

SMARTWIZ

GRADE10 ECONOMICS EXAM

MARKS: 100

MARKS	

TIME: 2 hours

SCHOOL _____

CLASS (e.g. 4A) _____

SURNAME _____

NAME _____

Instructions for Learners:

- Read all the instructions carefully before you begin the exam.
- Write your name and learner number clearly on the answer sheet/booklet.
- Answer all the questions unless otherwise instructed.
- Show all your work/calculations where applicable.
- Write neatly and legibly.
- Use only blue or black ink. *Do not use correction fluid or tape.*
- No electronic devices (calculators, phones, etc.) are allowed unless explicitly permitted.
- Raise your hand if you have any questions.
- Do not talk to other learners during the exam.
- Any form of cheating will lead to disqualification.

This test consists of 6 pages including the cover page.

SECTION A: COMPULSORY (20 MARKS)

QUESTION 1: MULTIPLE CHOICE ($10 \times 1 = 10$)

Choose the correct letter (A–D) and write it next to the number.

1.1 The main function of the South African Reserve Bank is to:

- A. Provide loans to the public
- B. Regulate government spending
- C. Control inflation and interest rates
- D. Manage business taxes

Answer: _____

1.2 A country experiences a **trade surplus** when:

- A. Imports exceed exports
- B. Exports exceed imports
- C. Government spends more than it earns
- D. Production is higher than demand

Answer: _____

1.3 Which one is an **example of an indirect tax**?

- A. PAYE
- B. Customs duty
- C. Income tax
- D. Capital gains tax

Answer: _____

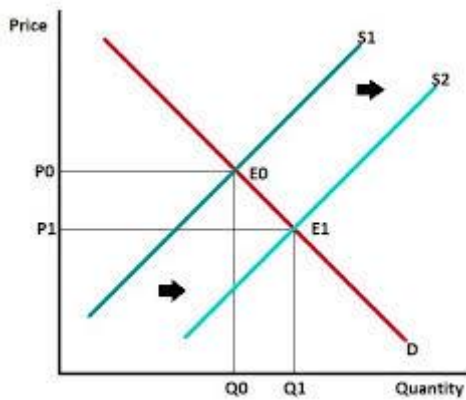
1.4 In the image below, what economic activity is being illustrated?



- A. Tertiary sector
- B. Secondary sector
- C. Primary sector
- D. Informal sector

Answer: _____

1.5 What happens in the diagram below when supply increases and demand remains constant?



- A. Prices increase
- B. Prices remain the same
- C. Prices decrease
- D. Supply becomes irrelevant

Answer: _____

1.6 What does the term “opportunity cost” mean?

- A. Money earned from overtime
- B. The best alternative given up
- C. Future financial reward
- D. The cost of imported goods

Answer: _____

1.7 Which policy is used to stimulate spending during a recession?

- A. Expansionary monetary policy
- B. Contractionary fiscal policy
- C. Inflation targeting
- D. Deregulation policy

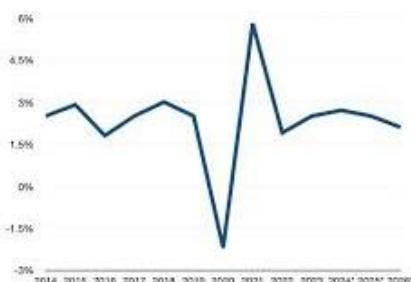
Answer: _____

1.8 Which of the following represents capital in production?

- A. Office chair
- B. Factory
- C. Land
- D. Labourer

Answer: _____

1.9 The graph below shows changes in GDP over five years. What economic trend does it show?



- A. Stagnation
- B. Recession
- C. Economic growth
- D. Trade deficit

Answer: _____

1.10 What is the purpose of a national budget?

- A. Promote free trade
- B. Track imports and exports
- C. Plan government income and expenditure
- D. Control consumer demand

Answer: _____

QUESTION 2: MATCHING ITEMS (5 × 1 = 5)

Match Column A with Column B.

Column A	Column B
2.1 Fiscal policy	A. Machines and tools
2.2 Capital goods	B. Buying and selling shares
2.3 Stock market	C. Government spending decisions
2.4 Inflation	D. General rise in prices
2.5 Mixed economy	E. Public and private ownership

- 2.1 _____
- 2.2 _____
- 2.3 _____
- 2.4 _____
- 2.5 _____

QUESTION 3: TRUE / FALSE (5 × 1 = 5)

Write **TRUE** or **FALSE** next to each statement. If false, correct it.

3.1 A subsidy is a tax charged on consumer goods.

3.2 Economic indicators help to measure the performance of an economy.

3.3 South Africa only uses a command economic system.

3.4 A decrease in interest rates usually increases borrowing.

3.5 The secondary sector includes manufacturing and construction.



SECTION B: SHORT QUESTIONS (40 MARKS)



QUESTION 4: PRODUCTION & FACTORS (10 MARKS)

4.1 Define the term "production". (2)

4.2 Identify and describe any three factors of production. (6)

1.

2.

3.

4.3 Name one way entrepreneurs combine resources to create goods. (2)



QUESTION 5: INTERNATIONAL TRADE & GLOBALISATION (10 MARKS)

5.1 Define the term "globalisation". (2)

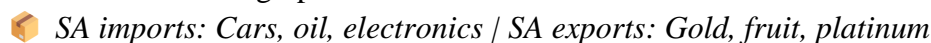
5.2 Explain how globalisation benefits consumers. (3)

5.3 Identify TWO negative effects of globalisation on developing countries. (2)

1.

2.

5.4 Look at the infographic below:

 SA imports: Cars, oil, electronics / SA exports: Gold, fruit, platinum

Name one reason why SA imports the items listed. (1)

5.5 Explain the role of customs duties in protecting local industries. (2)

QUESTION 6: TAXATION (10 MARKS)

6.1 Define direct tax and give an example. (2)

6.2 Why does the government need to collect taxes? (2)

6.3 Identify TWO effects of high taxation on businesses. (2)

1. _____
2. _____

6.4 Name TWO services funded by tax revenue. (2)

1. _____
2. _____

6.5 What is the difference between proportional and progressive taxation? (2)

QUESTION 7: ECONOMIC INDICATORS (10 MARKS)

7.1 Define gross domestic product (GDP). (2)

7.2 Refer to the table:

Year	GDP Growth Rate (%)
2020	-6.4%
2021	1.2%
2022	2.1%

Explain what happened to the economy from 2020 to 2022. (2)

7.3 Name TWO indicators used to measure standard of living. (2)

1.

2.

7.4 Explain the difference between nominal and real GDP. (4)

SECTION C: ESSAY (40 MARKS)

Answer **ONE** essay question below. Include an introduction, body, and conclusion.

QUESTION 8: THE ROLE OF GOVERNMENT IN THE ECONOMY

Write an essay discussing:

- The three levels of government
 - Roles of government in production, income distribution, and regulation
 - Reasons for government involvement
 - Advantages and disadvantages of government intervention
-

OR

QUESTION 9: DEMAND, SUPPLY & PRICING

Write an essay explaining:

- Definitions of demand and supply
 - Law of demand and law of supply
 - Factors influencing both (excluding price)
 - How prices are determined through interaction
 - Use diagrams to support your explanation
-

■ TOTAL: 100 MARKS



MEMO**■ SECTION A: COMPULSORY (20 MARKS)****QUESTION 1: MULTIPLE CHOICE ($10 \times 1 = 10$)**

- 1.1 C
- 1.2 B
- 1.3 B
- 1.4 C
- 1.5 C
- 1.6 B
- 1.7 A
- 1.8 B
- 1.9 C
- 1.10 C

✓ [10 marks]

QUESTION 2: MATCHING ITEMS ($5 \times 1 = 5$)

- 2.1 C – Fiscal policy
- 2.2 A – Capital goods
- 2.3 B – Stock market
- 2.4 D – Inflation
- 2.5 E – Mixed economy

✓ [5 marks]

QUESTION 3: TRUE / FALSE ($5 \times 1 = 5$)

- 3.1 FALSE – A subsidy is financial aid to support production, not a tax.
- 3.2 TRUE
- 3.3 FALSE – South Africa uses a mixed economy system.
- 3.4 TRUE
- 3.5 TRUE

✓ [5 marks]

■ SECTION B: SHORT QUESTIONS (40 MARKS)**QUESTION 4: PRODUCTION & FACTORS (10 MARKS)**

4.1 The process of combining inputs to produce goods and services. ✓ (2)

4.2 Any 3 factors with explanation (6):

- **Land:** Natural resources
- **Labour:** Human effort
- **Capital:** Tools/equipment used in production
- **Entrepreneurship:** The person who combines and manages the other factors

4.3 By using capital (machines), hiring workers, and managing the process. ✓ (2)

✓ [10 marks]

QUESTION 5: GLOBALISATION & TRADE (10 MARKS)

5.1 The increased connection between countries through trade, culture, and communication. ✓ (2)

5.2 Wider variety of goods, lower prices, better quality ✓ (3)

5.3

- Job losses
- Local industries may suffer ✓ (2)

5.4 SA imports certain goods due to **lack of local production** or **cheaper foreign options** ✓ (1)

5.5 Customs duties raise the price of imports to make local products more competitive ✓ (2)

✓ [10 marks]

QUESTION 6: TAXATION (10 MARKS)

6.1 Direct tax is paid directly to SARS by individuals (e.g., income tax) ✓ (2)

6.2 To fund public services and infrastructure ✓ (2)

6.3

- Reduces profit
- Decreases investment ✓ (2)

6.4

- Healthcare
- Education (any relevant answers) ✓ (2)

6.5

- Proportional: Same rate for everyone
- Progressive: Higher income = higher rate ✓ (2)

✓ [10 marks]

QUESTION 7: ECONOMIC INDICATORS (10 MARKS)

7.1 Total value of goods/services produced in a country annually ✓ (2)

7.2 Economic recovery and growth after 2020 downturn ✓ (2)

7.3

- Life expectancy
- Income per capita ✓ (2)

7.4

- **Nominal GDP:** Includes inflation
- **Real GDP:** Excludes inflation ✓ (4)

✓ [10 marks]

SECTION C: ESSAY (40 MARKS)

Marking guideline for **Question 8 or 9:**

Structure:

- **Introduction** – 3 marks
- **Body (Facts, Explanations, Examples)** – 30 marks
- **Conclusion** – 2 marks
- **Logical flow & structure** – 5 marks

QUESTION 8: GOVERNMENT IN THE ECONOMY

Expected content:

- National, provincial, and local government
- Roles: producer, regulator, income distributor
- Government reasons: reduce inequality, provide services
- Advantages: social justice, stability
- Disadvantages: inefficiency, overregulation

✓ [40 marks]

QUESTION 9: DEMAND, SUPPLY & PRICING

Expected content:

- Definitions
- Laws of demand/supply
- Factors influencing demand/supply (e.g., income, tech, cost of inputs)
- Price determined by intersection (equilibrium)
- Use of a demand-supply diagram

✓ [40 marks]

MYST PATHWORKS

TOTAL : 100



MYST PATHWORKS