



HILLCREST HIGH SCHOOL

Grade 10

ECONOMICS P2

NOVEMBER 2025

MARKS: 150
TIME: 2 Hours

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

This Paper Consists of 12 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 Product differentiation in monopolistic competition means firms compete on:

- A. Price only
- B. Government regulation
- C. Quantity only
- D. Price, branding, advertising, and quality

1.1.2 Which of the following is a typical feature of oligopolies?

- A. No barriers to entry
- B. Interdependence between firms
- C. Firms are price takers
- D. Perfect information and free competition

1.1.3 Marginal utility (MU) refers to:

- A. The average satisfaction per unit consumed
- B. The additional satisfaction from consuming one extra unit of a good
- C. The total satisfaction from all goods consumed
- D. The minimum satisfaction required to consume a product

1.1.4 An increase in demand is shown by:

- A. A rightward shift of the demand curve
- B. A leftward shift of the demand curve
- C. An upward movement along the demand curve
- D. A downward movement along the demand curve

1.1.5 Labour productivity measures:

- A. The relationship between wages and total revenue.
- B. The efficiency of machines compared to human workers.
- C. The relationship between real output and the quantity of input used.
- D. The amount of profit made per unit of labour.

1.1.6 If the wage rate is too high relative to the supply of labour:

- A. There will be no unemployment
- B. Labour will be in oversupply
- C. Employers will demand more labour
- D. The supply curve will shift left

1.1.7 An example of South African Legislation:

- A. Formal Worker's Act.
- B. BBBEE.
- C. NEDLAC.
- D. Informal Unions Act.

1.1.8 One of the main objectives of the South African Constitution is to:

- A. Protect only the majority of the population.
- B. Establish racial segregation.
- C. Heal the divisions of the past and build a democratic society.
- D. Limit freedom of the press.

(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	Microeconomics	A	Businesses secretly agree to work together instead of competing, usually to fix prices or limit competition.
1.2.2	Law of diminishing utility	B	An official count of the population, usually including details like age, gender, and where people live.
1.2.3	Collusion	C	Special opportunities to disadvantaged groups to correct past unfair discrimination.
1.2.4	Heterogenous	D	Groups of workers and employers in a company who meet to discuss workplace issues and improve cooperation.
1.2.5	Census	E	Something that is different or varied in nature
1.2.6	Statistics South Africa	F	Study of how individuals, households and businesses make decisions about using limited resources.
1.2.7	Affirmative Action	G	The government agency responsible for collecting and publishing data.
1.2.8	Workplace forums	H	The more you consume of a good, the less extra satisfaction you get from each additional unit.

(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 The impact on a party that is not directly involved in the transaction.
- 1.3.2 Quantity of a good or service that producers plan to sell or are willing to sell at each possible price during a specific period of time.
- 1.3.3 A market structure that is controlled by a few dominant firms.
- 1.3.4 Aimed at poverty and income relief through temporary work to poor, unskilled and unemployment South Africans.
- 1.3.5 Setting the income of people at a level to assist them in supporting themselves and their families.
- 1.3.6 Citizens taking part in the decision-making process of the country. (1x6=6)

TOTAL SECTION A: 30

SECTION B:

Answer any TWO of the THREE questions.

QUESTION 2: MICROECONOMICS

40 MARKS

- 2.1 Answer the following questions.
- 2.1.1 List TWO factors that influence supply. (2)
- 2.1.2 How does market equilibrium form? (2)

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

Combination	Clothing (units)	Food (units)
A	20	0
B	18	10
C	15	20
D	10	30
E	0	40

2.2.1 What does a point inside the Production Possibility Curve represent? (1)

2.2.2 What is the shape of the Production Possibility Curve? (1)

2.2.3 Describe the term inefficiency. (2)

2.2.4 How does the information above demonstrate opportunity costs? (2)

2.2.5 Use the information above to draw a Production Possibility Curve. (4)

2.3 Study the information below and answer the questions that follow.



2.3.1 Provide the name for the market structure above. (1)

2.3.2 What does the term 'homogenous product' mean? (1)

2.3.3 Describe the term price taker. (2)

2.3.4 Explain why "free entry and exit" is an important condition. (2)

- 2.3.5 Explain the market structure alluded to above in 2.3.1. (4)
- 2.4 Discuss briefly the functions of markets. (8)
- 2.5 Debate arguments in favour or against minimum wages. (8)

[40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES

40 MARKS

- 3.1 Answer the following questions.
- 3.1.1 List TWO conditions in order to be compensated under The Compensation for Occupational Injuries and Diseases Act (COIDA). (2)
- 3.1.2 How has Black Economic Empowerment improved equality? (2)
- 3.2 Study the information below and answer the questions that follow.

We need to protect the rights of workers to build an inclusive economy

Dear Fellow South African,

We have just observed Workers' Day, which is commemorated across the world in honour of the struggles of workers for fair labour standards and conditions of work.

Since the advent of democracy in 1994, we have observed Workers' Day also to acknowledge the historical role of workers and the labour movement in our broader struggle for freedom.

Over the past 31 years we have made considerable progress in improving our labour laws and protecting the rights of workers.

Source: <https://www.gov.za>

- 3.2.1 What is the purpose of workers day? (1)
- 3.2.2 In which year did South Africa become a democracy? (1)
- 3.2.3 Briefly explain the purpose of the Labour Relations Act. (2)
- 3.2.4 Discuss ONE right of a worker within the workplace. (2)
- 3.2.5 How does the protection of worker's rights benefit both employees and employers? (4)
- 3.3 Study the information below and answer the questions that follow.



The transformative impact of RDP housing for South Africans and aim to assist in transforming communities for the better. Our country is a remarkable testament to resilience and rising to meet challenges, and with many vulnerable communities still in need of a helping hand, we are here to extend one through affordable housing initiatives.

Source: <https://www.qic.co.za/>

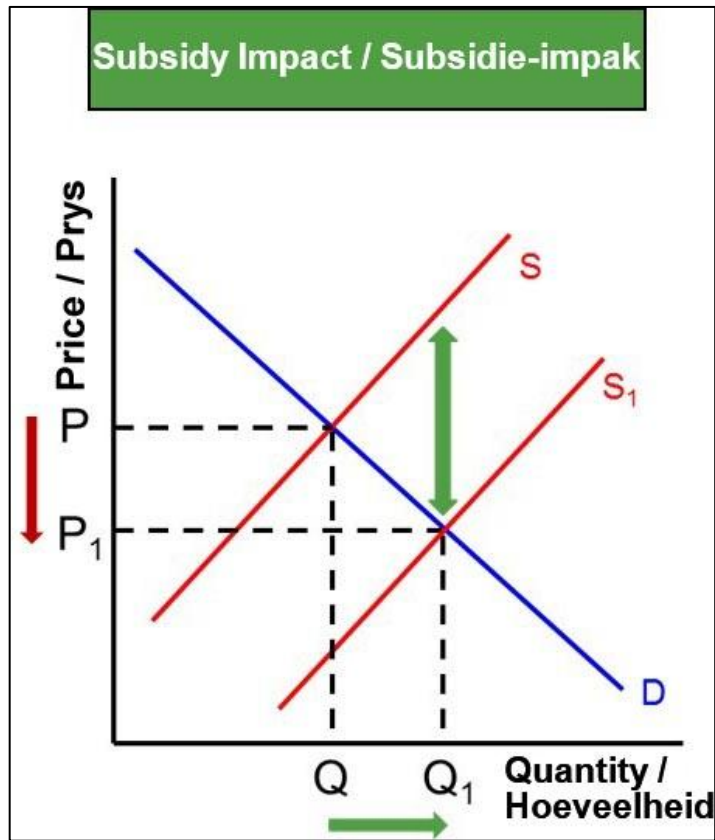
- 3.3.1 What is the main aim of RDP? (1)
- 3.3.2 What does RDP stand for? (1)
- 3.3.3 Briefly explain the term *economic redress*. (2)
- 3.3.4 How has RDP reduced inequality? (2)
- 3.3.5 What are the possible challenges that the RDP has faced? (4)
- 3.4 Discuss the government's effort to redress human resources. (8)
- 3.5 Evaluate the impact of unemployment on economically marginalised groups. (8)
- [40]

QUESTION 4: MICROECONOMICS & CONTEMPORARY ECONOMIC ISSUES 40 MARKS

- 4.1 Answer the following questions.
- 4.1.1 Name TWO indirect taxes. (2)

4.1.2 What is the relationship between technology and unemployment? (2)

4.2 Study the information below and answer the questions that follow.



- 4.2.1 Name ONE example of a merit good that the government may provide a subsidy on. (1)
- 4.2.2 What happened to supply once the subsidy was introduced? (1)
- 4.2.3 Describe the term subsidy. (2)
- 4.2.4 Why would government provide an export subsidy? (2)
- 4.2.5 Evaluate the positives and negatives of a subsidy on the economy. (4)

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

The biggest labour union at South Africa's state-owned port and rail company are starting final talks with a third-party arbitrator to resolve a wage dispute and stave off a potential strike by thousands of workers.

Should the talks at the Commission for Conciliation, Mediation and Arbitration on Wednesday and Thursday fail, the United National Transport Union will move to strike.

In a statement, the UNTU, representing more than half of Transnet's more than 46,000 employees, said it would issue a 48-hour strike notice if negotiations fall through.

Source: Businessday

- 4.3.1 Identify the trade union in the extract. (1)
- 4.3.2 Which state-owned enterprise is involved in the dispute? (1)
- 4.3.3 Briefly describe the role of a *trade union*. (2)
- 4.3.4 Why is collective bargaining important? (2)
- 4.3.5 What will the effects of a strike be on the economy? (4)
- 4.4 Explain the functions of the Commission for Conciliation Mediation and Arbitration (CCMA) in dispute resolution. (8)
- 4.5 Why is technology important in world markets? (8)
- [40]

Total Section B: 80 Marks

SECTION C: Answer any ONE of the TWO questions

You will be assessed as follows:

STRUCTURE OF ESSAY	MARK ALLOCATION
Introduction	Max 2
Body	
Main part: Discuss in detail / In-depth discussion / Examine / Critically discuss / Evaluate / Distinguish / Differentiate / Explain / Analyse / Compare / Assess / Debate.	Max. 26
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	Max. 10
Conclusion	Max 2.

Question 5:

40 MARKS

<u>Main Part</u>	
Discuss in detail the characteristics of a monopoly.	(26)
<u>Additional Part:</u>	
How do monopolies affect the economy?	(10)

Question 6:

40 MARKS

<u>Main Part</u>	
Discuss in detail the causes of unemployment and its effects.	(26)
<u>Additional Part:</u>	
Evaluate governments effort to address unemployment through entrepreneurship promotion.	(10)

Total Section C: 40 Marks

Grand Total: 150 Marks

ECONOMICS**GRADE 10 PAPER 2**
Marking Guidelines**2025 TERM 4****MARKS: 150**

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

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

(8X2=16)

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

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

(8X1=8)

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

- 1.3.1 Externalities✓
- 1.3.2 Supply✓
- 1.3.3 Oligopoly✓
- 1.3.4 Expanded Public Works Programme✓
- 1.3.5 Minimum Wage ✓
- 1.3.6 Democratisation/democracy✓

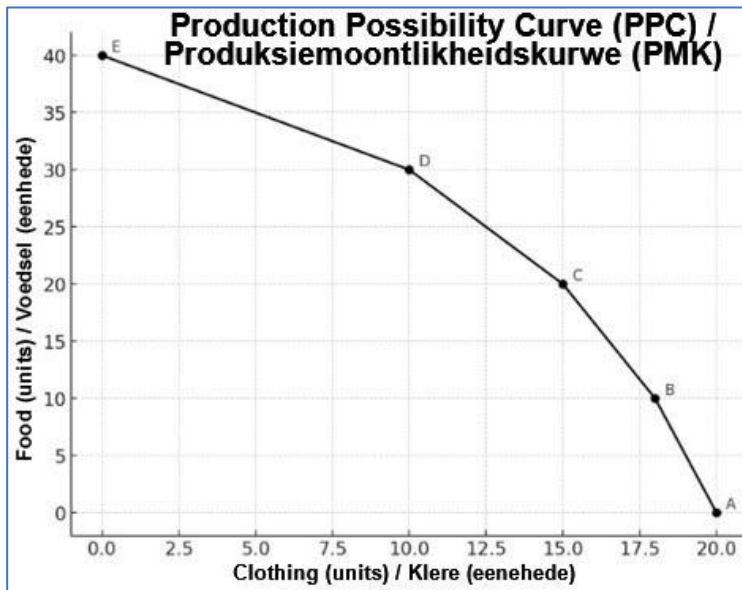
(6x1=6)

Total Section A:30 marks

QUESTION 2: MICROECONOMICS**40 MARKS**

- 2.1 Answer the following questions.
- 2.1.1 List TWO factors that influence supply. (2)
- New businesses entering the market✓**
- New improved technology✓**
- Labour improvements/ skills development✓**
- Availability of raw materials✓**
- Accept any other relevant correct response**
- 2.1.2 How does market equilibrium form? (2)
- Market equilibrium forms where the quantity demanded equals the quantity supplied✓✓**
- Accept any other relevant correct response**
- 2.2.1 What does a point inside the Production Possibility Curve represent? (1)
- Inefficiency / wastage of resources. ✓**
- 2.2.2 What is the shape of the Production Possibility Curve? (1)
- Concave/semi-circle✓**
- 2.2.3 Describe the term inefficiency. (2)
- Inefficiency means resources are not being used to their full potential, so the economy produces less than it could. ✓✓**
- Accept any relevant correct response**
- 2.2.4 How does the information above demonstrate opportunity costs? (2)
- Opportunity cost is shown by movement along the PPC: to produce more of one good you must give up some of the other good. ✓✓**
- Accept any other relevant correct response**

2.2.5 Use the information above to draw a Production Possibility Curve.



Marks:

1 mark for each axis labelled correctly (1x2)

2 marks for the correct shape (concave) (4)

2.3

2.3.1 Provide the correct name for the market structure above.

Perfect market ✓ (1)

2.3.2 What does the term 'homogenous product' mean?

Identical ✓ (1)

2.3.3 Describe the term price taker.

A firm that must accept the market price and cannot influence it because its own output is small relative to the market. ✓✓ (2)

2.3.4 Explain why "free entry and exit" is an important condition.

Free entry and exit is important because it allows new firms to join the market when profits exist and weak firms to leave when they make losses. ✓✓

keeps prices fair and resources used efficiently ✓✓

Accept any other relevant correct response (2)

2.3.5 Explain the market structure alluded to in 2.3.1 above.

- All products are the same ✓✓
- Free entry and exit of producers
- Many buyers and sellers
- Perfect knowledge of the market (4)

2.4 Discuss briefly the functions of markets. (8)

- **Allocating resources** ✓
- **If there are enough buyers for a product, then resources will be allocated to produce it** ✓✓
- **Bringing demand and supply together** ✓
- **Markets force buyers and sellers together and forces them to decide on a price** ✓✓
- **Self-regulatory** ✓
- **Markets can regulate themselves and do not need guidance** ✓✓

2.5 Debate arguments in favour or against minimum wages. (8)

Arguments in favour:

- **Reduce poverty:** Raises incomes of lowest-paid workers, improving living standards. ✓✓
- **Increase aggregate demand:** More income for low earners increases consumption, boosting demand. ✓✓
- **Reduce exploitation and inequality:** Prevents employers paying extremely low wages. ✓✓
- **Incentive to work:** Makes formal employment more attractive relative to informal/benefit dependence. ✓✓

Arguments against:

- **Potential unemployment:** employers may hire fewer workers (especially low-skilled). ✓✓
- **Increase costs for firms:** Leads to higher prices or reduced profits; small firms may struggle. ✓✓
- **Inflationary pressure:** Wage increases can pass into higher consumer prices. ✓✓
- **May reduce non-wage benefits/training:** Employers might cut hours, reduce benefits, or hire fewer apprentices. ✓✓ [40]

QUESTION 3: CONTEMPORARY ECONOMIC ISSUES 40 MARKS

- 3.1 Answer the following questions.
- 3.1.1 List TWO conditions in order to be compensated under The Compensation for Occupational Injuries and Diseases Act (COIDA) (2)
Must have happened *at work or because of work duties.* ✓
Injury at work ✓
Disease contracted at work ✓
The worker must report the injury/disease to the employer within the required time ✓
Accept any other relevant correct response
- 3.1.2 How has Black Economic Empowerment improved equality? (2)
It has given previously disadvantaged groups more access to jobs, business ownership and skills development. ✓✓
Accept any other relevant correct response
- 3.2.1 What is the purpose of workers day? (1)
To honour workers' struggles ✓
Accept any other relevant correct response
- 3.2.2 In which year did South Africa become a democracy? (1)
1994 ✓
- 3.2.3 Briefly explain the purpose of the Labour Relations Act. (2)
To protect workers and employers by setting rules for fair labour practices, collective bargaining, and resolving disputes. ✓✓
- 3.2.4 Discuss ONE right of a worker within the workplace. (2)
The right to equal pay for work of equal value ✓✓
The right to equal treatment ✓✓
The right to safe and hygienic working conditions. ✓✓
Accept any other relevant correct response
- 3.2.5 How does protecting workers rights benefit both employees and employers? (4)
Employees: Feel safe, respected, and fairly treated → higher motivation and productivity. ✓✓
Employers: Benefit from lower conflict, fewer strikes, and a more stable workforce. ✓✓
Accept any other relevant correct response
Max 2 for listing
- 3.3.1 What is the main aim of RDP? (1)

To improve living conditions and provide basic needs like housing, water, electricity, and health care. ✓

To transform communities for the better.

3.3.2 What does RDP stand for? (1)

Reconstruction and Development Programme. ✓

3.3.3 Briefly explain the term *economic redress*. (2)

Policies and actions to correct past inequalities and give opportunities to disadvantaged groups. ✓✓

Accept any other relevant correct response

3.3.4 How has RDP reduced inequality? (2)

By providing free or low-cost housing, services, and infrastructure to poor households who could not afford them. ✓✓

Accept any other relevant correct response

3.3.5 What are the possible challenges that the RDP has faced? (4)

Poor quality houses or infrastructure. ✓✓

Corruption and mismanagement of funds. ✓✓

Not enough houses for the demand (backlogs). ✓✓

Slow delivery due to limited resources. ✓✓

Accept any other relevant correct response

Max 2 for listing

3.4 Discuss the government's effort to redress human resources. (8)

Education and skills development: Expanding access to schools, higher education, TVET colleges and skills programmes to address inequalities and prepare people for the labour market. ✓✓

Training initiatives: Programmes such as *Sector Education and Training Authorities (SETAs)* provide learnerships, internships and workplace training. ✓✓

Employment equity: Laws such as the *Employment Equity Act* promote fair treatment, eliminate discrimination, and encourage diversity in workplaces. ✓✓

Affirmative action & BEE: Designed to redress past inequalities by creating opportunities for historically disadvantaged groups. ✓✓

Public works programmes: Initiatives like the *Expanded Public Works Programme (EPWP)* create temporary jobs and provide work experience. ✓✓

Accept any other relevant correct response

Max 4 for listing

- 3.5 Evaluate the impact of unemployment on economically marginalised groups. (8)

Increased poverty: Without income, many are trapped in cycles of poverty. ✓✓

Inequality worsens: Marginalised groups remain excluded from economic opportunities, widening the gap between rich and poor. ✓✓

Social issues: High unemployment often leads to crime, substance abuse, and social unrest. ✓✓

Dependence on welfare: Many unemployed people rely on government grants, increasing the burden on public finances. ✓✓

Accept any other relevant correct response

Max 2 for listing [40]

QUESTION 4: MICROECONOMICS & CONTEMPORARY ECONOMIC ISSUES 40 MARKS

- 4.1 Answer the following questions.

- 4.1.1 Name TWO indirect taxes. (2)

VAT (Value added tax) ✓

Excise duty/ Sin tax ✓

Sugar tax ✓

- 4.1.2 What is the relationship between technology and unemployment? (2)

Technology can lead to job losses when machines replace human labour (technological unemployment). ✓✓

Creates new jobs in advanced industries, improving productivity and efficiency. ✓✓

Accept any other relevant correct response

4.2.1 Name ONE example of a merit good that the government may provide a subsidy on. (1)

Education✓ / Healthcare✓ / Public transport✓ (any one).

4.2.2 What happened to supply once the subsidy was introduced? (1)

Supply increased. ✓

4.2.3 Describe the term subsidy. (2)

A subsidy is a financial grant given by the government to reduce production costs, encouraging producers to supply more at lower prices. ✓✓

4.2.4 Why would government provide an export subsidy? (2)

To make exports cheaper and more competitive in global markets. ✓✓

4.2.5 Evaluate the positives and negatives of a subsidy on the economy. (4)

Positives:

- **Encourages production and investment. ✓✓**
- **Makes goods/services more affordable, supporting consumers. ✓✓**

Negatives:

- **Expensive for government, increases budget burden. ✓✓**
- **Can lead to inefficiency and dependency by producers. ✓✓**

Accept any other relevant correct response

Max 2 for listing

4.3

4.3.1 Identify the trade union in the extract. (1)

UNTU ✓

4.3.2 Which state-owned enterprise is involved in the dispute? (1)

Transnet ✓

4.3.3 Briefly describe the role of a *trade union*. (2)

To represent workers' rights and interests and to negotiate better wages, benefits, and working conditions. ✓✓

Accept any other relevant correct response

(2)

4.3.4 Why is **collective bargaining** important?

Workers act collectively through their union, giving them stronger negotiating power. ✓✓

This ensures that agreements are made for the benefit of all employees, not just individuals. ✓✓

Accept any other relevant correct response

4.3.5 What will the effects be on the economy of a strike? (4)

Loss of productivity and output. ✓✓

Reduced investor confidence. ✓✓

Disruption of services and supply chains. ✓✓

Workers lose income during strikes. ✓✓

Accept any other relevant correct response

Max 2 for listing

4.4 Explain the functions of the Commission for Conciliation Mediation and Arbitration (CCMA) in dispute resolution. (8)

Ensures labour peace and stability in the economy. ✓✓

Protects workers from unfair dismissal or discrimination. ✓✓

Provides a platform for conciliation, mediation and arbitration of labour disputes. ✓✓

Ensures disputes are resolved fairly, quickly, and at low cost. ✓✓

Enforces compliance with labour laws and agreements. ✓✓

Accept any other relevant correct response

Max 4 for listing

4.5 Why is technology important in world markets? (8)

Improves productivity and efficiency in production. ✓✓

Reduces costs, allowing firms to compete globally. ✓✓

Facilitates e-commerce and online trade across borders. ✓✓

Enables innovation in goods and services. ✓✓

Increases access to international markets. ✓✓

Attracts foreign investment into technology-driven economies. ✓✓

Accept any other relevant correct response

Max 2 for listing

[40]

Total Section B: 80 Marks

Question 5:

40 MARKS

Main Part

Discuss in detail the characteristics of a monopoly. (26)

INTRODUCTION (Max. 2)

Monopoly exists where there is only one seller of a product, where the product has no close substitutes, and where barriers block entry into the market completely. ✓✓

(Accept any other correct relevant introduction)

MAIN PART (26 marks)

Number of firms/businesses ✓

The monopolist is the only supplier of a product which implies that there is no competition in this market structure. ✓✓

Nature of product ✓

The product is unique and it has no close substitutes which implies that consumers' choices are limited. ✓✓

The product has relatively inelastic demand which means that quantity demanded is less responsive to price changes. ✓✓

Market entry ✓

Market entry refers to how easy or difficult for the businesses to enter or to leave the market. ✓✓

Market entry into a monopoly market is entirely/completely blocked ✓✓

The reason why other producers are unable to supply the same product as the monopolist is that there are barriers that prevent them from entering the product market, ✓✓

such as high development costs, limited size of the market, exclusive ownership of raw materials, patents, licensing, sole rights, import restrictions. ✓✓

Control over price ✓

A monopolist has full control over the market price and it is regarded as a price maker. ✓✓

Monopolist can decide on price-quantity combination, that suits it the best, on the demand curve. ✓✓

There is always the possibility of consumer exploitation because a monopolist is the only supplier of a product. ✓✓

A monopoly business may restrict output or supply of the product to charge higher price, ✓✓ this is often limited by the market demand since monopolist does not have control over demand. ✓✓

Consumers have limited budgets and a monopoly can therefore not demand excessive prices for its product. ✓✓

Market information ✓

All buyers and the single seller have full knowledge about the current market conditions. ✓✓

This implies that there is high degree of transparency in the monopoly as there is no incentive for the monopoly to hide information from consumers ✓✓

Demand curve ✓

A Monopolist is faced with a normal demand curve which slopes downwards from left to right. ✓✓

The demand curve is relatively inelastic because the product has no close substitutes.

Demand curve for a monopoly is equal to its average revenue curve. ✓✓

(Allocate a maximum of 8 marks for headings and examples)

Additional Part: (10 marks)

How does monopolies affect the economy? (10)

Higher prices – Monopolies can charge more because there's no competition. ✓✓

Less choice – Consumers have fewer alternatives. ✓✓

Inefficiency – Without competition, firms may not innovate or improve quality. ✓✓

Barriers to entry – New businesses struggle to enter the market. ✓✓

Unequal wealth – Profits concentrate in the hands of one firm, increasing inequality.

Accept any other relevant correct response ✓✓

CONCLUSION (2 marks)

A monopoly fails to achieve both productive and allocative efficiency as they do not produce at the lowest possible average cost and do not produce at optimum output level. ✓✓

(Accept any other correct higher order conclusion)

Question 6:**40 MARKS****Main Part**

Discuss in detail the causes of unemployment. (26)

Introduction (2 marks)

Unemployment is when people who are willing and able to work cannot find a job. ✓✓

Accept any other relevant introduction

Main part (26 marks)**Frictional unemployment** ✓

- Unemployment that occurs when a worker is changing jobs or has resigned in order to search for a new job. ✓✓
- There are always unemployed people as well as vacancies at any given time. ✓✓
- However, it takes time to find the workers to fill the vacancies. ✓✓
- Time to fill posts can be reduced further by improving market information and placement services. ✓✓
- Types of unemployment also occurs under conditions of full employment. ✓✓

Seasonal unemployment ✓

- Unemployment that occurs at certain times of the year. ✓✓
- Employment and unemployment depend on the coming and going of seasons. ✓✓
- This is typical of the agricultural and services sector of the economy. ✓✓
- It appears and disappears on a regular, predictable basis. ✓✓
- It lasts for months at a time ✓✓

Cyclical unemployment ✓

- Unemployment due to a lack of demand for labour during the downswing of the business cycle. ✓✓
- During such periods, aggregate demand is low, and as a result there is a reduced demand for labour. ✓✓
- During recession few or no jobs are created for people entering the labour market. ✓✓
- Even existing workers may lose their jobs through retrenchment. ✓✓
- Once the economy improves the cyclical unemployed are employed again and people entering the market find work more easily. ✓✓
- Is not the result of the inability or inefficiency of individuals to find employment. ✓✓

Structural unemployment ✓

- Unemployment caused by a mismatch between the skills the employers require and the skills that employees offer. ✓✓
- Refers to the overall inability of the economy to provide employment for its total labour force.

- Even during periods of high economic growth, employment opportunities do not increase fast enough to absorb people who are already unemployed and those newly entering the labour market. ✓✓
- Causes unemployment rates to remain high for periods longer than the downswing of the business cycle ✓✓

(Allocate a maximum of 8 marks for headings and examples)

Additional Part:

Evaluate governments effort to address unemployment through entrepreneurship. (10)

Job creation through small businesses – Government supports entrepreneurs via the **Small Enterprise Development Agency (SEDA)** ✓✓

and **Incubation Support Programme**, helping create jobs. ✓✓

Support for black-owned businesses – Policies like **Broad-Based Black Economic Empowerment (B-BBEE)** encourage inclusivity, but compliance costs can be high for small start-ups. ✓✓

Skills development – Training and funding programmes improve business and technical skills. ✓✓

However, Many entrepreneurs struggle with access to finance, markets, and mentorship. ✓✓

Accept any other relevant correct response, max 2 for listing

Conclusion (2 marks)

Accept any higher order conclusion ✓✓