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.

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- 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 Which economic indicator measures price level changes over time? A. CPI B. GDP C. Imports D. Interest rate Answer:
1.2 What is a direct result of scarcity in economics? A. Inflation B. Choice
C. Unemployment D. Economic growth Answer:
1.3 Which of the following is a feature of a socialist economy? A. Private property
B. Government ownership C. Profit motive D. Market competition
Answer:
1.4 In which market structure do businesses set prices freely with little government intervention? A. Monopoly B. Mixed economy C. Perfect competition D. Free market Answer:
1.5 A regressive tax system means: A. The more you earn, the less you pay in taxes B. Everyone pays the same percentage C. Tax is based on wealth D. Government refunds low-income earners Answer:
1.6 Which institution manages interest rates in South Africa? A. SARS B. Treasury C. Stats SA D. SARB

1.7 The following diagram represents the flow of:



A. Government spending
B. International trade C. Circular flow of income
D. Budget cycle Answer:
Allswei.
1.8 What effect does a decrease in income tax have?
A. Reduces disposable income
B. Increases imports
C. Increases disposable income
D. Increases VAT
Answer:
1.0 Which is NOT a function of manage
1.9 Which is NOT a function of money? A. Store of value
B. Unit of account
C. Measure of supply
D. Medium of exchange
Answer:
1.10 What does economic growth lead to in the long term?
A. Lower output
B. Higher unemployment
C. Improved standard of living
D. Higher inflation only
Answer:

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

Match Column A to Column B.

Column A	Column B
2.1 Demand	A. Spending more than income
2.2 Budget deficit	B. Willingness and ability to buy
2.3 Entrepreneurship	C. Involves buying and selling goods
2.4 Trade	D. Initiative to start a business
2.5 Consumer	E. End-user of goods and services

Answers: 2.1 _____ 2.2 ____ 2.3 ____ 2.4 ____

2.5 _____

✓ QUESTION 3: TRUE / FALSE $(5 \times 1 = 5)$
Write TRUE or FALSE. Correct the false statements.
3.1 GDP measures the total value of goods and services produced in a country.
3.2 A command economy is fully driven by supply and demand.
3.3 VAT is an example of a direct tax.
3.4 The tertiary sector focuses on raw material extraction.
3.5 Saving is considered a leakage in the circular flow.
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SECTION B: SHORT QUESTIONS (40 MARKS)
QUESTION 4: CIRCULAR FLOW & ECONOMIC PARTICIPANTS (10 MARKS)
4.1 Name FOUR participants in the circular flow model. (4)
4.2 Draw and label a simplified two-sector circular flow (households and firms). (4) ✓ Use space below:

4.3 Name two	leakages from the circular flow. (2)
QUESTI 5.1 Define prod	ON 5: PRODUCTION & SCARCITY (10 MARKS) duction. (2)
5.2 Explain the	effect of scarcity on production decisions. (4)
1. 2. 3. 4.	CON 6: GLOBALISATION & TRADE (10 MARKS) Dealisation. (2)
1 2 3	EEE advantages of international trade. (3) o reasons why countries import goods. (4)
6.4 Name one i	negative effect of globalisation. (1)

7.1 What are the four characteristics of good money? (4)
1
7.2 Define inflation. (2)
7.3 What is the impact of inflation on savings? (2)
7.4 Name ONE way the SARB controls inflation. (2)
SECTION C: ESSAY (40 MARKS)
Answer ONE of the following in essay format.
QUESTION 8: SOUTH AFRICAN ECONOMIC GROWTH
Discuss South Africa's economic growth by explaining:
 What economic growth means Causes of economic growth Benefits and limitations of growth Role of government in stimulating growth Conclusion with your opinion on how SA can grow inclusively
OR

QUESTION 9: TAXATION IN THE ECONOMY

Write an essay on taxation in South Africa. Include:

- Purpose and definition of taxation
- Types of taxes (direct and indirect) with examples
- How tax affects consumers and producers
- Challenges in tax collection
- Conclusion on the role of taxes in development

TOTAL: 100 MARKS



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✓ SECTION A: COMPULSORY (20 MARKS)

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

- 1.1 A
- 1.2 B
- 1.3 B
- 1.4 D
- 1.5 A
- 1.6 D
- 1.7 C 1.8 C
- 1.9 C
- 1.10 C
- **[10 marks]**

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

- 2.1 B Demand
- 2.2 A Budget deficit
- 2.3 D Entrepreneurship
- 2.4 C Trade
- 2.5 E Consumer
- **[5 marks]**

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

- **3.1 TRUE**
- 3.2 FALSE A command economy is controlled by the government.
- 3.3 FALSE VAT is an indirect tax.
- 3.4 FALSE The tertiary sector provides services.
- **3.5 TRUE**
- **[5 marks]**
- **SECTION B: SHORT QUESTIONS (40 MARKS)**

QUESTION 4: CIRCULAR FLOW & ECONOMIC PARTICIPANTS (10 MARKS)

- 4.1 Households, Firms, Government, Foreign sector ✓ (4)
- 4.2 Diagram must include:
 - Households and Firms
 - Arrows for goods/services and income
 - **(**4)
- 4.3 Savings, Taxes ✓ (2)
- **[10 marks]**

QUESTION 5: PRODUCTION & SCARCITY (10 MARKS)

- 5.1 The process of creating goods and services \checkmark (2)
- 5.2 Scarcity forces producers to allocate resources efficiently and make trade-offs. <a>(4)

5.3

- Land e.g., farm
- Labour e.g., teacher
- Capital e.g., machine
- Entrepreneurship e.g., business owner ✓ (4)
- **[10 marks]**

QUESTION 6: GLOBALISATION & TRADE (10 MARKS)

- 6.1 Increasing connection between countries through trade/technology (2)
- 6.2 Any THREE:
 - Access to wider markets
 - Better prices for goods
 - Access to new technology
 - **(**3)
- 6.3 Any TWO:

- Cannot produce all goods
- Lower production costs elsewhere
 - **4** (4)
- 6.4 Job losses in local industries \checkmark (1)
- **[10 marks]**

QUESTION 7: MONEY, BANKING, AND INFLATION (10 MARKS)

- 7.1 Durability, Portability, Divisibility, Acceptability (4)
- 7.2 Sustained increase in general price levels over time \checkmark (2)
- 7.3 Inflation reduces the real value of savings \checkmark (2)
- 7.4 Raise interest rates (2)
- **[10 marks]**
- **SECTION C: ESSAY (40 MARKS)**

Mark allocation:

- Introduction: 3
- Body: 30
- Conclusion: 2
- Structure/Relevance: 5

Total: 40

QUESTION 8: SOUTH AFRICAN ECONOMIC GROWTH

Points to include:

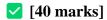
- Definition of economic growth
- Natural resources, investments, productivity as causes
- Benefits: higher income, employment
- Limitations: inequality, environmental damage
- Government's role in infrastructure, education
 - **40** marks]

OR

QUESTION 9: TAXATION IN THE ECONOMY

Points to include:

- Tax funds public services
- Direct (e.g., income tax), Indirect (e.g., VAT)
- Effects: reduces disposable income, can discourage production
- Challenges: evasion, corruption
- Importance of tax in reducing inequality



TOTAL: 100

