



# education

---

Department:  
Education  
North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**

**PROVINCIAL ASSESSMENT**

**GRADE 10**

**ECONOMICS P1  
MARKING GUIDELINE  
NOVEMBER 2024**

**MARKS: 150**

**This question paper consists of 19 pages.**

**SECTION A (COMPULSORY)****QUESTION 1****20 MARKS- 20 MINUTES****1.1 MULTIPLE CHOICE QUESTION**

- 1.1.1 C - What people should buy ✓✓  
1.1.2 A - the economic problem. ✓✓  
1.1.3 D - Injections. ✓✓  
1.1.4 B - disposable income. ✓✓  
1.1.5 C - trade. ✓✓  
1.1.6 D - mercantile law. ✓✓  
1.1.7 A - 15 to 60 years ✓✓  
1.1.8 B - natural growth rate. ✓✓ (8 x 2) (16)

**1.2 MATCHING ITEMS**

- 1.2.1 D - process whereby an entrepreneur combines available resources and turns them into some sort of product which is used to satisfy the needs and wants of the population ✓  
1.2.2 A - the production activities involved in the distribution of goods and the provision of services to the public ✓  
1.2.3 B - when a business specialises in the production of one product or service ✓  
1.2.4 C - the process whereby products move from producer to consumer and is called trade ✓  
1.2.5 F - leads to the loss of economically active family members and social problems ✓  
1.2.6 H - foreigners that enter a country on a permanent basis ✓  
1.2.7 E - developed on the outskirts of South African cities as a result of a housing backlog ✓  
1.2.8. G - includes micro businesses like street vendors ✓ (8 x 1) (8)

**1.3 GIVE THE CONCEPT**

- 1.3.1 Ceteris Paribus ✓
- 1.3.2 Opportunity costs ✓
- 1.3.3 Closed economy ✓
- 1.3.4 Globalisation ✓
- 1.3.5 Labour union ✓
- 1.3.6 Labour force participation rate ✓

(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 broad approaches to Economics.** (2 x 1) (2)

- Macroeconomics✓
- Monetarist economics✓
- Keynesian economics ✓
- Microeconomics✓

(Accept any other correct relevant response.)

2.1.2 **How will taking mathematics at school help you to become an economist?**

Mathematics deals with figures and graphs that are used in economics✓

(2 x 1) (2)

2.2 **DATA RESPONSE**

2.2.1 **Identify the concept that describes goods and services that individuals can live without.**

Wants✓

(1)

2.2.2 **Mention ONE question that economists ask to solve the economic problem.**

- What to be produced? ✓
- How is it going to be produced? ✓
- For whom will it be produced? ✓

(1)

2.2.3 **Briefly describe the term *scarcity*.**

Scarcity exist when limited resources are faced with unlimited needs and wants✓✓

(2)

2.2.4 **Explain why economics is referred to as social science.**

Economics is a social science because it focuses on the analysis of people and their behaviour. ✓✓

(2)

2.2.5 **Why do people have to make choices?**

- People have to make choices because of the shortage of resources to satisfy their needs and wants✓✓
- Because of the scarcity problem ✓✓

- Resources are not enough to cover all the needs and wants of households, so they end ✓✓ (2 x 2) (4)

## 2.3 DATA RESPONSE

- 2.3.1 **Provide the diagram above with an appropriate heading.**  
Business cycle ✓ (1)

- 2.3.2 **Name the point labelled C from the above diagram**  
Trough ✓

- 2.3.3 **Briefly describe the term *trend line*.**  
This is a line showing the general direction of economic activity ✓✓  
(Accept any other correct relevant response.) (2)

- 2.3.4 **Explain the effect of a depression on employment levels.**  
During a depression many companies scale down on their production and ultimately many workers are retrenched causing massive unemployment ✓✓  
(Accept any other correct relevant response.) (2)

- 2.3.5 **How is the economy affected during the prosperity phase?**  
The economy is affected due to:
- This is a time of general optimism and consumer spending ✓✓
  - Output and economic activity increase and entrepreneurs expand their businesses ✓✓
  - Employ more people and buy equipment ✓✓
  - Profits increase as well as wages and prices ✓✓
  - Consumer demand rises which stimulates greater production ✓✓
- (Accept any other correct relevant response.) (2 x 2) (4)

## 2.4 Differentiate between *free and economic goods*.

### Free goods

- Free goods are goods that have utility but are so abundant and have no economic cost. ✓
- They do not require any effort or resources to obtain, and have no market or exchange value. ✓
- These goods cannot be counted as wealth since they have no economic value. ✓
- Examples of free goods include air and sunshine. ✓

**Economic goods**

- Economic goods are goods that have utility, are scarce and have a positive economic value. ✓
- They are limited in supply and require resources or effort to produce or obtain.
- Economic goods are bought and sold in markets and have market value, ✓
- These goods can be considered as part of the wealth of individuals and organisations. ✓
- Examples of economic goods include, among others, food and clothing. ✓

(2 x 4) (8)

**2.5 Analyse the effectiveness of government in addressing environment problems.**

- Through granting property rights so that people take care of things that belongs to them (instil sense of responsibility). ✓✓
  - Educating people about the consequences of environmental pollution and importance of recycling items or re-using them instead of throwing away. ✓✓
  - Government encourage planting of trees as they can absorb carbon dioxide thereby providing a cleaner environment. ✓✓
  - Provide the subsidies to encourage industries to use technology or equipment's that are environmental user friendly. ✓✓
  - Government discourage the burning of papers and other material as this may result into pollution. ✓✓
  - Through charging environmental tax (green tax) to discourage the pollution during production process. ✓✓
  - Government provide incentives on agricultural practices which will keep the land fertile. ✓✓
  - It discourages littering by people as it may lead to global warming. ✓✓
- (Accept any other correct relevant response)

(2 x 4) (8)

**[40]**

**QUESTION 3: ECONOMICS****PURSUIITS 40 MARKS- 30 MINUTES**

3.1 Answer the following questions.

3.1.1 **Name any TWO labour unions in South Africa**

- CONSAWU: Confederation of South African Workers 'Unions✓
  - COSATU: Congress of South African Trade Unions✓
  - FEDUSA: Federation of Unions of South Africa✓
  - FOSATU: Federation of South African Trade Unions✓
  - ITUC: International Trade Union Confederation✓
  - NACTU: Nasionale Raad van Vakbonde✓
  - NEHAWU: National Education, Health and Allied Workers 'Union✓
  - NUM: National Union of Mineworkers✓
  - UWUSA: United Workers' Union of South Africa✓
- (Accept any other correct relevant response.)

(2 x 1) (2)

3.1.2 **Why is it important for the government to estimate the country's population growth rate?**

Population growth rate is an important indicator of the changing needs of a country's people, e.g. how great the burden will be on providing sufficient infrastructure, (e.g. schools, hospitals, housing, roads), resources (e.g. food, water, electricity) and jobs. ✓✓  
(Accept any other correct relevant response).

(1 x 2) (2)

3.2 **DATA RESPONSE**

3.2.1 **Identify characteristic of self-sufficient societies**

(1)

- Farmers grow food crops to meet the needs of themselves. ✓

3.2.2 **Name ONE feature of subsistence agriculture.**

(1)

- Small capital, mixed cropping, limited use of agrochemicals. ✓

3.2.3 **Briefly describe the term *barter exchange*.**

Exchanging one product for another one of more or less the same value. ✓✓

(2)

3.2.4 **What positive impact commercial farming have on economic growth?**

- It increased the economic activity which led to an increased agricultural and manufacturing production. ✓✓

(2)

3.2.5 **Explain the importance of language and learning in the development of economies.** (2 x 2) (4)

- Language enables to communicate with others especially when trading. ✓✓
- Societies need good education systems in order to develop knowledge and skills to produce goods. ✓✓

(Accept any other correct relevant responses)

### 3.3 DATA RESPONSE

3.3.1 **Identify the percentage of permanent non-union workers under public sector from the above table?**

- 38.9%. ✓ (1)

3.3.2 **What does the abbreviation CCMA stand for?**

- Commission for conciliation Mediation and arbitration. ✓ (1)

3.3.3 **Briefly describe the term *labour unions*.**

Organisations of workers aiming to improve wages and working Conditions. ✓✓

(Accept any other correct relevant response) (2)

3.3.4 **Explain the reason why workers would prefer to be union members.**

- Negotiate improved wages and working conditions for their members ✓✓
- Regulate the relations between workers and employers ✓✓
- Protect their members' job security ✓✓
- Promote their members' training and education ✓✓
- Serve as a political forum for workers ✓✓
- Have contributed towards the establishment of a new government ✓✓

(Accept any relevant other correct response) (2)

3.3.5 **How is arbitration used to solve labour disputes?** (2 x 2) (4)

- If a dispute between an employer and employee cannot be resolved after the conciliation process the matter will be referred for arbitration. ✓✓
- The commission will hear both sides of the case. ✓✓
- Arbitration listens to the case and determines the matter. ✓✓
- The commissioner makes ruling that binding and that the parties must adhere to. ✓✓

(Accept any relevant other correct response)

3.4 **Discuss *immigration* and *foreigners* in term of SA population size.**



**Immigration**

- Immigration is foreigners entering the country on a permit basis. ✓✓
- These immigrants add to the population in the country, cause an increase in the population size ✓✓

**Foreigners**

- Foreigners are people who are born in one country but move to another country. ✓✓
- These foreigners add to the population in the country, therefore cause an increase in population size ✓✓

(Accept any relevant other correct response)

(2 x 4) (8)

**3.5 Evaluate the influence of productivity and skills on labour.**

- All businesses employ workers that are able and have the skills to do the required job. ✓✓
- The better skilled and trained the labour is, the better the productivity will be. ✓✓
- Businesses will therefore look for skilled workers to employ. ✓✓
- Businesses will also train workers to become more skilled for them to be more productive. ✓✓
- The higher the qualifications and skills of the labour is, the easier it will be to get employment. ✓✓
- Workers with higher skills will also be paid more in wages than workers without such skills. ✓✓

(Accept any other correct relevant response)

(4 x 2) (8)

**[40]**

**QUESTION 4: MACROECONOMICS AND ECONOMICS PURSUITS 40 MARKS- 30 MINUTES**

4.1 Answer the following questions.

4.1.1 **List any TWO fields of study that are related to Economics**

- Accounting ✓
- Business Studies ✓
- Commercial Law ✓
- Mathematics / Finance ✓

(Accept any other relevant response.)

(2 x 1) (2)

4.1.2 **What effect will a recession have on business activities?**

- During a recession, income, production and investments will decline. ✓✓

(Accept any other correct relevant response.)

(2 x 1) (2)

4.2 **DATA RESPONSE**

4.2.1 **Identify the primary sector industry presented in the above cartoon.**

- Forestry ✓

(1)

4.2.2 **Name ONE example of natural resources.**

- Oil ✓
- Coal ✓
- Natural gas ✓
- Metals ✓
- Stone ✓
- Sand ✓

(Accept any other relevant correct response)

(1)

4.2.3 **Briefly describe the term *secondary sector*.**

Refers to the sector where raw materials are processed or transformed into the final products. ✓✓

(Accept any other relevant correct response)

(2)

4.2.4 **Why should communities protect the country's natural resources?**

- Natural resources are source of food. ✓✓
- To ensure that resources are available for the future use. ✓✓
- Natural resources such as coal, natural gas and oil provide heat, light and power. ✓✓

(Accept any other relevant correct response)

(2)

- 4.2.5 **How will the government improve the country's economic activities?**
- Tax cuts and rebates to return money to consumers and boost spending. ✓✓
  - Through infrastructural development which create construction jobs and increase productivity by enabling businesses to operate efficiently. ✓✓
  - Ensuring that unnecessary regulations are removed which encourage competition therefore lead to economic growth and more spending. ✓✓
- (Accept any other relevant correct response) (2 x 2) (4)
- 4.3 **DATA RESPONSE**
- 4.3.1 **Identify the quarter with the highest real GDP growth.**  
Q3 2020✓ (1)
- 4.3.2 **What is measured by the horizontal line?**  
Time✓ (1)
- 4.3.3 **Briefly describe the term *gross domestic product*.**  
Measures the value of all final goods and services that are produced within the borders of the country in a given period of time, normally within a year. ✓✓ (2)
- 4.3.4 **What are the benefits of investing in manufacturing sector of the economy?**
- Increasing economic growth. ✓✓
  - Promoting employment opportunities. ✓✓
  - Improving standard of living/wellbeing of the people. ✓✓
- (Accept any other correct relevant response.) (2)
- 4.3.5 **Explain briefly what cause the low economic growth rate in South Africa?**
- The country is heavily reliant on a few sectors, such as mining and agriculture, and has low levels of productivity and investment in other sectors. ✓✓
  - High levels of inequality lead to social and political instability, which can discourage investment and economic activity. ✓✓
  - There has been a lack of clarity and consistency in economic policies, which has created uncertainty for investors and businesses. ✓✓
  - South Africa has strict labour laws and high minimum wages. This has limited the ability of firms to adjust their labour force in

response to changes in demand and has contributed to high levels of unemployment. ✓✓

- South Africa's electricity supply constraints and poor transportation networks limit the country's ability to attract investment. ✓✓

(Accept any other correct relevant response.)

(2 x 2) (4)

**4.4 Differentiate between *economic growth* and *economic development*.**

- Economic growth is the increase in the production of goods and services of a country within a given period of time while economic development is the improvement in the standard of living of the entire population. ✓✓
- Economic growth is measured by the real GDP from one year to another while economic development deals with issues such as education, literacy, healthcare, employment and environmental sustainability. ✓✓
- Economic growth is concerned with goods and services whereas economic development is concerned with people and human development ✓✓
- Economic growth lead to economic development while economic development doesn't lead to economic growth. ✓✓

(Accept any other correct relevant response.)

**(Max 4 allocated if responses are not in sequence )**

(2 x 4) (8)

**4.5 How can injections contribute towards the economic upswing?**

(2 x 4)

- Improvement in the standard of living of people in the economy ✓✓
- Both exports and investments will lead to more money flowing into SA ✓✓
- More production in SA will benefit the SA economy ✓✓
- More jobs are created ✓✓
- Improvement in the infrastructural development ✓✓

(Accept any other correct relevant response.)

(8)

**[40]**

**TOTAL SECTION B: 80**

**SECTION C**

Answer any ONE of the two questions in this section in the ANSWER BOOK.  
Your answer will be assessed as follows:

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

- Discuss, in detail, the four participants of the circular flow of an open economy.  
(26 marks)
- How has BRICS membership helped South Africa with its foreign sector trade relationships?  
(10 marks)

**[40]****INTRODUCTION**

Markets co-ordinate economic activities and determine prices for goods and services.  
✓✓/The circular flow model is a simplified representation of the interaction between the participants of the economy. ✓✓  
(Accept any other relevant introduction.) (Max. 2)

**MAIN PART****Households ✓**

- Households are the individuals or groups that consume goods and services and supply factors of production (such as labour, land, and capital) to firms. ✓✓
- They receive income from their participation in the production process, primarily in the form of wages, salaries, rents, and profits. ✓✓
- Households allocate their income to consumption, saving, and payment of taxes. ✓✓
- They own factors of production and they are the primary participants. ✓✓
- They sell their factors of production to firms, government and the foreign sector in return for remuneration in a form rent, wages and salaries, interest and profit. They buy goods and services with their income. ✓✓
- They save and borrow money from the financial institutions and also import and export goods and services ✓✓
- They pay taxes to the government and the government provide transfer payments and subsidies. ✓✓

**Firms ✓**

- Firms, also known as businesses or producers, are the economic entities that produce goods and services using the factors of production supplied by households. ✓✓
- Firms aim to generate revenue through the sale of their products and maximize profits by controlling costs and optimizing

- production. ✓✓
- They buy / demand factors of production from households then produce and sell goods and services through the goods market and receive income for goods and services. ✓✓
  - They save and borrow money from the financial institutions and also export and import goods or services. ✓✓
  - They pay taxes to the government and receive subsidies and public goods, collect and receive taxes from other participants ✓✓.
  - They provide transfer payments and infrastructure to households, providing public goods to firms and businesses as well. ✓✓
  - They save and borrow money from the financial institutions ✓✓

### **Government** ✓

- The government plays a crucial role in the circular flow model. It provides public goods and service, regulates economic activities, and implements fiscal and monetary policies.
- Governments collect taxes ,incur expenditures, and redistribute income through various programmes.

### **Foreign Sector** ✓

- The foreign sector represents economic transactions between the domesticeconomy and the rest of the world. It includes imports, exports, foreign investments, and international borrowing. ✓✓
- They buy factors of production from households and make payments for them. ✓✓
- They buy & sell goods and services also earn income and make payments for goods and services ✓✓

(Accept any other correct relevant response.)

**(Max. 26)**

**ADDITIONAL PART****How has BRICS membership helped South Africa with its foreign sector trade relationships?**

- Being a member of BRICS provides South Africa with opportunities to enhance trade and investment with the other member countries. ✓✓
- It can lead to increased bilateral trade and investment flows, as well as the exploration of new markets for South African goods and services. ✓✓
- South Africa can benefit from greater access to the large and rapidly growing consumer markets of the other BRICS countries. ✓✓
- BRICS membership fosters economic cooperation and collaboration among the member countries. ✓✓
- This can lead to the sharing of best practices, knowledge, and expertise in various sectors, including technology, infrastructure, agriculture, and finance. ✓✓
- Such cooperation can contribute to economic development and competitiveness in South Africa. ✓✓
- BRICS has established financial institutions like the New Development Bank (NDB) and the Contingent Reserve Arrangement (CRA). ✓✓
- These institutions aim to provide financial support and stability to member countries, particularly during times of economic crisis. ✓✓
- South Africa can access funding from these institutions for infrastructure projects and other development initiatives. ✓✓

(Accept any other correct relevant response.)

**(Max. 10)**

**CONCLUSION**

The actual impact of BRICS membership on South Africa's foreign sector relationships would depend on various factors, including the policies and strategies implemented by the South African government, the level of cooperation among BRICS countries, and the broader global economic conditions. ✓✓

(Accept any other relevant conclusion.)

**(Max. 2) [40]**

**QUESTION 6: ECONOMICS PURSUITS****40 MARKS – 40 MINUTES**

- Discuss in detail the South African labour force. (26 marks)
- What is the impact of HIV and AIDS on the South African economy (10 marks)

**INTRODUCTION**

The labour force refers to the portion of the population that is either employed or actively seeking employment. It includes individuals who are currently employed and those who are unemployed but actively looking for work ✓✓

(Accept any other relevant introduction.)

**(Max. 2)**

**MAIN PART****Age composition ✓**

- South Africa has a significant youth population, and youth unemployment is a pressing issue in the country. ✓✓
- The youth labour force includes individuals aged 15 to 34 years. ✓✓
- According to the Quarterly Labour Force Survey conducted by Statistics South Africa in the second quarter of 2021, the youth unemployment rate was approximately 63.3%. ✓✓
- High youth unemployment presents challenges in terms of skills development, job creation, and economic opportunities for young people. ✓✓
- The prime working-age group, typically considered to be individuals aged 25 to 54 years, forms a significant portion of the South African labor force. ✓✓
- This age group generally represents the most productive and active segment of the workforce. ✓✓
- However, unemployment rates within this age group also remain relatively high compared to international standards, indicating ongoing labor market challenges ✓✓
- The proportion of older workers, typically those aged 55 years and above, in the South African labor force is increasing due to improving life expectancy and changing retirement patterns. ✓✓
- Some individuals in this age group continue to work to supplement their income or remain economically active. However, older workers may face challenges related to age discrimination, limited training opportunities, and reduced job prospects ✓✓



**Labour force numbers ✓**

- Labour Force Participation Rate in South Africa increased to 59.60 percent in the second quarter of 2023 from 59.40 percent in the first quarter of 2023 ✓✓
- This figure represents the number of individuals who are either employed or actively seeking employment ✓✓  
The labour force participation rates is the number of persons who are employed and unemployed but looking for a job divided by the total working age population ✓✓

**Unemployment ✓**

- the unemployment rate in South Africa is a significant challenge. ✓✓
- The Quarterly Labour Force Survey conducted by Statistics South Africa provides insights into the unemployment situation in the country ✓✓
- Statistics South Africa (Stats SA) has announced a 0.3 percentage point decrease in official unemployment from the first to the second quarter of 2023, with the official unemployment rate down from 32.9% in the first quarter to 32.6% in the second quarter. ✓✓
- This figure represents the proportion of individuals who are actively seeking work but are unable to find employment. It's important to note that this rate is relatively high compared to international standards and remains a significant concern for the country ✓✓
- The 1,1% increase in the youth unemployment rate to 46,5% in the first quarter of 2023 means that 4,9 million young people have little to no hope for a future in South Africa unless there is a drastic change. ✓✓
- High youth unemployment can have long-term consequences for individuals and society, including limited job opportunities, income inequality, and social challenges. ✓✓

**Geographic distribution ✓**

- The majority of the South African labor force is concentrated in urban and metropolitan areas. Cities such as Johannesburg, Cape Town, Durban, and Pretoria attract a significant share of employment opportunities due to their economic activities, infrastructure, and service sectors. ✓✓

- These urban areas offer a wide range of job opportunities in industries such as finance, manufacturing, information technology, services, and tourism. ✓✓
- South Africa has a significant rural population, and rural areas employ a portion of the labor force, primarily engaged in agricultural activities. ✓✓ Agriculture remains an important sector for employment, particularly in rural regions. Farming, livestock production, and related agricultural activities provide livelihoods for many individuals in rural areas. ✓✓
- South Africa is rich in mineral resources, and mining activities have historically played a significant role in the country's economy. ✓✓
- Mining regions, such as the Witwatersrand Basin and the platinum belt in the North West province, have attracted a considerable portion of the labor force. These areas offer employment opportunities in mining, extraction, processing, and related industries. ✓✓
- The distribution of the labor force across South Africa's nine provinces shows variations. Gauteng, the economic hub of the country, has the highest concentration of employment opportunities. ✓✓
- Western Cape, with its vibrant tourism industry and Cape Town's economic activities, also attracts a significant labor force. Other provinces such as KwaZulu-Natal, Mpumalanga, and Eastern Cape have notable employment sectors, including manufacturing, agriculture, and services. ✓✓

(Accept any other correct relevant response.)

**(Max. 26)**

**ADDITIONAL PART****What is the impact of HIV and AIDS on the South African economy?**

- HIV and AIDS has had a severe impact on the standard of living of many households. ✓✓
- They lose income and experience an increase in medical expenses. ✓✓
- They spend less on food and other essentials, and this impairs the health of other members of the households. ✓✓
- A large number of children and elderly people lose their economic support structure. ✓✓
- Business profitability is affected because of declining productivity and absenteeism. ✓✓
- Training new workers to replace workers means extra costs and loss of experience. ✓✓
- Some businesses will have additional costs of assisting workers with anti- retroviral drugs and other medications. ✓✓
- The economy is affected because HIV and AIDS causes the highest mortality among the 25- to 40- age groups. ✓✓
- It reduces the number of trained and productive workers. ✓✓
- The number of skilled workers is diminishing. ✓✓
- Medical aid and other costs associated with HIV and AIDS are becoming so high that it will eventually cripple the economy. ✓✓

(Accept any other correct relevant response.)

**(Max.10)**

**CONCLUSION**

The population of South Africa reached more than 58 million and is largely urbanised. All the main city areas are industrialised and offer job opportunities. ✓✓

(Accept any other relevant conclusion.)

**(Max. 2)**

**[40]**

**TOTAL SECTION C:40**

**GRAND TOTAL:150**