

SMARTWIZ

GRADE 10 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 answer and write only the letter (A–D) next to the question number.

1.1 Which of the following is a factor of production?

- A. Money B. Labour C. Profit D. Demand

Answer: _____

1.2 The basic economic problem is caused by:

- A. Unlimited wants and limited resources B. Unlimited resources and limited wants
C. Excess money supply D. Too much production

Answer: _____

1.3 A budget deficit means that:

- A. Government spending is less than revenue B. Government spending equals revenue
C. Government spending is more than revenue D. The budget is balanced

Answer: _____

1.4 The law of demand states that, other things being equal, when price increases, quantity demanded:

- A. Increases B. Decreases C. Remains the same D. Becomes unlimited

Answer: _____

1.5 Which economic system relies mostly on market forces?

- A. Traditional economy B. Command economy C. Mixed economy D. Market economy

Answer: _____

1.6 Inflation refers to:

- A. A fall in the general price level B. An increase in the general price level
C. The quantity of money in the economy D. Deflation

Answer: _____

1.7 Which sector involves the extraction of natural resources?

- A. Primary B. Secondary C. Tertiary D. Quaternary

Answer: _____

1.8 What does GDP stand for?

- A. Gross Domestic Product B. Government Debt Payment
C. General Demand Price D. Gross Domestic Price

Answer: _____

1.9 A monopoly is:

- A. A market with many sellers B. A market with one seller
C. A market with few buyers D. A market with no sellers

Answer: _____

1.10 If the price of a substitute product increases, the demand for the related good will:

A. Decrease B. Increase C. Stay the same D. Be eliminated

Answer: _____

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

Match Column A with Column B. Write only the letter next to the question number.

Column A	Column B
2.1 Inflation	A. A rise in general price level
2.2 Opportunity cost	B. The next best alternative foregone
2.3 Supply	C. Quantity producers are willing to sell
2.4 Scarcity	D. Unlimited wants, limited resources
2.5 Market	E. Place where buyers and sellers meet

2.1 _____
 2.2 _____
 2.3 _____
 2.4 _____
 2.5 _____

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

Write TRUE or FALSE. If FALSE, correct the statement.

3.1 A decrease in price leads to a decrease in demand.

3.2 The secondary sector involves manufacturing.

3.3 A tariff is a tax on imported goods.

3.4 Economic growth means an increase in GDP over time.

3.5 Monopoly markets have many competitors.

SECTION B: SHORT QUESTIONS (40 MARKS)

QUESTION 4: ECONOMIC PROBLEM (10 MARKS)

4.1 Define scarcity. (2)

4.2 Explain why scarcity leads to opportunity cost. (3)

4.3 Give two examples of opportunity costs a student might face. (2)

1.

2.

4.4 How can a business reduce the impact of scarcity? (3)

QUESTION 5: DEMAND AND SUPPLY (10 MARKS)

5.1 State the law of demand. (2)

5.2 Explain two factors other than price that affect demand. (4)

1.

2.

5.3 Define supply. (2)

5.4 Name two factors that can increase supply. (2)

1. _____
2. _____

QUESTION 6: ECONOMIC SECTORS (10 MARKS)

6.1 Name and briefly explain the three main economic sectors. (6)

1. _____

Explanation: _____

2. _____

Explanation: _____

3. _____

Explanation: _____

6.2 Which sector is most affected by technological advances? Explain. (4)

QUESTION 7: MACROECONOMIC INDICATORS (10 MARKS)

7.1 What is GDP and why is it important? (3)

7.2 Define inflation and describe one cause. (3)

7.3 What is unemployment? Give two possible causes. (4)

Definition: _____

Cause 1: _____

Cause 2: _____

SECTION C: ESSAY (40 MARKS)

Answer ONE of the following questions in essay format.

QUESTION 8: THE BASIC ECONOMIC PROBLEM

- Definitions of scarcity and opportunity cost
- How this problem influences business and consumer decisions
- Ways individuals and governments can manage scarcity

Write your essay below:

[illegible]

OR

QUESTION 9: DEMAND AND SUPPLY

Write an essay explaining the concepts of demand and supply. Include:

- The laws of demand and supply
- Factors affecting demand and supply (excluding price)
- What happens when demand and supply change in a market
- The role of price as a balancing mechanism

Write your essay below:

[illegible]

TOTAL: 100 MARKS

MEMO

SECTION A: COMPULSORY (20 MARKS)

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

- 1.1 B – Labour
- 1.2 A – Unlimited wants and limited resources
- 1.3 C – Government spending is more than revenue
- 1.4 B – Decreases
- 1.5 D – Market economy
- 1.6 B – An increase in the general price level
- 1.7 A – Primary
- 1.8 A – Gross Domestic Product
- 1.9 B – A market with one seller
- 1.10 B – Increase

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

- 2.1 A – A rise in general price level
- 2.2 B – The next best alternative foregone
- 2.3 C – Quantity producers are willing to sell
- 2.4 D – Unlimited wants, limited resources
- 2.5 E – Place where buyers and sellers meet

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

- 3.1 **FALSE** – A decrease in price leads to an **increase** in demand
 - 3.2 **TRUE**
 - 3.3 **TRUE**
 - 3.4 **TRUE**
 - 3.5 **FALSE** – Monopoly markets have **one** seller
-

SECTION B: SHORT QUESTIONS (40 MARKS)

QUESTION 4: ECONOMIC PROBLEM (10)

- 4.1 Scarcity: The condition of having limited resources to meet unlimited wants. (2)
- 4.2 Scarcity forces people to choose between alternatives, leading to opportunity cost (next best alternative foregone). (3)
- 4.3 Any TWO examples, e.g.:

- Choosing to study instead of going out with friends
 - Spending money on data instead of lunch ($2 \times 1 = 2$)
- 4.4 Solutions: Improve efficiency, innovate, prioritize spending, reuse resources (any $3 \times 1 = 3$)

QUESTION 5: DEMAND AND SUPPLY (10)

5.1 Law of Demand: As price increases, quantity demanded decreases and vice versa (2)

5.2 Two factors:

- Income levels
 - Consumer preferences/taste
- (Any $2 \times 2 = 4$)

5.3 Supply is the quantity of goods/services producers are willing and able to sell at a given price. (2)

5.4 Factors:

- Decrease in input costs
- Technological advancements ($2 \times 1 = 2$)

QUESTION 6: ECONOMIC SECTORS (10)

6.1

- Primary: Involves extraction of natural resources (e.g., mining, agriculture)
 - Secondary: Involves manufacturing (e.g., factories)
 - Tertiary: Involves services (e.g., transport, banking)
- ($3 \times 2 = 6$)

6.2 Tertiary sector – because digital platforms, e-commerce, and automation impact service delivery. (4)

QUESTION 7: MACROECONOMIC INDICATORS (10)

7.1 GDP: Total value of goods and services produced in a country in one year; it shows economic performance. (3)

7.2 Inflation: General rise in prices; cause – demand-pull inflation or increase in production costs. (3)

7.3 Unemployment: The condition where people able and willing to work cannot find jobs.

Causes:

- Economic downturn
- Low education/skills mismatch ($2 + 2 = 4$)

SECTION C: ESSAY (40 MARKS)

Mark out of 40 using the guide below.

MARKING GRID:

CRITERIA	MARKS
Introduction	3
Main content	30
Conclusion	2
Structure/Language	5
TOTAL	40

QUESTION 8: SCARCITY & UNLIMITED WANTS

Main points expected:

- Define scarcity and opportunity cost
 - Discuss the link between limited resources and choices
 - Examples of opportunity cost
 - How consumers, businesses, and governments deal with scarcity
 - Strategies such as prioritising needs, using alternatives, budgeting
-

QUESTION 9: DEMAND AND SUPPLY

Main points expected:

- Define and explain demand and supply
- Laws of demand and supply
- Non-price factors (e.g., income, taste, technology, input costs)
- Use of supply and demand curves (if drawn, award up to 3 marks)
- Price as a balancing mechanism – equilibrium
- Examples to support theory

TOTAL : 100