



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

NOVEMBER 2018

ECONOMICS P2

MARKS: 150

TIME: 2 hours

This question paper consists of 13 pages.

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows:
SECTION A: COMPULSORY
SECTION B: Answer any 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. Answer the questions in full sentences. The format, content and the context of your responses must comply with the cognitive requirements of the questions.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Write the question number above each answer.
6. Read ALL the questions carefully.
7. Start EACH question on a NEW page.
8. Leave 2–3 lines between subsections of questions.
9. Use only black or blue ink.
10. You may use a non-programmable pocket 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 correct answer and write only the letter (A–D) next to the question number (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.7 B.

1.1.1 Which of the following is NOT an example of businesses in an oligopoly market?

- A MTN, Vodacom and Cell C
- B FNB, ABSA and Standard Bank
- C Engen, Caltex and Sasol
- D KFC, Nandos, Hungry Lion

1.1.2 The study of the behaviour of individuals is called ... economics.

- A micro
- B macro
- C market
- D monetary

1.1.3 The VAT rate in South Africa increased from ...

- A 15% to 16%.
- B 14% to 15%.
- C 10% to 11%.
- D 13% to 14%.

1.1.4 The subsidisation of wages by the government as an incentive to businesses to create more job opportunities is known as a/an ...

- A production subsidy.
- B export subsidy.
- C employment subsidy.
- D income subsidy.

1.1.5 A law passed to promote equal opportunity in the workplace:

- A Labour Relations Act
- B Employment Equity Act
- C RDP
- D GEAR

1.1.6 The overall inability of an economy to provide employment for its total labour force, leads to ... unemployment.

- A seasonal
- B frictional
- C cyclical
- D structural

1.1.7 The largest trade union federation in South Africa:

- A Cosatu
- B Consawu
- C Fedusa
- D Nactu

1.1.8 A government policy implemented in 2010 with the aim of creating five million jobs by 2020:

- A ASGISA
- B NGP
- C NDP
- D EPWP

(8 x 2) (16)

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

COLUMN A	COLUMN B
1.2.1 Market failure	A Customers are spread throughout the world
1.2.2 Public Works programmes	B An independent agency of the department of trade and industry
1.2.3 Misconduct	C People between the ages of 15 and 65 who are willing and able to work
1.2.4 Workplace forums	D Consists of government at national, provincial and local level
1.2.5 World markets	E Government initiatives to provide short-term employment
1.2.6 Khula Enterprise Finance	F When producers produce fewer goods than are desired at a higher price, or more goods at a lower price
1.2.7 Public sector	G Formal meetings between labour unions and employer organisations
1.2.8 Economically active population	H Occurs when a rule in the workplace is broken
	I Market where there is only one supplier

(8 x 1) (8)

1.3 Give ONE term for each of the following descriptions. Write only the term next to the question number (1.3.1–1.3.6) in the ANSWER BOOK.

- 1.3.1 The total satisfaction that a consumer derives from consuming a product.
- 1.3.2 The lowest wage that an employer is allowed to pay a worker per month.
- 1.3.3 The rate at which the consumer is prepared to sacrifice the one good for the other.
- 1.3.4 Provides unemployment figures according to the narrow and broad definition of unemployment.
- 1.3.5 The process where an outside person settles a disagreement between parties by finding a solution that both can accept.
- 1.3.6 Gives adults the foundation needed for lifelong learning and includes literacy skills. (6 x 1) (6)

TOTAL SECTION A: 30

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 Give any TWO examples of geographical markets. (2 x 1) (2)

2.1.2 Why is Eskom regarded as a monopoly in South Africa? (1 x 2) (2)

2.2 DATA RESPONSE

Study the information below and answer the questions that follow:

PRODUCTION POSSIBILITIES		
<p>The production possibilities in the table below indicate the potential production of a hypothetical farmer if all his resources are used efficiently. The farmer produces apples and pears. When he uses all his resources to produce apples, he cannot produce pears. When he uses all his resources to produce pears, he cannot produce apples. He does not have enough resources to produce the maximum number of apples and pears. Therefore, the farmer must choose a combination of apples and the maximum number of pears to produce. The most efficient combination with the given resources will be indicated by a production possibility curve (PPC). A production possibility curve is a diagram that shows what combination of two different goods could be produced efficiently given the available limited supply of the factors of production.</p> <p>The maximum combinations of apples and pears that the farmer can produce in a year:</p>		
Different combinations	Apples	Pears
A	100	0
B	80	20
C	60	25
D	40	30
E	20	35
F	0	40

2.2.1 What is shown by the table above? (1)

2.2.2 How many apples will be produced if the farmer uses all his resources for the production of apples? (1)

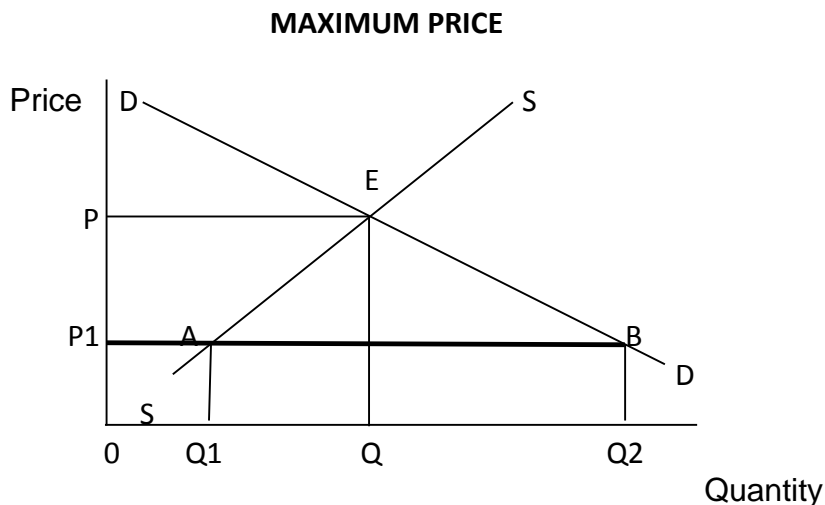
2.2.3 Name any TWO of the resources referred to in the extract. (2 x 1) (2)

2.2.4 What is meant by *efficient use of resources*? (2)

2.2.5 Use the information from the table to construct a PPC. (4)

2.3 DATA RESPONSE

Study the graph below and answer the questions that follow.



- 2.3.1 Identify the maximum price from the graph. (1)
- 2.3.2 What quantity will be demanded when the maximum price is set? (1)
- 2.3.3 Give TWO examples of products on which the government sets maximum prices? (2 x 1) (2)
- 2.3.4 What is a *maximum price*? (2)
- 2.3.5 How will setting a maximum price affect the economy? (2 x 2) (4)
- 2.4 Explain the factors that will determine the existence of a market. (4 x 2) (8)
- 2.5 Why does the government intervene in the running of the economy? (4 x 2) (8)
- [40]**

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS – 30 MINUTES

3.1 Answer the following questions.

3.1.1 Name any TWO issues covered in the Basic Conditions of Employment Act. (2 x 1) (2)

3.1.2 What is meant by *economic redress*? (1 x 2) (2)

3.2 **DATA RESPONSE**

Study the information below and answer the questions that follow.

DONE RIGHT, LAND REDISTRIBUTION WILL BOOST ECONOMY



Urban land hunger is the biggest and most urgent problem. The reason? The massive movement of people from communal areas to the cities over the last two decades. Between 2000 and 2010 the population of Gauteng had grown by 31% and of the Western Cape by 29% - a movement of more than five million people in 10 short years. The government since 1994 had not anticipated this and certainly didn't plan for it. Almost two-thirds of our nation are now urbanized, the highest in Africa by far. The government is now planning an ambitious project to rapidly supply open tracts of land in and around cities with water and sewerage infrastructure and then transfer them to people with title deeds and permission to build their own houses.

[Source: *news24*, By Max du Preez• 5 June 2018]

3.2.1 What is the above article about? (1)

3.2.2 How is the government planning to address the land issue, according to the article? (1)

3.2.3 Differentiate between *land restitution* and *land redistribution*. (2 x 2) (4)

3.2.4 What will the impact of land restitution be on the economy? (2 x 2) (4)

3.3 DATA RESPONSE

Study the extract below and answer the questions that follow.

MARGINALISED GROUPS: RIGHT TO EDUCATION

The right to education is universal and does not allow for any form of exclusion or discrimination. However, all countries face challenges guaranteeing equal opportunities for all in accessing education and within education systems. Marginalised groups are often left behind by national educational policies, denying many people their right to education.

Non-discrimination and equality are key human rights that apply to the right to education. States have the obligation to implement these principles at national level. National laws can prohibit discrimination and create an environment enabling greater equity. Furthermore, affirmative action and promotional measures are often necessary in order to eliminate existing inequalities and disparities in education.

[Source: *Right to Education Initiative* ©2018]

- 3.3.1 According to the article, which group of people are denied their right to education? (1)
- 3.3.2 Identify ONE key human right, mentioned in the extract. (1)
- 3.3.3 What are *economically marginalised groups*? (2)
- 3.3.4 Name TWO groups of people considered to be marginalised. (2 x 1) (2)
- 3.3.5 How can the government reduce the vulnerability of economically marginalised groups, using supply side policies? (2 x 2) (4)
- 3.4 Discuss *public works programmes* and *unemployment insurance* as methods to combat unemployment. (2 x 4) (8)
- 3.5 What is the role of Nedlac in ensuring the democratisation of economic procedures? (4 x 2) (8)
- [40]**

QUESTION 4: MICROECONOMICS & CONTEMPORARY ECONOMIC ISSUES

40 MARKS – 30 MINUTES

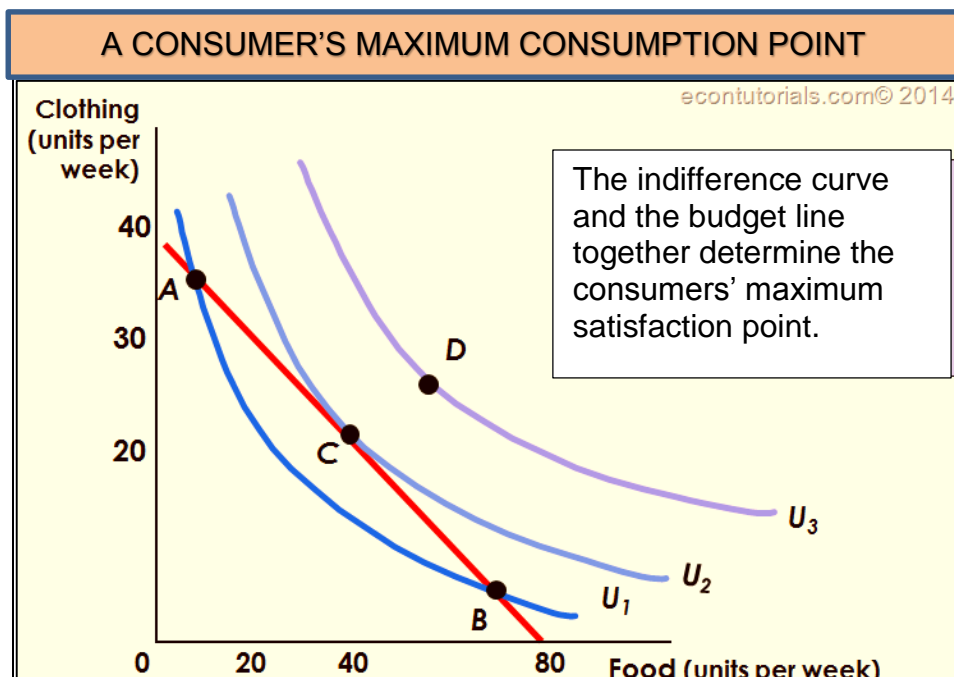
4.1 Answer the following questions.

4.1.1 Name TWO characteristics of utility. (2 x 1) (2)

4.1.2 Why do consumers have to make choices between alternative products? (1 x 2) (2)

4.2 DATA RESPONSE

Study the information below and answer the questions that follow.



4.2.1 What is shown by the graph above? (1)

4.2.2 Which combination of the two goods should the consumer choose in order to maximise satisfaction? (1)

4.2.3 Differentiate between an *indifference curve* and a *budget line*. (2 x 2) (4)

4.2.4 How can indifference curves and a budget line be used to determine a consumer's maximum satisfaction point? (2 x 2) (4)

4.3 DATA RESPONSE

Study the article below and answer the questions that follow.

Unemployment rate worsens to 27.2%

South Africa's unemployment rate worsened to 27.2% in the second quarter, from 26.7% in the first quarter, Statistics SA reported on Tuesday in its quarterly labour force survey.

Manufacturing lost 105,000 jobs, community, social and personal services lost 93,000, and trade lost 57,000 jobs.

On the plus side, transport added 54,000 jobs, construction 45,000 and mining 38,000. While mining has taken strain, job increases were seen in nonferrous metal ores, gold and uranium ore.

Statistician-general Risenga Maluleke said: "These are the areas that have observed gains. In other areas, strains would have been felt but the net effect was the increase of 38,000 jobs."

The number of discouraged work seekers increased to 2.9 million people during this period, while the working-age population increased by 154,000 people.

The Free State suffered the largest increase in its unemployment rate, which grew by 1,6 percentage points, followed by Gauteng, at 1,1 percentage points and the Western Cape, where unemployment rose by one percentage point. The Eastern Cape has the highest unemployment rate, at 45.8%.

[Source: <https://www.heraldlive.co.za/business/2018-08-01-unemployment-rate-worsens-to-272/>]

- 4.3.1 What was the unemployment rate for the second quarter of 2018? (1)
- 4.3.2 Which province had the highest increase in its unemployment rate according to the extract? (1)
- 4.3.3 Name TWO groups of people who do not qualify as unemployed. (2)
- 4.3.4 How are unemployment figures obtained? (2)
- 4.3.5 What do you think is the cause of unemployment? (2 x 2) (4)
- 4.4 Discuss *productive inefficiency* and *allocative inefficiency* as effects of market failure. (2 x 4) (8)
- 4.5 How was the Reconstruction and Development Programme (RDP) implemented from 1994 to improve economic performance in South Africa? (4 x 2) (8)
- [40]**

TOTAL SECTION B: 80

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

Market forces are economic factors that affect the availability of goods and the demand for them.

- Discuss the factors that influence demand and quantity. (26)
- Distinguish between the characteristics of a Perfect market and a Monopoly. (10)
[40]

OR**QUESTION 6: CONTEMPORARY ECONOMIC ISSUES****40 MARKS – 40 MINUTES**

The Labour Relations Act aims to enforce the fundamental rights granted under Section 23 of the Constitution.

- Discuss Labour Relations, Labour Rights and the dispute resolution process or mechanisms. (26)
- With the aid of a graph, explain how demand in the labour market is derived from demand in the product market. (10)
[40]

TOTAL SECTION C: 40
GRAND TOTAL: 150