



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 10**

**NOVEMBER 2019**



**ECONOMICS P2**

**MARKS: 150**

**TIME: 2 hours**



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This question paper consists of 13 pages.

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**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 1.1.9 B.

1.1.1 Motor industry is a typical example of a firm in a(n) ... market.

- A monopolistic competitive
- B perfect
- C monopoly
- D oligopoly

1.1.2 The total quantity of a good or service that will be bought by the whole market at a certain price over a period of time.

- A Business demand
- B Quantity demanded
- C Market demand
- D Individual demand

1.1.3 ... occurs when the government takes over ownership of businesses from the private sector.

- A Privatisation
- B Nationalisation
- C Democratisation
- D Beneficiation



1.1.4 Price ceiling is also known as ...

- A maximum price.
- B minimum price.
- C minimum wage.
- D welfare.

1.1.5 When workers may not be needed to operate new technology, they are ... unemployed.

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

- 1.1.6 ... causes a drop in the demand for labour because labour is substituted by machines.
- A Labour intensive production
  - B Mechanisation
  - C Capital intensive production
  - D Labour force participation rate
- 1.1.7 This Act protects employees in all sections of the economy, regardless of whether they are in a trade union or not.
- A Labour Relations Act
  - B Employment Equity Act
  - C Basic Conditions of Employment Act
  - D The Occupational Health and Safety Act
- 1.1.8 The ... seeks to improve the quality of life of the people of SADC region by driving financial and non-financial investments in the social and economic infrastructure sectors.
- A SARB
  - B Commercial Bank
  - C Land Bank
  - D DBSA
- (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 number (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLOMN A		COLOMN B	
1.2.1	Equilibrium point	A	goods that are consumed with other goods
1.2.2	Complementary goods	B	it usually relates to the levels of people's income
1.2.3	Scarcity	C	authoritative body on skills development within a certain economic sector
1.2.4	Merit goods	D	is the basic problem faced by all people and all nations of the world
1.2.5	Standard of living	E	tries to regulate the relationship between employees and employers
1.2.6	Under-employment	F	when a person works fewer hours or days than he is willing to work
1.2.7	Trade unions	G	goods and services needed by the whole community to improve welfare
1.2.8	SETA	H	goods that are similar
		I	where the demand and supply curves intersect

(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 value of any alternative that you must give up when you make a choice
- 1.3.2 A diagram that shows a combination of two different goods that could be produced given the available limited supply of resources
- 1.3.3 An economy where all the factors of production are owned by the state/government
- 1.3.4 A forced lay-off of employees by a firm, usually to cut down its payroll
- 1.3.5 The movement of workers from region to region or from country to country
- 1.3.6 They combine land, labour and capital to produce output (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 Name TWO advantages of subsidies. (2 x 1) (2)

2.1.2 What impact will the entry of new producers have on the market? (2 x 1) (2)

**2.2 DATA RESPONSE**

Study the information below and answer the questions that follow.



[Adapted from *Common sense Economics eBook*]

2.2.1 Give ONE factor that can influence the demand for a product. (1)

2.2.2 How are prices determined in a free market economy? (1)

2.2.3 Briefly explain the term *supply*. (2 x 1) (2)

2.2.4 Describe value in exchange as displayed by the above cartoon. (2)

2.2.5 Why do demand curves slope downward from left to right? (4)

## 2.3 DATA RESPONSE

Study the information below and answer the questions that follow.

### INDIRECT TAXES



Indirect tax covers a variety of taxes such as VAT. The increase in the VAT rate was arguably the biggest announcement in the 2018 Budget Review from a tax perspective.

Businesses are responsible for paying VAT to the government but they can pass on this charge to their customers or clients by adding VAT to the cost of invoiced goods and services.

[Adapted from [www.expectica.com](http://www.expectica.com). Accessed on 16 June 2019]

- 2.3.1 What is the current VAT rate in South Africa? (1)
- 2.3.2 Give any other type of indirect tax except VAT. (1)
- 2.3.3 Briefly describe the term *indirect tax*. (2)
- 2.3.4 Explain *welfare* as one of the methods of government intervention. (2)
- 2.3.5 How do increased tax rates contribute to the decrease in living standard of the society? (2 x 2) (4)
- 2.4 With the aid of a well-labelled graph, explain the *law of diminishing marginal utility*. (8)
- 2.5 Evaluate the effects of implementing a minimum wage. (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 types of unemployment. (2 x 2) (2)

3.1.2 How important is the Unemployment Insurance Fund? (2 x 1) (2)

**3.2 DATA RESPONSE**

Study the information below and answer the questions that follow.

**SLIGHT DROP IN UNEMPLOYMENT RATE**

South Africa's unemployment rate has decreased by 0,4 percentage points from 27,5% in the third quarter in 2018 to 27,1% at the end of the year. This is according to the Quarterly Labour Force Survey. These surveys are conducted every three months and measure changes in the labour force from quarter to quarter and over a long period of time. There are 38,1 million people of working age (15–64) in the country and of this number, 16,5 million are employed, 6,1 million are unemployed and 12,6 million are not economically active due to a variety of reasons including being discouraged by seeking for jobs to no avail.

[Adapted from *Mail&Guardian*, 13 Feb 2019]

3.2.1 What does the abbreviation EAP stand for? (1)

3.2.2 Which institution releases the unemployment figures above? (1)

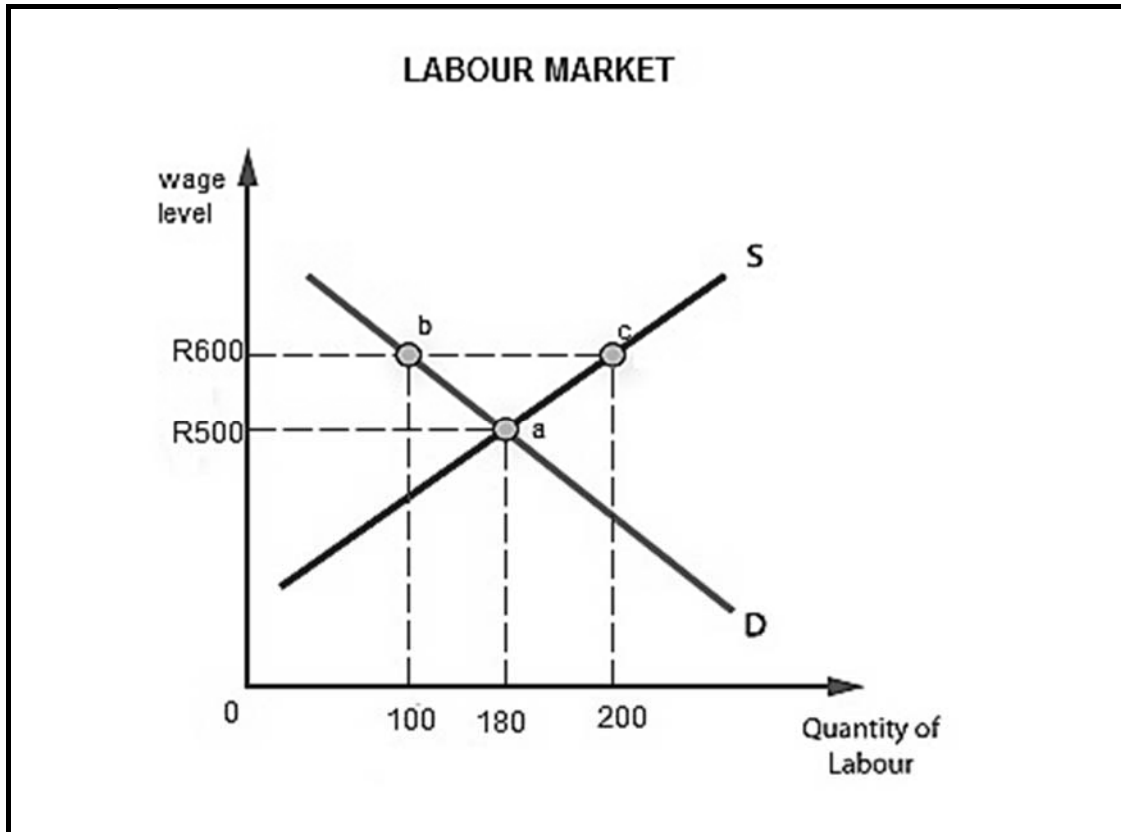
3.2.3 Briefly describe the term *unemployment rate*. (2)

3.2.4 What kind of social problems does unemployment lead to? (2)

3.2.5 Use the information above to calculate the unemployment rate. Show ALL calculations. (4)

## 3.3 DATA RESPONSE

Study the information below and answer the questions that follow.



- 3.3.1 Identify the equilibrium wage rate. (1)
- 3.3.2 From the graph, what would the labour surplus be? (1)
- 3.3.3 Briefly define the term *labour market*. (2)
- 3.3.4 What would be the impact on the market if the size of the population increases? (2 x 1) (2)
- 3.3.5 Why is it important for employees to join trade unions? (2 x 2) (4)
- 3.4 Briefly discuss/tabulate conventions that are essential to achieve improved conditions in the workplace. (4 x 2) (8)
- 3.5 How can the government improve the condition of marginalised groups in South Africa? (4 x 2) (8)

**[40]**

**QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES**  
**40 PUNTE – 30 MINUTE**

4.1 Answer the following questions.

4.1.1 Name any TWO characteristics of the indifference curve. (2 x 1) (2)

4.1.2 How could wages affect the demand for labour? (2)

**4.2 DATA RESPONSE**

Study the information below and answer the questions that follow.

**BRAND CONFIDENCE AND MARKET SHARE**



Suppose you go to a vegetable market to buy tomatoes. There are many tomatoes vendors and buyers. You go to a vendor and enquire about the cost of 1 kg tomatoes. The vendor replies, 'It will cost R10'. Then you go ahead and enquire from some more vendors. The prices of all the vendors are the same for the demanded quantity.

[Adapted from <http://keydifferences.com>. Accessed on 16 June 2019.]

4.2.1 Which market structure is depicted by the cartoon above? (1)

4.2.2 Identify ONE characteristic of the market structure mentioned in the above extract. (1)

4.2.3 Briefly describe a monopoly. (2)

4.2.4 Briefly explain heterogeneous product as a characteristic of imperfect markets. (2)

4.2.5 How would the absence of competition affect the economy? (2 x 2) (4)

### 4.3 DATA RESPONSE

Study the article below and answer the questions that follow.

#### **BARGAINING COUNCIL**

Former Federation of Unions of South Africa (Fedusa) General Secretary Denis George's, dismissal is now in the hands of the CCMA. The federation dismissed George over allegations of corruption involving his purchase of shares in controversial company Ayo technologies. The company has been accused of irregularities which have been laid bare at the Public Corporation inquiry. In the document, George says his dismissal was procedurally unfair because the presiding officer who investigated the allegations against him and found him guilty, was hired through the same attorneys who conducted the probe.

[Adapted from *Eyewitness News*, June 2019]

- 4.3.1 What does CCMA stand for? (1)
- 4.3.2 Why according to the extract was George's dismissal considered unfair? (1)
- 4.3.3 Briefly describe the term *bargaining council*. (2)
- 4.3.4 Why does the Labour Appeal Court have greater powers than Labour Court? (2)
- 4.3.5 What would the results of an unsuccessful mediation process be? (2 x 2) (4)
- 4.4 Discuss any internal reasons why a PPC will move outward. (8)
- 4.5 How successful is Black Economic Empowerment (BEE) in terms of redressing the inequalities brought about by apartheid? (4 x 2) (8)
- [40]**

**TOTAL SECTION B: 80**

**SECTION C**

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

Your answer will be assessed as follows:

<b>STRUCTURE OF THE ESSAY</b>	<b>MARK ALLOCATION</b>
<b>Introduction</b> <ul style="list-style-type: none"> <li>• A good starting point would be to define a concept or key word that appears in the question.</li> <li>• Include other sentences to support the topic.</li> <li>• Do not include in your introduction any part of the question.</li> <li>• Do not repeat any part of the introduction in the body.</li> <li>• Avoid saying in the introduction what you are going to discuss in the body.</li> </ul>	Max. 2
<b>Body</b> <b>Main part:</b> Discuss in detail/In-depth discussion/Examine/Critically evaluate/ Analyse/Compare/Evaluate/Distinguish/Explain/Assess/Debate <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	Max. 26  Max. 10
<b>Conclusion</b> Any relevant higher order conclusion that should include: <ul style="list-style-type: none"> <li>• A brief summary of what has been discussed/analysed without repeating facts already mentioned in the body</li> <li>• An opinion or valued judgement on the facts discussed</li> <li>• Additional support information to strengthen the discussion/analysis</li> <li>• A contradictory viewpoint with motivation, if so required</li> <li>• Recommendations</li> </ul>	Max. 2
<b>TOTAL</b>	<b>40</b>

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

- Discuss the factors that influence the supply of products. (26 marks)
- How does an increase in the price of petrol affect producers and consumer? (10 marks)

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

- Discuss the elements of macroeconomic adaptations under the following headings:
  - Economic performance
  - Employment
  - Income inequality (26 marks)
- Why would the government actively encourage new entrepreneurs? (10 marks)

**[40]**

**TOTAL SECTION: 40**  
**GRAND TOTAL: 150**





