



HILLCREST HIGH SCHOOL

Grade 10

ECONOMICS P1

NOVEMBER 2025

MARKS: 150
TIME: 2 Hours

EXAMINER: Mr B. Moffatt
MODERATOR: Mrs C. Edy

This Paper Consists of 14 Pages

INSTRUCTIONS AND INFORMATION

1. Answer FOUR questions as follows in the ANSWER BOOK:
 - SECTION A: COMPULSORY
 - SECTION B: Answer TWO of the THREE questions.
 - SECTION C: Answer ONE of the TWO questions.
2. Answer only the required number of questions.
3. Answers more than the required number will NOT be marked.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Write the question number above each answer.
6. Leave at least ONE line between subsections of each question.
7. Read the questions carefully and start EACH question on a new page.
8. Answer the questions in full sentences and ensure that the format, content and context of your responses comply with the cognitive requirements of the questions.
9. Use only blue or black ink.
10. You may use a non-programmable pocket calculator.
11. Write neatly and legibly.

SECTION A: (COMPULSORY)**QUESTION 1:****30 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 – 1.1.8).

1.1.1 Which one of the following represents a normative statement?

- A. South Africa's GDP grew by 1.9% in 2022.
- B. The unemployment rate in Gauteng is higher than in Limpopo.
- C. The government should increase the minimum wage to reduce poverty.
- D. Eskom generated less electricity in 2023 compared to 2022

1.1.2 Which situation shows **relative scarcity**?

- A. A gold mine has collapsed, leaving no gold at all.
- B. A factory has the resources to produce both bread and shoes but must choose how much of each to produce.
- C. A town runs out of water after a flood damages the water system.
- D. A farmer's crops are destroyed by locusts, leaving no food to harvest.

1.1.3 Which human right is directly linked to democracy?

- A. The right to vote in free and fair elections.
- B. The right to own a business.
- C. The right to inherit property.
- D. The right to drive a car.

1.1.4 In the study of business cycles, the term **trough** refers to:

- A. The total length of one complete business cycle from peak to peak.
- B. The difference between the trend line and the actual level of economic activity.
- C. The lowest point in a business cycle.
- D. The time taken for the economy to recover after a downturn.

1.1.5 Which of the following best describes mercantile law?

- A. Law that governs family relations
- B. Law that regulates international trade and commerce
- C. Law that controls crime and punishment
- D. Law that manages property inheritance

1.1.6 Historically, what are poll taxes?

- A. Taxes charged per head of the adult population.
- B. Taxes charged on the use of roads.
- C. Taxes charged on people that do not work regular jobs.
- D. Poll taxes are optional taxes.

1.1.7 Which of the following is an example of economic migration?

- A. Fleeing a war zone.
- B. Moving to another country to find a better-paid job.
- C. Leaving home due to a natural disaster.
- D. Being forced out due to religious persecution.

1.1.8 High birth rates are characteristics of the ... stage in the demographic cycle.

- A. first
- B. second
- C. third
- D. fourth

(8x2=16)

- 1.2 Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A–G) next to the question number (1.2.1–1.2.8)

	Column A		Column B
1.2.1	Macroeconomics	A	Prices that have been adjusted for inflation.
1.2.2	Economic Goods	B	A rule that owners of a business are only responsible for debts up to the amount they invested.
1.2.3	Constant Prices	C	The average number of years a person is expected to live.
1.2.4	Unemployment decreases	D	Forced to leave their country because of war, persecution, or disasters.
1.2.5	Limited Liability	E	People of working age who are either employed or looking for work.
1.2.6	Life expectancy	F	Goods and services that are scarce, have a price, and provide satisfaction.
1.2.7	Refugees	G	Indicator in a business cycle.
1.2.8	Economically active population	H	The study of the whole economy, looking at big issues like growth, unemployment, and inflation.

(8x1=8)

- 1.3 Give one word / term for the following statements. Only write the word / term next to the question number. **Acronyms, examples and abbreviations will not be accepted.**
- 1.3.1 Out-flow of money from the circular flow. It consists of savings, taxes and import expenditure.
- 1.3.2 Statements based on factual observations or evidence and can be tested and verified through empirical analysis.
- 1.3.3 The sector that consists of the service and trade section of the economy.
- 1.3.4 An economic system in which the market mechanism (demand and supply) drives economic activities.
- 1.3.5 Process by which countries, businesses, and people become more connected and interdependent through increased trade, communication, and technology.
- 1.3.6 The movement of people from rural to urban areas. (1x6=6)

TOTAL SECTION A: 30

SECTION B:

Answer any TWO questions.

QUESTION 2: Macroeconomics

40 MARKS

2.1 Answer the following questions:

2.1.1 Name TWO careers related to economics.

(2x1)

2.1.2 How can businesses assist in reducing environmental problems?

(1x2)

2.2 Study the information below and answer the questions that follow:

CONSOLIDATED GOVERNMENT EXPENDITURE BY FUNCTION					
R billion	2024 / 25	2025 / 26	2026 / 27	2027 / 28	2024 / 25-2027 / 28
	Revised estimate	Medium-term estimates			Average growth
Learning and culture	482.3	508.7	536.4	562.4	5.3%
Health	277.2	298.9	313.7	328.9	5.9%
Social Development	397.0	427.0	445.9	458.3	4.9%
Community Development	267.8	286.6	293.5	305.6	4.5%
Economic Development	252.4	289.8	297.8	318.4	8.1%
Peace and security	250.4	267.6	279.2	288.8	4.9%
General public services	77.1	78.7	81.1	84.2	3.0%
Payment for financial assets	10.2	11.4	7.2	5.9	

[Adapted source: Provincial Treasury]

- 2.2.1 Which line item did government consistently spend the most on? (1)
- 2.2.2 Name ONE source of government income. (1)
- 2.2.3 Briefly describe the basic economic problem. (2)
- 2.2.4 What are the long-term benefits of government spending on healthcare? (2)
- 2.2.5 Using the budget above, explain how opportunity cost arises (is seen). (2x2=4)

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

Limpopo GDP is up, but the battle is far from won

Statistics South Africa (StatsSA) said the latest provincial gross domestic product (GDP) estimates provide an insight into the current state of regional economies, shedding light on the industries that drive production across the country.

It said Limpopo, Gauteng and the Western Cape registered the strongest growth rates. Limpopo expanded by 0.9%, mainly supported by the finance sector, including real estate and business services, along with personal services.

[Adapted from: <https://www.citizen.co.za/news/limpopo-gdp-up-but-battle-far-from-won/>]

- 2.3.1 Name ONE business you may find in the secondary sector. (1)
- 2.3.2 What has contributed to Limpopo's growth? (1)
- 2.3.3 Briefly describe the term GDP. (2)
- 2.3.4 Why is an increase in consumption needed for economic growth? (2)
- 2.3.5 Provide potential explanations for the growth experienced in the provinces mentioned. (2x2=4)
- 2.4 Discuss consumption and how it leads to major environmental problems. (8)
- 2.5 Differentiate between Exogenous and Endogenous reasons for fluctuations in business cycles. (8)

[40]

QUESTION 3: Economic Pursuits

40 MARKS

3.1 Answer the following questions:

- 3.1.1 Name TWO methods of saving. (2x1)

3.1.2 Why are taxes needed in the economy? (1x2)

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

After 1949, China adopted a **centrally planned economy** under Mao Zedong. The government controlled all land, industries, and resources. Private businesses were banned, and production was organised through **Five-Year Plans**.

Although China achieved rapid growth in heavy industry during the 1950s, the centrally planned system struggled with inefficiency. By the late 1970s, under Deng Xiaoping, China began shifting toward a **mixed economy** with market reforms.

[Adapted source: Wikipedia]

3.2.1 Name ONE advantage of a centrally planned economy. (1)

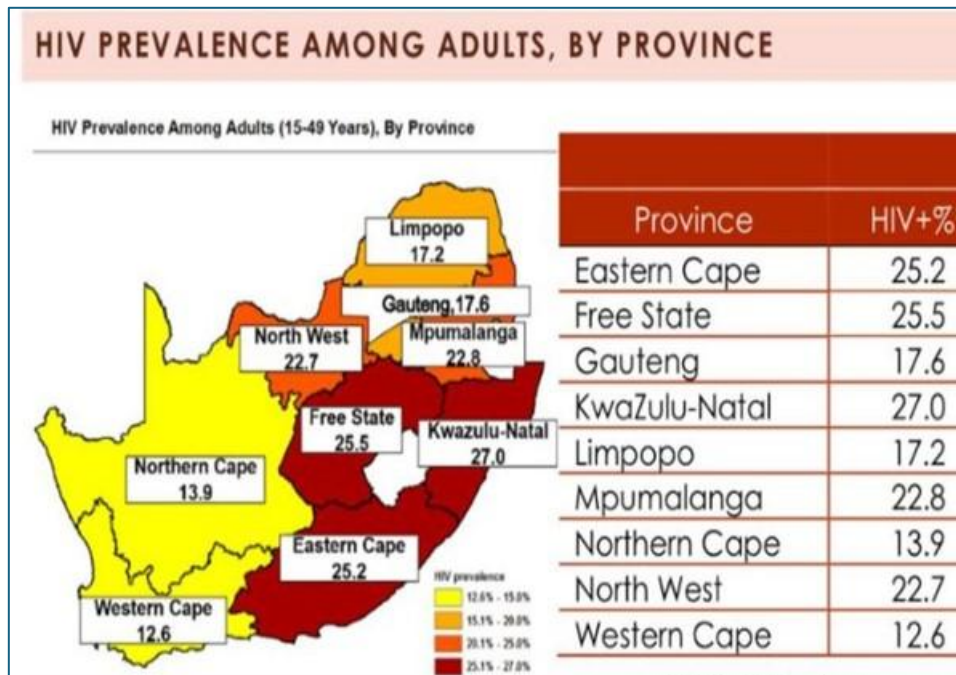
3.2.2 Who is often considered the father of socialism? (1)

3.2.3 Briefly explain the term *mixed economy*. (2)

3.2.4 What kind of problems could China have faced as a centrally planned economy? (2)

3.2.5 What further problems could China face under a mixed economy? (2x2=4)

3.3 Study the information below and answer the questions that follows:



3.3.1 Which province has the lowest HIV prevalence rate? (1)

3.3.2 Name ONE factor that could cause high HIV prevalence? . (1)

3.3.3 Describe the term *demographics*. (2)

3.3.4 How does high HIV rates affect the country? (2)

3.3.5 Evaluate government measures to reduce HIV/AIDS rates across the country? (4)

3.4 Discuss the need for savings in the economy. (8)

3.5 Discuss why unemployment has increased over the last few years. (8)

[40]

QUESTION 4: Macroeconomics & Economic Pursuits

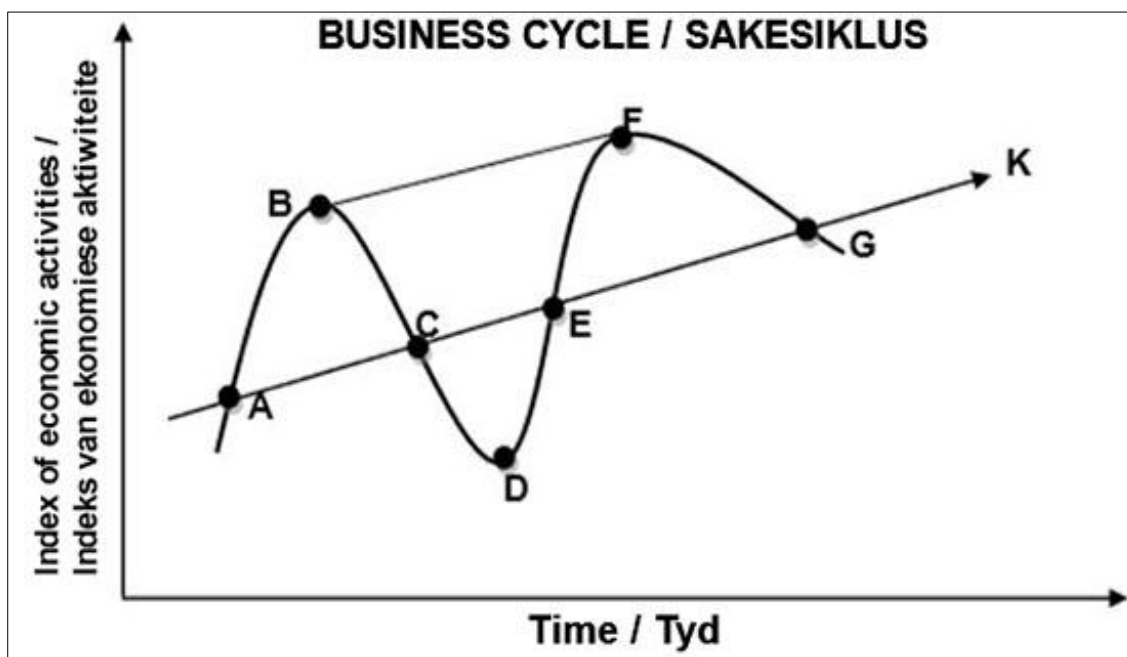
40 MARKS

4.1 Answer the following questions:

4.1.1 Name the TWO general periods that can be experienced in a business cycle. (2x1)

4.1.2 Why is GDP greater than GNI in South Africa? (1x2)

4.2 Study the extract below and answer the questions that follow:



4.2.1 Identify the letter that represents the trend line in the diagram above. (1)

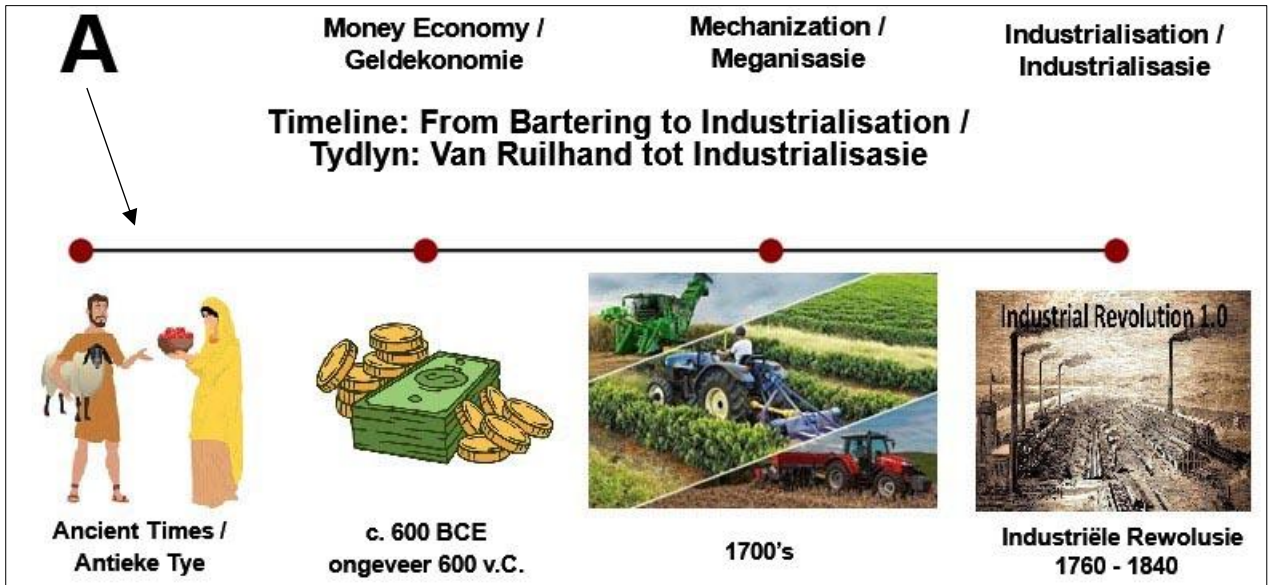
4.2.2 Identify the letter that represents the trough. (1)

4.2.3 Briefly explain the term *recession*. (2)

4.2.4 Discuss what happens in the economy from F to G. (2)

4.2.5 How does the economic activity from A to B affect price levels/inflation? (2x2=4)

4.3 Study the information below and answer the questions that follow:



4.3.1 Provide a suitable name for the label A. (1)

4.3.2 Why was A replaced with money? (1)

4.3.3 Describe the term *industrialisation*. (2)

4.3.4 How did the above process lead to inequality? (2)

4.3.5 Discuss ONE positive and ONE negative of industrialisation. (4)

4.4 Discuss the FOUR factors of production. (8)

4.5 How did industrialisation lead to transport and communication industries? (8)

[40]

SECTION C: ESSAY

Choose only ONE question: Either Question 5 OR Question 6.

STRUCTURE OF ESSAY	MARK ALLOCATION
<p>Introduction The introduction is a lower-order response</p> <ul style="list-style-type: none"> - 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 saying in the introduction what you are going to discuss in the body. 	Max. 2
<p>Body: Main Part: Discuss in detail / In-depth discussion / Examine / Critically discuss / Analyse / Compare / Evaluate / Distinguish / Differentiate / Explain. Additional Part: 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 / How / Suggest</p>	<p>Max. 26</p> <p>Max. 10</p>
<p>Conclusion: Any higher-order conclusion should include:</p> <ul style="list-style-type: none"> - A brief summary of what has been discussed without repeating facts already mentioned in the body. - Any opinion or valued judgement on the facts discussed. - Additional support information to strengthen the discussion/ analysis - A contradictory viewpoint with motivation, if required. - Recommendations 	Max. 2
TOTAL:	[40]

QUESTION 5

40 MARKS

- With the aid of a diagram, discuss in detail the circular flow model. (26)
- Evaluate the importance of an open economy. (10)

QUESTION 6

40 MARKS

- Discuss in detail the South African population size. Include the following in your discussion.
 - population growth
 - natural growth rate
 - projected growth rates. (26)
- How does population growth affect the government? (10)

TOTAL SECTION C: 40 MARKS

GRAND TOTAL: 150 MARKS

ECONOMICSGRADE 10 PAPER 1Marking Guidelines2025 TERM 4MARKS: 150

1.1 (Note to marker: if the learner provides more than one answer, the mark may not be awarded)

- 1.1.1 C✓✓
- 1.1.2 B✓✓
- 1.1.3 A✓✓
- 1.1.4 C✓✓
- 1.1.5 B✓✓
- 1.1.6 A✓✓
- 1.1.7 B✓✓
- 1.1.8 A/B✓✓

(8X2=16)

1.2 (Note to marker: if the learner provides more than one answer, the mark may not be awarded)

- 1.2.1 H✓
- 1.2.2 F✓
- 1.2.3 A✓
- 1.2.4 G✓
- 1.2.5 B✓
- 1.2.6 C✓
- 1.2.7 D✓
- 1.2.8 E✓

(8X1=8)

1.3 (Note to marker: No abbreviations may be accepted)

- 1.3.1 Leakages ✓
- 1.3.2 Positive statement✓
- 1.3.3 Tertiary sector✓
- 1.3.4 Market economy
- 1.3.5 Globalisation
- 1.3.6 Urbanisation

(6x1=6)

Total Section A:30 marks

SECTION B:

Choose any TWO questions.

QUESTION 2: Macroeconomics

40 MARKS

2.1 Answer the following questions:

2.1.1 Name TWO careers related to economics.

(2x1)

- Economist ✓
- Economic researcher ✓
- Financial analyst ✓
- Policy advisor ✓
- Investment banker ✓
- Accountant ✓
- Statistician ✓
- Development planner ✓
- Business consultant ✓
- Data analyst ✓
- Lecturer / Teacher in Economic ✓
- Accept any other relevant correct response

2.1.2 How can businesses assist in reducing environmental problems?

(1x2)

- By using environmentally friendly production methods (e.g. recycling, reducing waste). ✓✓
- By reducing pollution and conserving natural resources. ✓✓
- Accept any other relevant correct response

2.2

2.2.1 Which line item did government consistently spend the most on?

(1)

- Learning and culture ✓

2.2.2 Name ONE source of government income.

(1)

- Tax ✓
- Investments ✓
- Accept any other relevant correct response

2.2.3 Briefly describe the basic economic problem.

(2)

- The basic economic problem is scarcity — resources (land, labour, capital, entrepreneurship) are limited while human wants are unlimited ✓✓

- 2.2.4 What is the long-term benefits of government spending on healthcare? (2)
- Improved population health leads to a more productive workforce (higher labour productivity and economic output). ✓✓
- 2.2.5 Using the budget above, explain how opportunity cost arises. (2x2) (4)
- If the provincial government increases spending on healthcare, the opportunity cost may be less spending on infrastructure (roads/schools) because the budget is limited. ✓✓
 - The government needs to choose how to spend their scarce resources ✓✓
 - Accept any other relevant correct response
- 2.3
- 2.3.1 Name ONE business you may find in the secondary sector. (1)
- car assembly plant ✓
 - textile/manufacturing factory ✓
 - steel mill ✓
 - food processing plant ✓
 - furniture manufacturer. ✓
 - Accept any other relevant correct response
- 2.3.2 What has contributed to Limpopo's growth? (1)
- The finance sector ✓
- 2.3.3 Briefly describe the term GDP. (2)
- The value of final goods and services produced in a country in a year. ✓✓
- 2.3.4 Why is an increase in consumption needed for economic growth? (2)
- An increase in consumption raises aggregate demand; higher demand encourages firms to increase production, hire more workers ✓✓
- 2.3.5 Provide potential explanations for the growth experienced in the provinces mentioned. (2 x 2) (4)
- Increased production ✓✓
 - Increased population sizes
 - Foreign direct investment
 - MD

- 2.4 Discuss consumption and how it leads to major environmental problems. (8)
- Consumption is the use of goods and services by households. Rising consumption especially in high-income countries and growing middle classes drives resource use and environmental pressure ✓✓
 - Resource depletion: High consumption increases extraction of natural resources, leading to exhaustion of non-renewable resources and habitat loss ✓✓
 - Pollution and air/water contamination: Industrial production to satisfy consumption emits greenhouse gases and pollutants, causing air pollution and water contamination ✓✓
 - Biodiversity loss and deforestation: Clearing land for agriculture and manufacturing destroys ecosystems and reduces biodiversity ✓✓
 - Climate change: Fossil-fuel based consumption for transport, electricity, and industry is a main driver of global warming, with long-term environmental consequences ✓✓
 - MD
 - Max 4 for listing

- 2.5 Differentiate between Exogenous (Monetarist) and Endogenous (Keynesian) reasons for fluctuations in business cycles. (8)
- Exogenous (Monetarist) explanation: (4 marks)
- Fluctuations are caused by external shocks or monetary disturbances ✓✓
 - Sudden changes in money supply, technological shocks, supply shocks) that come from outside the demand-driven process. ✓✓
 - Monetarists emphasise the role of money supply and monetary policy. ✓✓
- Endogenous (Keynesian) explanation: (4 marks)
- Fluctuations arise from internal features of the economy ✓✓
 - Especially unstable aggregate demand, investment volatility, expectations, and the multiplier/accelerator interaction. ✓✓
 - Therefore, can be managed by fiscal/monetary policy ✓✓
 - Max 2 for listing [40]

QUESTION 3: Economic Pursuits

40 MARKS

- 3.1 Answer the following questions
- 3.1.1 Name TWO methods of saving. (2x1)
- Banks ✓
 - Insurance ✓
 - Pension funds ✓
 - Stokvels ✓
 - Accept any other relevant correct response
- 3.1.2 Why are taxes needed in the economy? (1x2)
- To finance government spending on public goods and services (education, healthcare, infrastructure). ✓✓
 - To redistribute wealth and reduce inequality. ✓✓
 - Accept any other relevant correct response

- 3.2
- 3.2.1 Name ONE advantage of a centrally planned economy. (1)
- More equality✓
 - Accept any other relevant correct response.
- 3.2.2 Name the father of socialism. (1)
- Karl Marx✓
- 3.2.3 Briefly explain the term *mixed economy*. (2)
- An economy that combines elements of both the market system (private ownership) and government intervention (public ownership/regulation.) ✓✓
- 3.2.4 What kind of problems could China have faced as a centrally planned economy? (2)
- Inefficiency and waste due to lack of competition. ✓✓
 - Shortages of goods and poor quality of products. ✓✓
 - Accept any other relevant correct response
- 3.2.5 What further problems could China face under a mixed economy? (2x2) (4)
- Rising inequality between rich and poor. ✓✓
 - Environmental degradation due to rapid industrialisation. ✓✓
 - Tension between government control and free market forces✓✓
 - Accept any other relevant correct response
- 3.3
- 3.3.1 Which province has the lowest HIV prevalence rate? (1)
- Western Cape✓
- 3.3.2 Name ONE factor that could cause high HIV prevalence? (1)
- Lack of education and awareness. ✓
 - Poverty leading to risky behaviour. ✓
 - Limited access to healthcare✓.
 - Accept any other relevant correct response
- 3.3.3 Describe the term *demographics*. (2)
- The statistical study of human populations, such as age, gender, income, education, and health. ✓✓
- 3.3.4 How does high HIV rates affect the country? (2)
- Reduces productivity and labour supply. ✓✓
 - Increases healthcare costs for government. ✓✓
 - Weakens the economy due to a shrinking workforce. ✓✓
 - Accept any other relevant correct response

- 3.3.5 Evaluate government measures to reduce HIV/AIDS rates across the country? (4)
- Awareness and education programmes have increased knowledge about prevention and safe practices. ✓✓
 - Free access to ARV treatment has improved the health and life expectancy of people living with HIV. ✓✓
 - Testing and counselling services are widely available, helping with early detection and support. ✓✓
 - However, challenges remain such as ongoing stigma, limited access in rural areas, and persistently high infection rates among young people. ✓✓
 - Accept any other relevant correct response
- 3.4 Discuss the need for savings in the economy. (8)
- Encourages investment → economic growth. ✓✓
 - Provides security for individuals in emergencies. ✓✓
 - Reduces dependence on foreign loans. ✓✓
 - Helps fund government projects through banks. ✓✓
 - Increases capital formation for future development. ✓✓
 - Accept any other relevant correct response
 - Max 4 for listing
- 3.5 In your opinion, why has unemployment increased over the last few years? (8)
- Slow economic growth and recession. ✓✓
 - Load shedding and energy crises limiting production. ✓✓
 - Mismatch between skills and job opportunities. ✓✓
 - Labour strikes and instability discouraging investment. ✓✓
 - Automation and technology replacing manual jobs. ✓✓
 - Corruption and poor governance. ✓✓
 - Accept any other relevant correct response
 - Max 4 for listing [40]

QUESTION 4: Macroeconomics & Economic Pursuits

40 MARKS

- 4.1 Answer the following questions
- 4.1.1 Name the TWO general periods that can be experienced in a business cycle. (2x1)
- Upswings✓
 - Downswings✓
 - Accept any other relevant correct response
- 4.1.2 Why is GDP greater than GNI in South Africa? (1x2)
- Many foreign companies operate in South Africa, and their profits are included in GDP but sent abroad (not part of GNI). ✓✓
 - Accept any other relevant correct response

- 4.2
- 4.2.1 Identify the letter that represents the trend line in the diagram above. (1)
- K✓
- 4.2.2 Identify the letter that represents the trough. (1)
- D✓
- 4.2.3 Briefly explain the term *recession*. (2)
- A period of negative economic growth, usually measured by two consecutive quarters of declining GDP✓✓
- 4.2.4 Discuss what happens in the economy from F to G. (2)
- Production decreases as demand for goods and services falls. ✓✓
 - Unemployment rises because businesses need fewer workers ✓✓
 - Accept any other relevant correct response
- 4.2.5 How does the economic activity from A to B affect price levels/ inflation? (2x2) (4)
- Rising demand and higher production push prices up. ✓✓
 - Inflation increases due to greater spending and economic growth. ✓✓
 - Accept any other relevant correct response
- 4.3
- 4.3.1 Provide a suitable name for the label A. (1)
- bartering✓
- 4.3.2 Why was A replaced with money? (1)
- Bartering was difficult and inefficient, and money made trade easier and fairer. ✓
 - Accept any other relevant correct response
- 4.3.3 Describe the term *industrialisation*. (2)
- The process where an economy changes from being based on agriculture and handicrafts to one based on manufacturing and industry. ✓✓
- 4.3.4 How did the above process lead to inequality? (2)
- Factory owners and industrialists became wealthy, while workers often remained poorly paid and faced poor working conditions. ✓✓
 - Accept any other relevant correct response
- 4.3.5 Discuss ONE positive and ONE negative of industrialisation. (4)
- Positive: Increased production and variety of goods, improving living standards. ✓✓
 - Negative: Poor working conditions, child labour, and environmental damage. ✓✓
 - Accept any other relevant correct response

- 4.4 Discuss the FOUR factors of production. (8)
- Land – natural resources used in production (e.g. minerals, water, soil). ✓✓
 - Labour – human effort, skills, and knowledge used in production. ✓✓
 - Capital – man-made resources such as machinery, tools, and buildings. ✓✓
 - Entrepreneurship – the ability to combine the other factors, take risks, and innovate to make a profit. ✓✓
 - Max 4 for listing
- 4.5 How did industrialisation lead to transport and communication industries? (8)
- Mass production increased the need to transport raw materials to factories and finished goods to markets.
 - Led to development of railways, roads, and shipping industries. ✓✓
 - Growing industries needed faster communication to manage trade and workers. ✓✓
 - This led to inventions such as the telegraph, telephone, and postal services. ✓✓
 - Improved infrastructure supported further economic growth and global trade. ✓✓
 - Accept any other relevant correct response
 - Max 2 for listing [40]

QUESTION 5

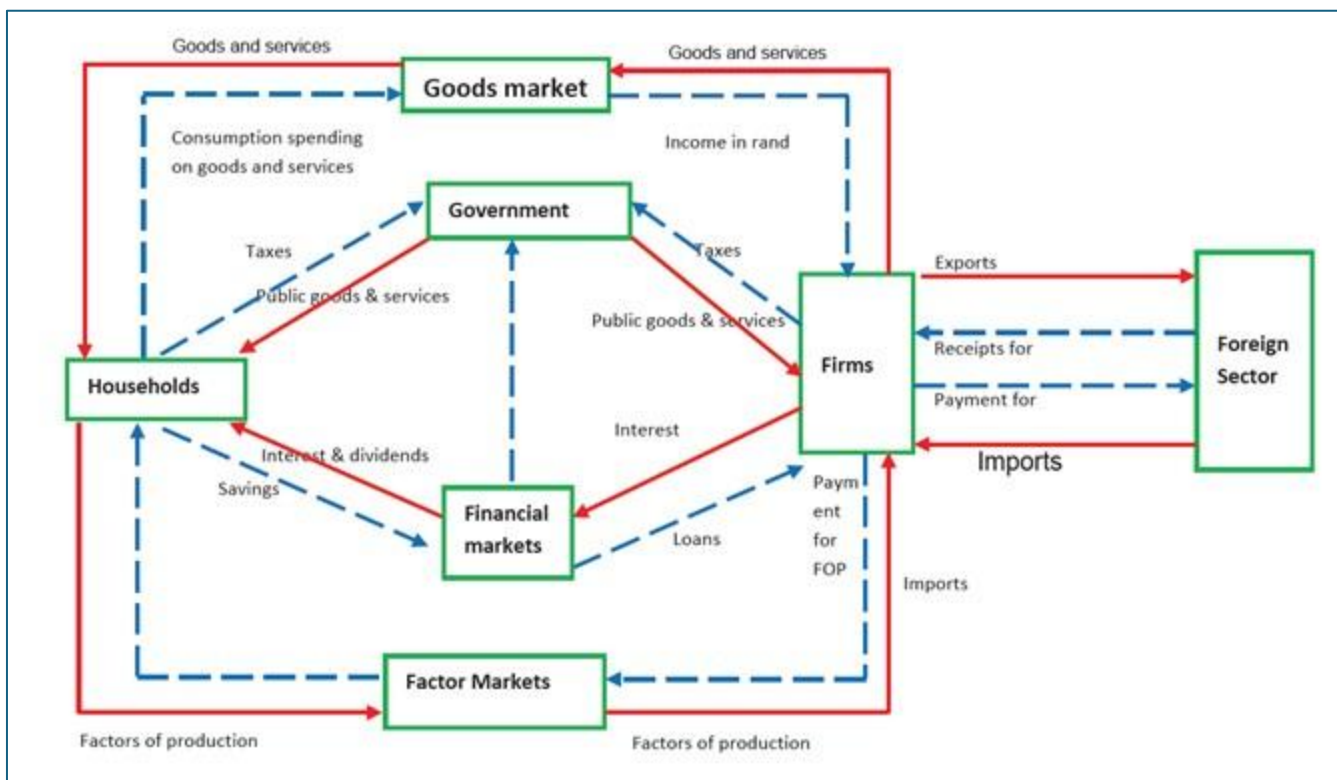
- With the aid of a diagram, discuss in detail the circular flow model. Include the following in your discussion:
 - Flows (real and money)
 - Injections and leakages (effects thereof on the equilibrium of the economy) (26)
- Evaluate the importance of the circular flow model of an open economy. (10)

INTRODUCTION (2 marks)

- The circular flow model of the economy is a simplification showing how the economy works and the relationship between income and spending in the economy as a whole. ✓✓
(Accept any other relevant correct response)

MAIN PART (26 marks)

DIAGRAM (5 MARKS)



- 1 mark for (government, households, firms)
- 1 mark for goods, financial and factor market
- 1 mark for foreign sector
- 1 mark for showing real flows
- 1 mark for showing money flows

- Real flows from the circular diagram:
 - Households sell factors of production through factor markets to firms ✓✓
 - Firms sell goods and services through the goods market to households ✓✓
 - Government provides public goods and services to firms ✓✓

- Government provides public goods and services to households ✓✓
- Foreign sector provides goods and services to firm and households ✓✓
- Money flows from the circular diagram:
- Payment for factors of production by firms to households ✓✓
- Consumption spending on goods and services by households to firms ✓✓
- Payment of taxes by firms and households to government ✓✓
- Payment for spending on goods and services to foreign sector ✓✓
- Injections
- The introduction of additional money into the economy by investment, government and payment for exports ✓✓
- Investment: Spending by firms on capital goods. ✓✓
- Receipts from exports: Goods and services produced locally and then sold to foreign countries ✓✓
- Government Expenditure: Buying of goods to provide a public good or service, eg roads
- Leakages
- Money withdrawn from the circular flow through savings, taxes and import expenditure
- Savings: When households do not spend some of their income. ✓✓
- Payment for imports: Goods and services produced in other countries and bought by local firms or households ✓✓
- Taxes: Compulsory payments made by private individuals or firms to the government with no direct benefit. ✓✓
- The economy will be in equilibrium when injections are equal to leakages. ✓✓
- This is when $J=L$.
- The economy will be in disequilibrium when injections are not equal to leakages. ✓✓
- $L > J$: If leakages are greater than the injections it means there are more withdrawals from the circular flow, which means a decrease in the national income of the economy. ✓✓
- $J > L$: If injections are greater than the leakages, it means more money is injected in the economy, which means an increase in the national income of the economy. ✓✓
- Award 1 mark for examples and listing, and a maximum of 8.

ADDITIONAL PART: (10 marks)

- Encourages international trade, allowing countries to access goods they cannot produce. ✓✓
 - Creates more job opportunities through exports and foreign investment. ✓✓
 - Promotes economic growth by expanding markets beyond domestic demand. ✓✓
 - Leads to greater choice and variety of goods and services for consumers. ✓✓
 - Encourages competition and innovation, which can improve quality and lower prices. ✓✓
- Max 4 for listing

CONCLUSION (2 Marks)

- Accept any relevant conclusion

QUESTION 6

40 MARKS

- Discuss in detail the South African population size. Include the following in your discussion.
 - population growth
 - natural growth rate
 - projected growth rates. (26)
- How does population growth affect the government? (10)

INTRODUCTION (2 marks)

- Population refers to the number of people in a single area, whether it be a city or town, region, country, continent, or the world. ✓✓

MAIN PART (26 marks)

Population growth:

- The total population in South Africa was last recorded at 59.31 million people in December 2020. ✓✓
- The population of South Africa represents 0.76 percent of the world's total population. ✓✓
- There are FOUR factors that affect the size of the population (Population growth):
- Birth rate: the number of live births per 1000 per year ✓✓
- Death rate (mortality rate): the number of deaths per 1000 per year. ✓✓
- Immigration: the number of people moving into the country. ✓✓
- Emigration: the number of people leaving the country of origin. ✓✓

Counting of the population:

- When the population of a country is counted, it is called a census. ✓✓
- The last census held in South Africa was in 2022. ✓✓
- It was also the third census of the first democratic government. ✓✓
- Population growth is an increase in the number of people who reside in a country. ✓✓
- A population is growing when: the birth rate is higher than the death rate and more people immigrate into the country ✓✓
- A population is decreasing when: the death rate (mortality rate) is higher than the birth rate. And more people emigrate to another country. ✓✓

Natural growth rate:

- Natural growth rate is the difference between the birth rate (live births) and the death rate of a population during a year. ✓✓

Projected growth rates:

- It is important to monitor the changes in the country's population growth rate. ✓✓
- The government, policymakers and planners use population projections to gauge future demand for food, water, energy, and services. ✓✓
- It gives the government and planners an idea of the composition of the labour force. ✓✓
- It gives the government and planners an idea on the size of future school age population - it assists governments to plan to meet the demand for housing, education (building of schools, number of teachers needed, educational infrastructure; desks, books, etc.). ✓✓
- Award 1 mark for examples and listing, and a maximum of 8.

ADDITIONAL PART (10 MARKS)

- Government must spend more on education (schools, teachers, resources). ✓✓
 - Increased demand for healthcare services and hospitals. ✓✓
 - More spending needed on housing and infrastructure (roads, water, electricity). ✓✓
 - Higher demand for social grants and welfare support. ✓✓
 - Pressure on government to create more jobs and reduce unemployment. ✓✓
- Max 4 for listing

CONCLUSION (2 MARKS)

- Accept any relevant conclusion