
5. Learners will not be credited for information copied directly (plagiarism).
6. Write legibly and neatly using a **BLUE PEN/BLACK**.

**Question 1**

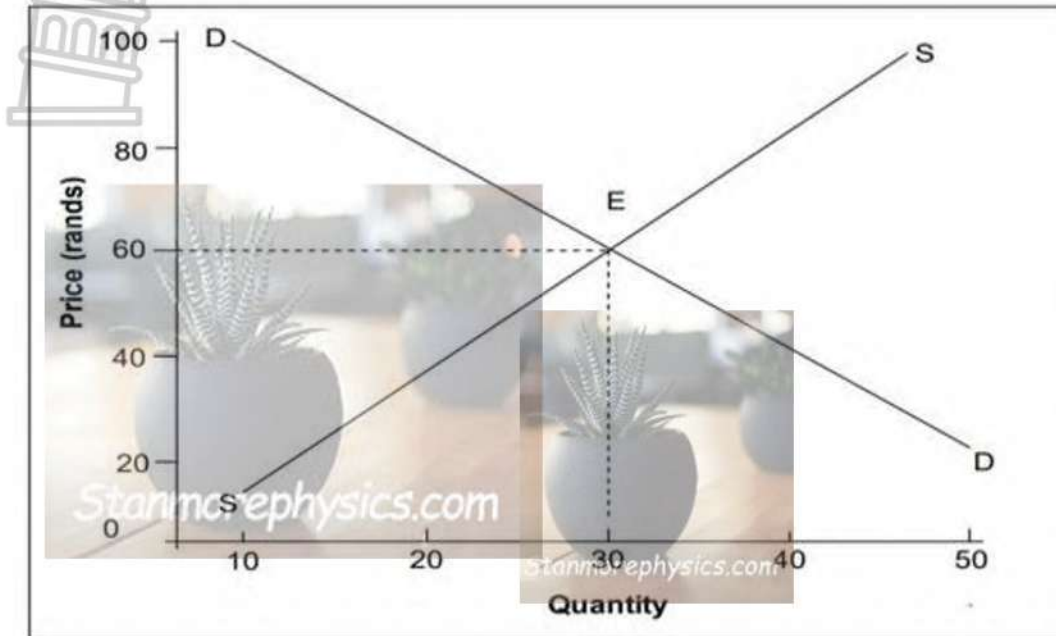
1.1. Study the table below and answer the questions that follow:

QUANTITY OF HOT DOGS	MARGINAL UTILITY (MU)	TOTAL UTILITY (TU)
0	0	0
1	50	50
2	45	95
3	20	115
4	10	125
5	0	125
6	-10	115

- 1.1.1 Which hot dog gives the greatest satisfaction? (1)
- 1.1.2 Identify which hot dog gives no extra satisfaction when consumed. (1)
- 1.1.3. Briefly explain the slope of the marginal utility curve. (2)
- 1.1.4. What happens to marginal utility and total utility when the 6<sup>th</sup> hot dog is consumed? (2)
- 1.1.5. Use the information from the above table to draw a clearly labelled marginal utility graph. (4)
- 1.1.6. List FOUR characteristics of utility. (4)

**[14]**

1.2 Study the graph below and answer the questions that follow



- 1.2.1 Identify one market force displayed by the above graph. (1)
- 1.2.2 What quantity will be sold in the above market? (1)
- 1.2.3 Briefly describe the concept equilibrium price. (2)
- 1.2.4 How does a perfect competitor decide on the price to sell their products? (2)
- 1.2.5 Distinguish between change in quantity demanded and change in demand. (4)

[10]

**QUESTION 2**

2.1 Study the picture below and answer questions that follow



Source: [google](#): JSE photos

- 2.1.1. Identify the market structure represented by the above picture. (1)
- 2.1.2. Name one other example of the above market structure. (1)
- 2.1.3. Briefly describe the term “price taker”. (2)
- 2.1.4. What is the nature of the product sold in the market above? (2)
- 2.1.5. How can advertising be used to increase profit of the business? (4)

**QUESTION 3**

- 3.1. Distinguish clearly between price ceilings and price floors (8)
- 3.2. Why does the government grant subsidies? (8)

**TOTAL:50 MARKS**



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**ECONOMICS**

**TASK 3**

**MARKING GUIDELINE**

Stanmorephysics.com

**MARKS: 50**

**DATE: MAY 2026**

QUESTION 1

1.1 Study the table below and answer the questions that follow:



QUANTITY OF HOT DOGS	MARGINAL UTILITY (MU)	TOTAL UTILITY (TU)
0	0	0
1	50	50
2	45	95
3	20	115
4	10	125
5	0	125
6	-10	115



1.1.1 Which hot dog gives the greatest satisfaction?

The first hot dog ✓ (1)

1.1.2 Identify which hot dog gives no extra satisfaction when consumed

The 5th hot dog ✓ (1)

1.1.3 Briefly explain the slope of the marginal utility curve.

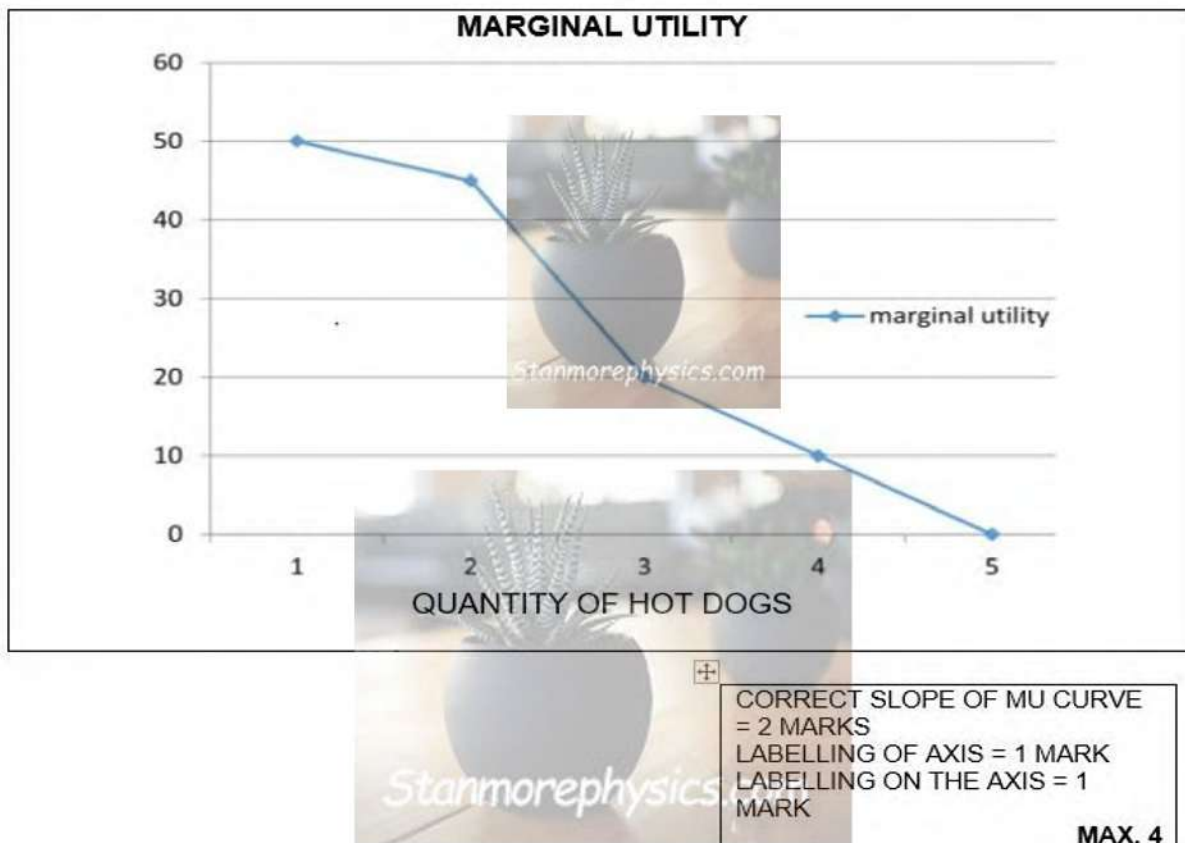
Marginal utility curve has a negative gradient, and it slopes downward from top left to bottom right/the slope of the marginal utility curve is downward sloping, which explains that the first unit yield more satisfaction and when more is consumed marginal utility drops ✓✓ (2)

1.1.4 What happens to marginal utility and total utility when the 6th hot dog is consumed.

Once marginal utility falls below zero, total utility will start to decrease, and the 6th hot dog will give negative utility/ disutility. ✓✓ (2)



1.1.5 Use the information from the above table to draw a clearly labelled marginal utility graph



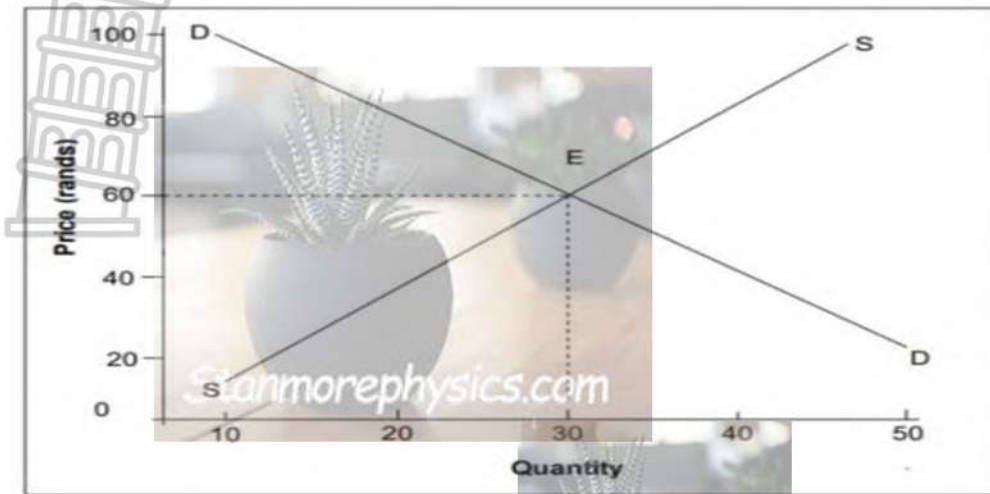
1.1.6 List ONE characteristic of utility (4)

- Utility varies from person to person ✓
- Utility does not mean usefulness ✓
- Utility changes from time to time ✓
- Utility differs from place to place ✓
- Utility is subjective ✓

(Accept any correct and relevant responses)

[14]

1.2.



**DATA RESPONSE**

**1.2.1 Identify one market force displayed by the above graph.**

Demand✓ or Supply✓ (1)

**1.2.2 What quantity will be sold in the above market?**

30 ✓ (1)

**1.2.3 Briefly describe the concept equilibrium price.**

This is the price at which demand and supply are the same, in other words, quantity demanded is equal to quantity supplied✓✓  
(Accept any other correct relevant response.) (2)

**1.2.4 How does a perfect competitor decide on the price to sell their products?**

A perfect competitor is a price taker, they sell their products at the market price that is determined by market forces✓✓  
(Accept any other correct relevant response.) (2)

**1.2.5 Distinguish between change in quantity demanded and change in demand.**

Change in price leads to a change in quantity demanded which results in a movement along the same demand curve✓✓

Changes in demand come as a result of change in non-price effects e.g. change in income which results in a shift of the demand curve ✓✓

(4)

[10]

## QUESTION 2

### 2.1 Data response

2.1.1 Identify the market structure represented by the above picture.

(1)

- Perfect market ✓

2.1.2 Name one other example of the above market structure.

(1)

- Agricultural industry ✓
- Accept any other relevant response

2.1.3 Briefly describe the term “price taker”

(2)

- Price taker refers to prices that is determined by the demand and supply that no single producer can influence. ✓✓

2.1.4 What is the nature of the product sold in the market above?

(2)

- The nature of the product is homogenous with similar characteristics ✓✓

2.1.5 How can advertising be used to increase profits of the business? (4)

- Advertising in different platforms to reach many customers ✓✓
- Advert must be detailed and contain more information to inform customers ✓✓
- It must be attractive and create interest to the viewers. ✓✓

Accept any other relevant response

### QUESTION 3

#### 3.1. Distinguish clearly between price ceilings and price floors (8)

##### Price ceilings (maximum prices)

- This is the highest price at which producers can sell a product. ✓✓
- Prices may not rise above the ceiling, that is above a certain maximum price. The ceiling forces the price down. ✓✓
- If the state feels that in some markets the prices are pushed up too high by producers, the government can intervene by offering subsidies to the businesses to reduce the price. ✓✓
- Examples are -rent control, medical products, bread, maize and electricity. ✓✓

(Accept other relevant and correct responses) (max 4)

##### Price floors (minimum prices)

- They protect producers from low prices and poor profits. ✓✓
- The state may feel that in some markets the prices are too low and they need to aid the suppliers. ✓✓
- In this case, the state can intervene in markets by setting a minimum price. Many producers, such as farmers, face stiff competition from other suppliers. ✓✓
- Although government is happy for consumers to pay affordable prices, it is important for producers to make a profit to stay in business otherwise unemployment will increase. ✓✓

Accept other relevant and correct responses (max 4)

#### 3.2. Why does the government grant subsidies?

- To benefit consumers as subsidised goods are cheaper/When the state subsidises products, consumers are able to buy the cheaper products ✓✓
- Products become cheaper in other countries because the government subsidises exporters. ✓✓
- The costs of production are reduced, and it becomes easier for many new businesses to be formed because they are assisted in starting up. ✓✓

- To increase employment opportunities and make jobs more secure/As new and many businesses are formed, employment opportunities increase and ultimately the country's unemployment rate reduces. ✓✓

- Improves the standard of living of the people as they receive social grants and free basic goods and services such as education, health etc. ✓✓

**Accept other relevant and correct responses**

**(8)**

**[16]**

