Education and Sport Development

Department of Education and Sport Development
Departement van Onderwys en Sport Ontwikkeling
Lefapha la Thuto le Tlhabololo ya Metshameko

NORTH WEST PROVINCE

PROVINCIAL ASSESSMENT

GRADE 10

ECONOMICS PAPER 2

MICROECONOMICS

JUNE EXAMINATION 2018

MARKS: 100

Time: 1 ½ hours

This question paper consists of 8 pages.

INSTRUCTIONS AND INFORMATION:

1. Answer THREE questions as follows:

    SECTION A: COMPULSORY
    SECTION B: Answer any ONE of the TWO questions.
    SECTION C: Answer any ONE of the TWO questions.

2. Write the question number above each answer.

3. Number the answers correctly according to the numbering system used in this question paper.

4. Read the questions carefully.

5. Start each question on a NEW page.

6. Answer only the required number of questions. Additional answers will NOT be marked.

7. Answer questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.

8. Use only black or blue ink.

9. Non-programmable pocket calculators may be used.

10. Write neatly and legibly.

SECTION A (COMPULSORY)

QUESTION 1   20 MARKS

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 – 1.1.5) in the ANSWER BOOK, e.g. 1.1.1 A

    1.1.1 Any organisation that brings buyers and sellers together is called ...

        A. quantity
        B. volume
        C. price
        D. market

    1.1.2 The most extreme market structure of the imperfect market is …

        A. monopoly
        B. monopolistic competition
        C. oligopoly
        D. perfect competition

    1.1.3 The sacrifice made when one has to make a choice is called ...

        A. production technique
        B. utility
        C. opportunity cost
        D. marginal cost

    1.1.4 Public sector is divided into how many level/s?

        A. one
        B. two
        C. three
        D. four

    1.1.5 Old-age, disability, foster-care and child support grants are classified as ...

        A. welfare payments
        B. minimum wages
        C. price floors
        D. price ceilings

                                        (5 x 2) (10)

1.2 Choose a description from COLUMN B that matches a concept or term in COLUMN A.

Write only the letter (A - F) next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK, e.g. 1.1.5 G

COLUMN A	COLUMN B
1.2.1 Purchasing power	A. Is responsible for collecting all the different taxes.
1.2.2 Choice	B. The state sets the level of rents in certain properties
1.2.3 Efficiency	C. Is the ability to buy goods and services, generally measured by income.
1.2.4 SARS	D. Means producing without wasting resources.
1.2.5 Rent control	E. Shows the different combinations along the curve.
	F. Takes place few sellers control the market.

(5 x 1) (5)

1.3　　Give one term for each of the following descriptions. Write only the term next to the question numbers (1.3.1 – 1.3.5) in the ANSWER BOOK.
No abbreviations and acronyms will be accepted.

1.3.1 States that as the price increases the quantity demanded decrease.

1.3.2 Involve the illegal selling of goods.

1.3.3 When satisfaction gained drops as the number of units possessed increases.

1.3.4 Graphical representation of all the bundles of two commodities that gives

the individual consumer the same total utility.

1.3.5 When the states sets the lowest level of wages.　　　　　　　(5 x 1) (5)

TOTAL SECTION A: 20

SECTION B

Answer only ONE of the two questions from this section and write in the ANSWER BOOK.

QUESTION 2   **40 MARKS**

2.1. Answer the following questions:

    2. 1.1 List any TWO functions of markets.   (2 x 1) (2)

    2.1.2 Why perfect market suppliers do not brand or advertise their products?   (1 x 2) (2)

2.2. Study the picture below and answer question that follows:

SOUTH AFRICAN CELLPHONE PROVIDERS

Cell-C   Vodacom

Source: www.google.com

2.2.1 Identify any TWO cell phone providers from the above picture.   (2 x 1) (2)
2.2.2 Distinguish between *monopoly* and *oligopoly.*   (2 x 2) (4)
2.2.3 How will you describe the *nature of oligopoly products*?   (2 x 2) (4)

 2.3 Read the extract below and answer the questions that follow:

Addressing revenue shortfall

The Minister of Finance on his budget speech has seen him make a "difficult decision" to address a revenue shortfall and to fund fee free education.

- The main tax proposal for the 2018 budget is: An increase in Value Added Tax (VAT) from 14 % to 15 %
- An increase in Ad-valorem excise duty rate on luxury goods from 7 to 9 %
- A higher estate duty tax rate of 25 % for estate greater than R30 Million in value
- A 52 cents per litre increase in the levies of fuel made up of a 22 cents per litre for the general fuel levy and 30 cents per litre increase in the Road Accident Fund and increases in the alcohol and tobacco excise duties of between 6 and 10%

We have also made strides in improving access to education over the past five years. The national school nutrition programme now feeds 8.7 million children. The Funza Lushaka bursary scheme supported 3 950 graduates qualifying for placement as teachers in 2013.

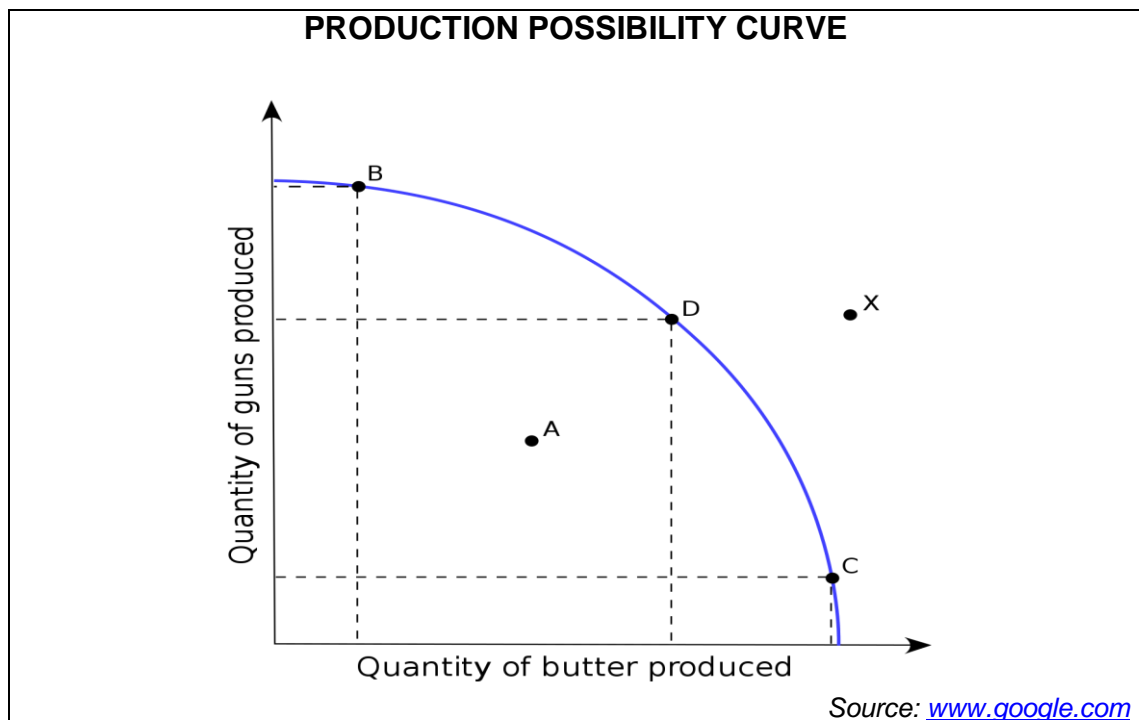{*Adapted from Budget Speech 2018/2019*}

2.3.1 Identify any TWO indirect taxes from the extract. (2 x 1) (2)

2.3.2 What were the reasons for the Minister to make a harsh decision? (2 x 2) (4)

2.3.3 How will the Funza Lushaka graduates improve state revenue? (2 x 2)(4)

2.4 Differentiate between *complementary goods* and *substitute goods*. (2 x 4) (8)

2.5 Discuss any internal reasons that can move Production Possibility curve to the right (outward). (8)

[40]

QUESTION 3   **40 MARKS**

3.1 Answer the following questions:

   3.1.1 Name any TWO types of utility. (2 x 1) (2)

   3.1.2 Why the supply curve has a direct relationship? (2)

3.2 Study the graph below and answer the questions that follow:

PRODUCTION POSSIBILITY CURVE

Source: www.google.com

   3.2.1 Identify TWO products that can be produced in the graph above. (2 x 1) (2)

   3.2.2 Describe the concept *productive efficiency*. (2)

   3.2.3 Explain the economic concept represented by the letter A. (2)

   3.2.4 Is it possible to achieve the production indicated by letter X? Motivate your answer. (2 x 2) (4)

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

Market supply schedule (Quantity of tacos per week)			
Price (per taco in R)	Decreased market supply	Original market supply	Increased market supply
0.50	150	350	550
1.00	300	500	700
1.50	550	750	950
2.00	750	950	1 150
2.50	1 000	1 200	1 400
3.00	1300	1 500	1 700
			Source: www.google.com

    3.3.1 What was the initial quantity supplied of tacos at R1.50 and R3.00?   (2)

    3.3.2 What does the law of supply state?   (2)
.
    3.3.3 How would you illustrate the increased market supply graphically?   (2)

    3.3.4 Comment about the effects of change in quantity supplied.   (2 x 2) (4)

3.4 Differentiate between *indifference curve* and *Production Possibility curve*   (2 x 4) (8)

3.5 Discuss any TWO conditions for a good or service to access the world market   (8)
[40]

TOTAL SECTION B: 40

SECTION C

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

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction The introduction is a lower order response: • A good starting point would be to define the main concept related to the question topic. • Do not include any part of the question in your introduction • Do not repeat any part of the introduction in the body • Avoid stating in the introduction what you are going to discuss in the body	Max. 2
Body **Main part:** Discuss in detail /in-depth discussion / Examine / Critically discuss / Analyze / Compare / Evaluate / Distinguish / Differentiate / Explain **Additional part:** Give own opinion / critically discuss / Evaluate / Draw a graph and explain. Use the graph given and explain / Complete the given graph / Calculate / Deduce / Compare / Explain / Distinguish / Interpret / Briefly debate / How / Suggest	Max 26 Max 10
Conclusion Any higher-order conclusion should include: • A brief summary of what has been discussed without repeating facts already mentioned • Any opinion or value judgment on the facts discussed • Additional support information to strengthen the discussion / analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max 2

QUESTION 4   40 MARKS

- Discuss in detail the characteristics of a perfect market.   (26)
- List and explain any FIVE factors that influence individual demand.   (10)

[40]

QUESTION 5

- Without using graphs, discuss in detail the following methods of government involvement in the economy**:**

  ➢ Production subsidy (8)
  ➢ Maximum prices   (8)
  ➢ Welfare   (10)   (26)

- Outline FIVE reasons why the government should be involved in the economy.   (10)

.   **[40]**

TOTAL SECTION C: 40
GRAND TOTAL: 100