

# HILLCREST HIGH SCHOOL



## **ECONOMICS**

### **PAPER 1 (MACRO-ECONOMICS)**

**JUNE EXAMINATION 2017**

**GRADE 10**

**QUESTION PAPER**

**MARKS : 100**  
**TIME : 90 MINUTES**  
**DATE : 13 JUNE 2017**  
**EXAMINER : A SUTTON**  
**MODERATOR : C EDY**

## **SECTION A (COMPULSORY)**

### **QUESTION 1**

#### **1.1 MULTIPLE-CHOICE QUESTIONS**

**20 MARKS – 15 MINUTES**

Various options are provided as answers to the following questions. Write only the correct letter (A – C) next to the question number (1.1.1 – 1.1.5), in the ANSWER BOOK.

1.1.1 Economics is a social science that studies how ...

- A. people satisfy their unlimited needs and wants with limited means.
- B. people satisfy their limited needs and wants with unlimited means.
- C. people satisfy their unlimited needs and wants with unlimited means.

1.1.2 The scarcity problem in Economics is addressed by ...

- A. making sure that we produce and consume everything we want.
- B. satisfy everyone's needs and wants with the resources available.
- C. forcing society to make choices between given alternatives.

1.1.3 What will lead to an increase in spending by households?

- A. A reduction in the rate of income tax
- B. An increase in the rate of unemployment
- C. An increase in the interest rate

1.1.4 The Gross National Income gives us a measure of the ...

- A. income earned by foreign nationals that work in South Africa and abroad.
- B. income earned by South African citizens in South Africa.
- C. income earned by South Africans in South Africa and elsewhere.

1.1.5 The lowest turning point of a business cycle is known as a ...

- A. recession.
- B. trough.
- C. depression.

(5x2) (10)

## 1.2 MATCHING ITEMS

Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A – G) next to the question number (1.2.1 – 1.2.6) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Resources	A. A group of people that live together and make economic decisions
1.2.2 Secondary	B. Refers to the period of falling economic activities, with an increase in unemployment
1.2.3 Leakages	C. Savings and imports
1.2.4 Leading	D. Things that can be used to achieve a certain goal
1.2.5 Recession	E. Manufactures and processes raw materials so that they can be in a form fit for consumption
1.2.6 Households	F. Shows us what might happen to economic activity in the future
	G. All those forces that originate inside the economy that affect the business cycle

(6x1) (6)

## 1.3 TERMINOLOGY

Give the correct term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3.4) in the ANSWER BOOK.

1.3.1 The process whereby the entrepreneur combines available resources

1.3.2 With all other factors or things remaining the same/equal

1.3.3 Goods that are plentiful and have no price

1.3.4 Goods and services that consumers cannot do without (4x1) (4)

**TOTAL SECTION A: 20**

## SECTION B

### QUESTION 2-MACRO ECONOMICS

(40 MARKS – 30 MINUTES)

ANSWER ONLY ONE QUESTION FROM THIS SECTION.

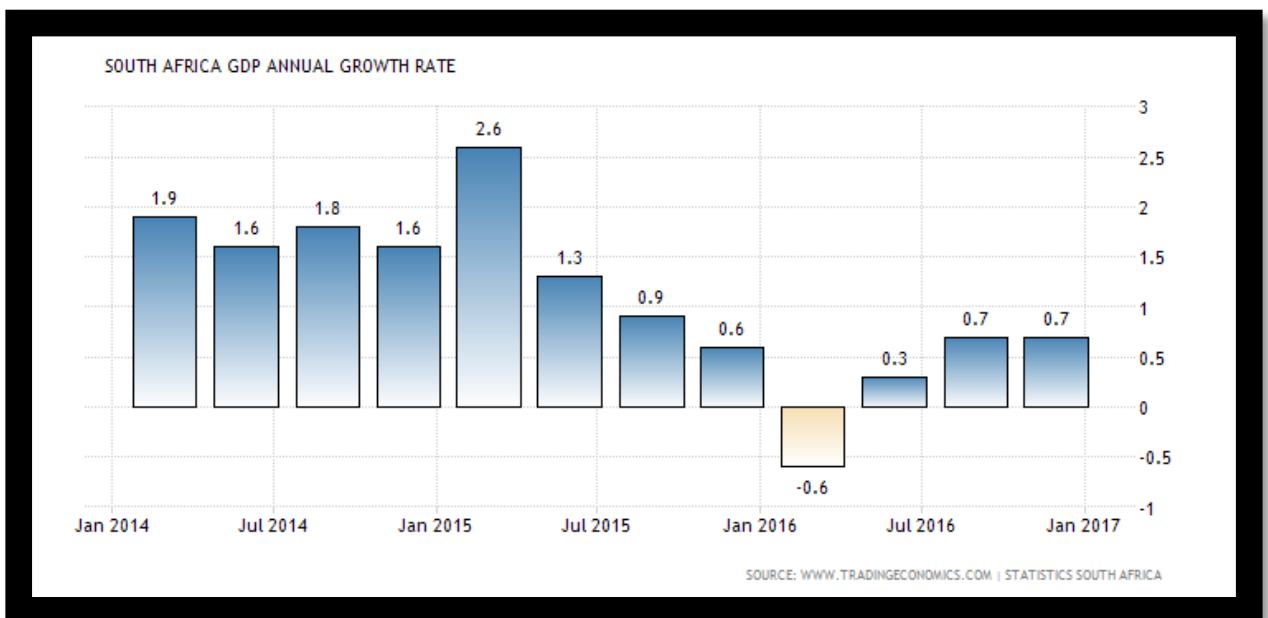
CHOOSE QUESTION 2 OR 3

2.1 Answer the following questions

2.1.1 Name any TWO factors of production (2)

2.1.2 Explain the term *economic goods*. (2)

2.2 Study the diagram below and answer the questions that follow.



2.2.1 Refer to the above bar graph and mention the lowest GDP percentage experienced by South Africa (1)

2.2.2 South Africa's GDP is at a very poor growth pace of 0.7% for the year 2017. Give ONE reason for this poor growth (1)

2.2.3 Write down any TWO reasons why the IMF's GDP calculations are important. (4)

2.2.4 Differentiate between the *Economic Development* and *Economic Growth*. (4)

**2.3 Study the pictures below and answer the questions that follow.**



**A**



**B**

- 2.3.1 Refer to pictures "A and B"  
What kind of resource does the above production process rely on, respectively? (2)
- 2.3.2 Explain what is meant by the term *division of labour*. (1)
- 2.3.3 Refer to picture "B" and identify the type of good that is being produced. (1)
- 2.3.4 The production process takes place in THREE sectors of the economy, identify and briefly describe these sectors/types of production. (6)
- 2.4 Use suitable examples and explain the difference between *immediate and deferred consumption*. (8)
- 2.5 "Economic development is not just about the production of goods and services."  
Evaluate this statement and then suggest ONE possible solution to the environmental problems. (8)

### QUESTION 3-MACRO ECONOMICS

(40 MARKS – 30 MINUTES)

3.1.1 List two main branches of economy. (2)

3.1.2 The economic problem forces the economist to address THREE important questions and decisions. List these THREE question (3)

### 3.2 Study the cartoon below and answer the questions that follow



3.2.1 What is the message depicted by the cartoon above? (1)

3.2.2 Which department deals with the problem above (1)

3.2.3 What is sad about the message of the above scenario (2)

3.2.4 What is the unemployment rate in South Africa (2)

3.2.5 What can government do to improve / reverse the above situation (4)

### 3.3 Study the extract below and answer the questions that follow

#### **Fate of humanity rests on Economics**

Thabo Mbeki, who has a degree in Economics, has quoted the call of Fidel Castro for politicians to study Economics. He said that political leaders should study Economics in order to solve the problems of equity, sustainable development and human security.

Economics is the basis on which the fate of humankind depends. It is also the basis from which our struggle for equality begins. Politicians who do not want to understand or who do not want to know economics are not worthy of exercising their duty in governing, said Mbeki.

**Source: *Sunday Argus***

- 3.3.1 Define the term economics. (2)
- 3.3.2 According to the extract, why should political leaders study Economics? (2)
- 3.3.3 List ONE career in the field of Economics. (1)
- 3.3.4 Explain any TWO difficulties faced by the social sciences (4)
- 3.4 Differentiate between economic goods and free goods. (8)
- 3.5 Discuss the effects of different *BUSINESS CYCLES* on economic growth and employment. (8)

**SECTION C- MACROECONOMICS****(40 MARKS – 45 MINUTES)****ANSWER ONLY ONE QUESTION FROM THIS SECTION.****CHOOSE QUESTION 4 OR 5****QUESTION 4:**

Discuss the phases and reasons of business cycles. (30)

Draw a well-labelled typical business cycle to support your discussion. (10)

<b>STRUCTURE OF THE ESSAY</b>	<b>MARK ALLOCATION</b>
<b>Introduction</b>	Max 2
<b>Body:</b>	Max 26
<ul style="list-style-type: none"> <li>• Main part: Discuss/Distinguish/Differentiate/Explain/Analyze/tabulate/ Evaluate /Assess /</li> </ul>	
<ul style="list-style-type: none"> <li>• In addition: Using a graph/diagram .../Deduce .../Outline/ Briefly explain/Expand on .../Your own opinion</li> </ul>	Max 10
<b>Conclusion</b>	Max 2
<b>TOTAL</b>	40

**QUESTION 5: MACROECONOMICS 40 MARKS – 45 MINUTES****“The circular flow model is a representation of what happens in the economy.”**

- Discuss the interaction between the participants in the circular flow. (30)

- Outline the differences between leakages and injection. (10)

<b>STRUCTURE OF THE ESSAY</b>	<b>MARK ALLOCATION</b>
<b>Introduction</b>	Max 2
<b>Body:</b>	Max 26
<ul style="list-style-type: none"> <li>• Main part: Discuss/Distinguish/Differentiate/Explain/Analyze/tabulate/ Evaluate /Assess /</li> </ul>	
<ul style="list-style-type: none"> <li>• In addition: Using a graph/diagram .../Deduce .../Outline/ Briefly explain/Expand on .../Your own opinion</li> </ul>	Max 10
<b>Conclusion</b>	Max 2
<b>TOTAL</b>	40