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**REVISION GRADE 9**

**ECONOMIC SYSTEN**

**ACTIVITY 1**

Compare the role of each economic system with regard to each characteristic mentioned in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Characteristic** | **Planned Economy** | **Market Economy** | **Mixed Economy** |
| Government control |  | No control |  |
| Profit Motive |  | Yes-the driving force |  |
| Ownership of factors of production | Government |  |  |
| Allocation of resource |  |  | Government has key industries for whole economy. Provincial incentive schemes. |
| Prices |  | Competition checks price |  |

**ACTIVITY 2**

**Economic systems: three major economic systems**

**Question:**

1. Identify what an economic system is.

2. Explain what is meant by the ‘economic problem’

3. Copy the table below into your workbook. Down the left-hand side of the table are various statements about the types of economies. Identify which economy each point describes by putting a tick in one of the boxes. The first question has been done for you.

|  |  |  |  |
| --- | --- | --- | --- |
| Characteristics | Planned economy | Mixed economy | Market economy |
| Also known as the capitalist system |  |  | √ |
| All businesses are owned by the government |  |  |  |
| All businesses are privately owned |  |  |  |
| Some businesses are privately owned and some are owned by the government |  |  |  |
| The main aim of business is to make a profit |  |  |  |
| The government aims o eliminate poverty and inequality and make everyone comfortable |  |  |  |
| The government provides certain services but there are also private service providers  |  |  |  |
| South Africa has this type of economy |  |  |  |

**Activity 3:**

**Economic systems: planned and market economic systems**

**Question:**

 **Question 1**

Display the following visual and ask learners to complete the table by writing the correct answer:

|  |  |  |
| --- | --- | --- |
| Type of Economic System | Planned | Market  |
| Who decides? |  |  |
| What to produce? |  |  |
| How to produce? |  |  |
| For whom to produce? |  |  |

**Question 2**

Ask learners to read the following statements and indicate whether each statement is

true (T) or false (F).

1. ----- An economic system is the way in which people decide to organise the

 production, distribution and consumption of goods and services

2. ---- What, how and for whom to produce are the basic economic questions that

 every society must answer.

3. ---- All societies answer the three basic questions in the same way.

4. ---- In a command economy, a central authority makes the decisions regarding

 what, how and for whom to produce.

5. ---- The three basic economic questions are: What to produce? How to divide

 labour in Production? And who owns the productive resources?

6. ---- In a market economy, only the government decides what goods and services

 are produced.

7. ---- In a command economy, consumer purchasing decisions determine what will

 be produced.

8. ---- In a command economy, the government decides how the goods and services

 that are produced will be distributed.

9. ---- in a market economy, decisions regarding production and consumption result

 from the interaction of consumers and producers.

**GRADE 9**

**MARKING GUIDE**

**ECONOMIC AND MANAGEMENT SCIWNCES**

|  |  |  |  |
| --- | --- | --- | --- |
| **Characteristic** | **Planned economy** | **Market economy** | **Mixed economy** |
| Government control | Central**✓** | No control | Semi-control**✓** |
| Profit Motive | No**✓** | Yes-the driving force | Yes – the driving force**✓** |
| Ownership of factors of production | Government | Private**✓** | Private**✓** |
| Allocation of resources | Government decides what the production targets are and allocates resources accordingly**✓** | Consumers determine how resources are allocated**✓** | Government has key industries for whole economy. Provincial incentive schemes. |
| Prices | Fixed – set by government**✓** | Competition checks price | Competition determine prices**✓** |
|  | **10 Marks** |

**Activity 2:**

**Economic systems: three major economic systems**

**Answers:**

1. An economic system is the way in which economic activities are managed in a country.

2. How to satisfy unlimited wants with limited resources.

3.

|  |  |  |  |
| --- | --- | --- | --- |
| Characteristics | Planned economy | Mixed economy | Market economy |
| Also known as the capitalist system |  |  | √ |
| All businesses are owned by the government | √ |  |  |
| All businesses are privately owned |  |  | √ |
| Some businesses are privately owned and some are owned by the government |  | √ |  |
| The main aim of business is to make a profit |  |  | √ |
| The government aims o eliminate poverty and inequality and make everyone comfortable | √ |  |  |
| The government provides certain services but there are also private service providers  |  | √ |  |
| South Africa has this type of economy |  | √ |  |

**Support Material**

**Activity 3:**

**Economic systems: planned and market economic systems**

**Answers:**

**Question 1:**

|  |  |  |
| --- | --- | --- |
| Type of Economic System | Planned | Market |
| Who decides? | Government | Individuals and businesses |
| What to produce? | Government makes all economic decisions | Businesses use supply and demand and competition between them to decide |
| How to produce? | Government decides how to produce and services | Businesses decide how to produce goods and services. |
| For whom to produce? | The government | Consumers |

**Question 2**

1. False

2. True

3. False

4. True

5. False

6. False

7. False

8. True

9. True