



Province of the  
**EASTERN CAPE**  
EDUCATION

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 10**

**NOVEMBER 2020**

**ECONOMICS P2  
(EXEMPLAR)**

**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 numbers (1.1.1–1.1.8) in the ANSWER BOOK, for example 1.1.9 B.

1.1.1 A monopoly is an example of ...

- A an imperfect market.
- B a perfectly competitive market.
- C a monopolistic competitive market.
- D a cartel.

1.1.2 A demand curve shows the relationship between a product's price and ...

- A cost of production.
- B the quantity of the product.
- C the income of the consumer.
- D population changes.

1.1.3 Which of the following is a public good?

- A Education
- B Electricity supply
- C Defence
- D Health services

1.1.4 Which of the following is an example of an indirect tax?

- A Taxes on payrolls
- B Company tax
- C Personal income tax
- D Sin tax

1.1.5 The working population that comprises of aged between 15 to 64 years:

- A Economically non-active population
- B Economically active population
- C Economically marginalised population
- D Employed population

1.1.6 The movement of people from region to region or country to country:

- A Migration
- B Urbanisation
- C Immigration
- D Emigration

1.1.7 The core rights of workers are protected by the ...

- A Labour Relations Act.
- B Employment Equity Act.
- C Basic Conditions of Employment Act.
- D Occupational Health and Safety Act.

1.1.8 Affirmative action is most important for the government's ... policy.

- A redistribution
- B equal opportunities
- C welfare
- D redress

(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 numbers (1.2.1–1.2.8) in the ANSWER BOOK, for example 1.2.9 J.

COLUMN A	COLUMN B
1.2.1 Oligopoly	A Protecting people who had been working and who were laid off
1.2.2 Substitutes	B This may result in employees losing their jobs
1.2.3 Scarcity	C Try to resolve disputes through conciliation
1.2.4 Externalities	D Make money available within the sector for education and training
1.2.5 Unemployment insurance	E A central economic problem
1.2.6 Capital intensive	F Carried by people who are not involved in the production process
1.2.7 CCMA	G Products that are used instead of other product
1.2.8 SETA	H Products that are used together with other products
	I Car dealers and cell phone providers

(8 x 1) (8)

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

1.3.1 A law that states that there is an inverse relationship between price and quantity

1.3.2 A collection of indifference curves

1.3.3 An economy where all the factors of production are owned by the state

1.3.4 The number of unemployed divided by the labour force expressed as a percentage

1.3.5 A platform for discussion between elected representatives of workers and their employers

1.3.6 Compensation of equal value is provided to the owners of the land that was forcibly removed from them (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 any TWO characteristics/properties of indifference curves. (2 x 1) (2)

2.1.2 What will be the impact of increases in income on the demand for goods and services? (1 x 2) (2)

**2.2 DATA RESPONSE**

Study the information below and answer the questions that follow.

**TROUBLE WITH ESKOM**

Eskom has two major problems. Its operating costs are too high and it can't pay its debt. Eskom has been getting steep tariff increases in recent years but these have driven some customers off-grid and shut others down. Eskom has just taken on board a new CEO, who has already been making noises that this utility giant will take much longer to fix than anticipated. Eskom remains a significant obstacle to economic growth, with power cuts hampering productivity and deterring international investors who view **load shedding** as a sign of huge **inefficiency**.

[Adapted from [www.biznews.com](http://www.biznews.com)]

2.2.1 Name any ONE type of an imperfect market. (1)

2.2.2 What is the purpose of Eskom? (1)

2.2.3 Briefly describe the term *inefficiency*. (2)

2.2.4 Explain the nature of the product as the characteristic of a monopoly. (2)

2.2.5 Why is Eskom facing so many challenges? (2 x 2) (4)

### 2.3 DATA RESPONSE

Study the information below and answer the questions that follow.



As of 1 March 2020, new labour laws will come into effect, some of which will be welcomed by parents to be, while others will only result in minor improvements for the lowest paid workers in the country. The national minimum wage will rise to R20,76 an hour, from R20,00 previously. The picture for farmworkers, domestic workers and those employed on an expanded public works programme is less rosy with them entitled to a minimum hourly wage of R18,68, R15,57 and R11,42 respectively.

[Adapted from Eyewitness [News: February 2020](#).]

- 2.3.1 Identify the minimum hourly wage for domestic workers. (1)
- 2.3.2 Give ONE main reason for the setting of minimum wages. (1)
- 2.3.3 Briefly describe the term *minimum wage*. (2)
- 2.3.4 What effect does producer subsidies have on the economy? (2)
- 2.3.5 How would minimum wages impact the lives of employees? (4)
- 2.4 With the aid of a well-labelled graph, briefly explain the *budget line*. (8)
- 2.5 Why are markets regarded as inefficient in allocating resources/goods and services to the people of the country? (4 x 2) (8)

[40]

**QUESTION 3: CONTEMPORARY ECONOMIC ISSUES****40 MARKS – 30 MINUTES**

3.1 Answer the following questions.

3.1.1 Give any TWO redress methods used by government to enforce redistribution of income. (2 x 1) (2)

3.1.2 What has been the main focus of education policies since 1994? (2)

**3.2 DATA RESPONSE**

Study the information below and answer the questions that follow.

**UNIONS PLAN TO APPEAL LABOUR COURT RULING OVER SAA RETRENCHMENTS**

The National Union of Metalworkers of South Africa and SA Cabin Crew Association say they will fight a decision by SAA's business rescue practitioners to cut jobs. NUMSA says proper consultation has not happened. The national carrier also announced it will cut several local and international routes to save money.

[Adapted [www.enca.com](http://www.enca.com)> news, 06 February 2020]3.2.1 What does the acronym *NUMSA* stand for? (1)

3.2.2 Give any ONE labour right in South Africa. (1)

3.2.3 Briefly describe the term *consultation*. (2)

3.2.4 Why would workers prefer to be union members? (2)

3.2.5 What consequences could a strike/protest have on the South African economy? (4)



3.3 DATA RESPONSE

Study the information below and answer the questions that follow.

**MACRO-ECONOMIC ADAPTATIONS**

The process of economic redress needed to truly transform South Africa after 1994 and would not have been possible without certain possible changes or adaptations to the country's macroeconomics.

[Adapted from <http://labor411.org>]

- 3.3.1 Which element of macroeconomic adaptations is depicted in the cartoon? (1)
- 3.3.2 What does the abbreviation *GDP* stand for? (1)
- 3.3.3 What is the aim of Black Economic Empowerment? (2)
- 3.3.4 Briefly explain any TWO solutions to the instability of the South African economy. (2)
- 3.3.5 In your opinion, what can the South African government do to improve the living standard of the poor? (2 x 2) (4)
- 3.4 With the aid of a well-labelled graph, explain why there is a negative relationship between wages and the quantity of labour demanded. (8)
- 3.5 What can be done by the South African government to address the issue of inequalities? (8)

[40]

**QUESTION 4: MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES**  
**40 MARKS – 30 MINUTES**

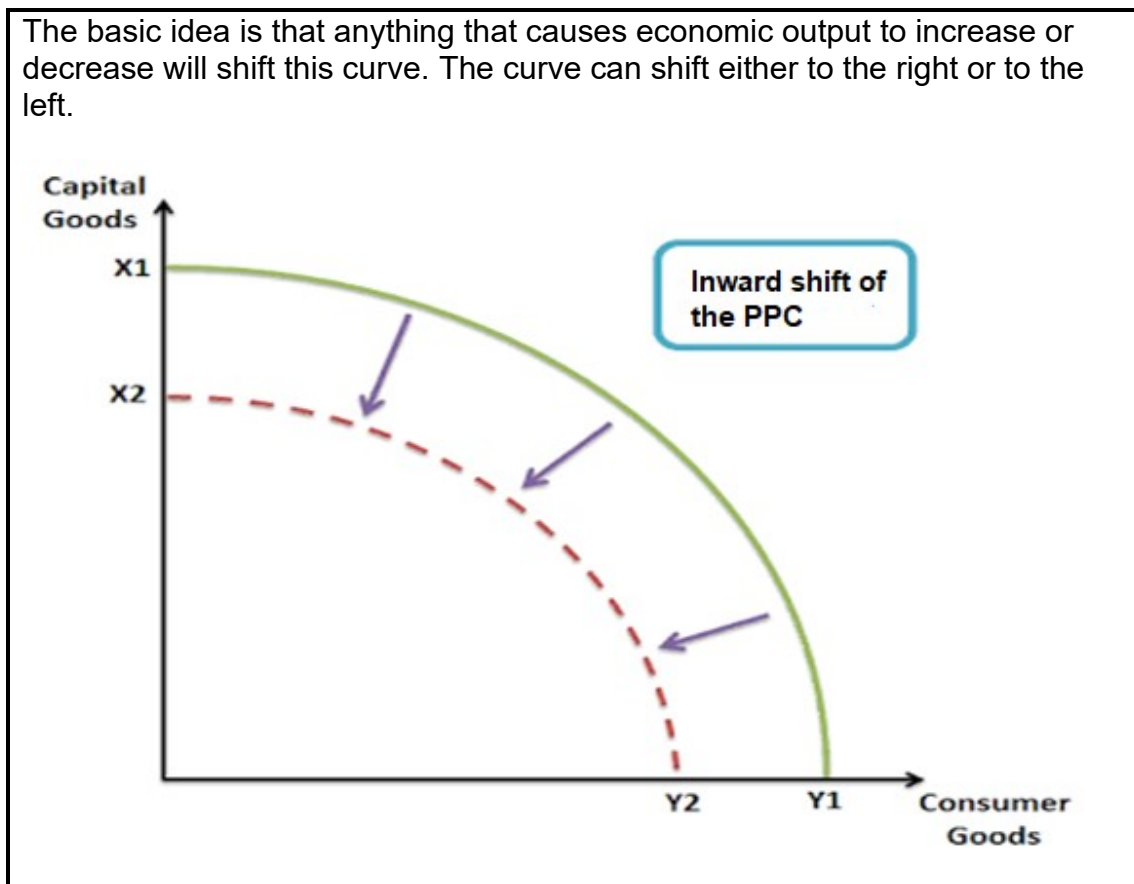
4.1 Answer the following questions.

4.1.1 Give any TWO main objectives of the Labour Relations Act. (2)

4.1.2 What is the main purpose of markets in the economy? (2)

**4.2 DATA RESPONSE**

Study the information below and answer the questions that follow.



[Adapted from [www.investopedia.com](http://www.investopedia.com)]

4.2.1 In which direction will a curve shift when output decreases? (1)

4.2.2 What does a point on the PPC represent? (1)

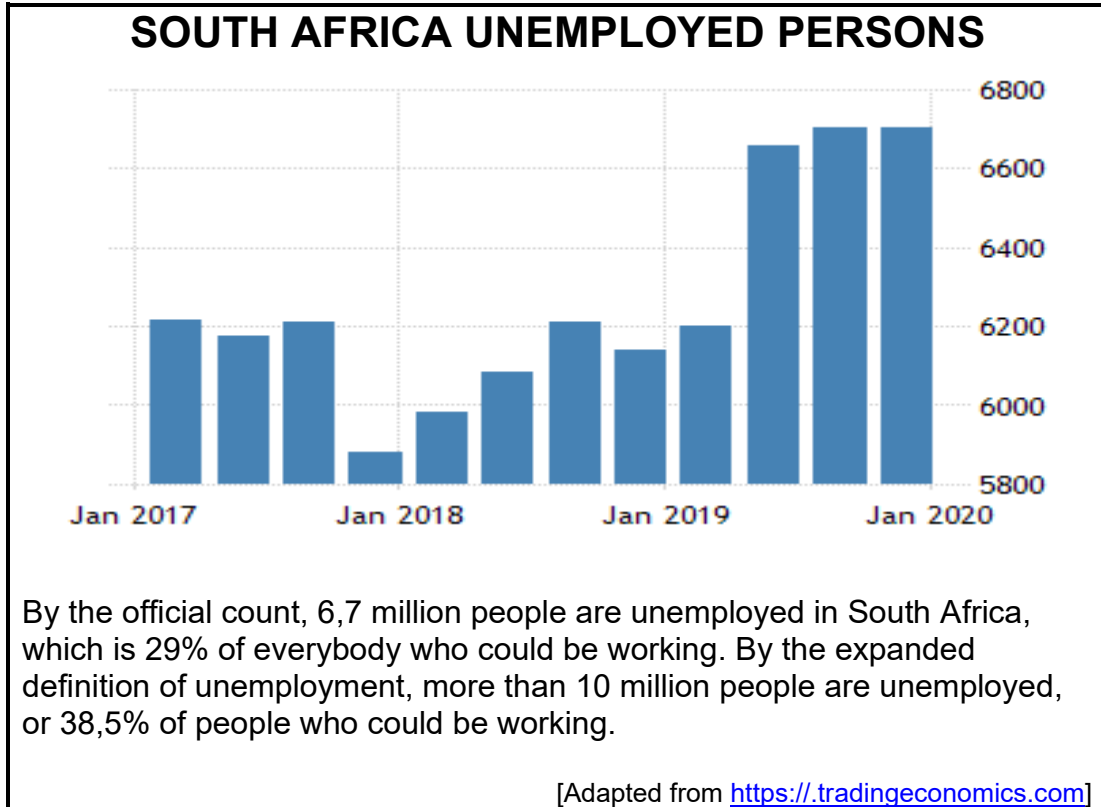
4.2.3 Briefly describe term *production possibility curve*. (2)

4.2.4 How many capital goods will be produced if all the resources are used in the production of consumer goods? (2)

4.2.5 Identify the difference between *internal* and *external factors* that cause a shift of the PPC. (4)

4.3 DATA RESPONSE

Study the article below and answer the questions that follow.



- 4.3.1 Identify the year with the lowest number of unemployed. (1)
  - 4.3.2 Which institution is responsible for publishing the unemployment figures in South Africa? (1)
  - 4.3.3 Briefly describe the term *unemployment*. (2)
  - 4.3.4 What does an increase in unemployment rate mean? (2)
  - 4.3.5 What steps should government take to reduce unemployment? (4)
  - 4.4 Briefly explain the characteristics of utility. (4 x 2) (8)
  - 4.5 How should entrepreneurship be promoted? (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>
<p><b>Introduction</b></p> <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
<p><b>Body</b></p> <p><b>Main part:</b> Discuss in detail/In-depth discussion/Examine/Critically discuss/Analyse/Compare/Evaluate/Distinguish/Explain/Assess/Debate.</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</p>	Max. 26
<p><b>Conclusion</b></p> <p>Any relevant higher order conclusion that should include:</p> <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 in detail price formation in the market by using graphs to illustrate the establishment of prices and quantities. (26 marks)
- What are the advantages of expanding your business on an international/global scale? (10 marks) **[40]**

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

- Discuss causes of unemployment. (26 marks)
- What effect does unemployment have on the economy? (10 marks) **[40]**

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