# **SMARTWIZ**

#### **GRADE10 CONSUMER STUDIES 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: CONSUMER CREDIT AND LOANS (30 marks)**

## Question 1 (10 marks)

1.1 Define the term <b>credit rating</b> .
1.2 Why is having a good credit rating important for consumers? (3)
1.3 Explain the difference between a <b>secured loan</b> and an <b>unsecured loan</b> . (4)
1.4 List two examples of collateral that might be used for a secured loan. (2)  1
Question 2 (10 marks)  2.1 What is the annual percentage rate (APR) on a loan?
2.2 Explain two factors a lender considers before approving a loan. (4)
2.3 What can happen if a borrower misses monthly repayments? (4)

Question :	3 (10 marks)
3.1 What is	a debt counselling service?
3.2 Explain	how debt counselling can help over-indebted consumers. (4)
1 2 3 4	two steps a consumer can take to avoid getting into debt. (4)
narks)	CTION B: CONSUMER PROTECTION AND LAWS (4 4 (15 marks)
	the purpose of the Consumer Protection Act (CPA)?
	r rights that the CPA gives consumers when buying goods or services. (4)
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4.4 Explain two ways consumers can resolve disputes if goods or services are faulty. (5)		
Question 5 (10 marks)		
5.1 What is <b>false advertising</b> ?		
5.2 Explain how false advertising can harm consumers and businesses. (4)		
5.3 What can consumers do if they believe they have been misled by an advertisement? (4)		
Question 6 (15 marks)		
6.1 What is the role of the <b>National Consumer Commission (NCC)</b> ?		
6.2 Describe two types of complaints that consumers can take to the NCC. (4)		
6.3 What documents should a consumer keep to help support a complaint? List three. (3)		
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5.4 Outline two benefits of understanding consumer rights. (4)
SECTION C: SUSTAINABLE CONSUMER PRACTICES (30 marks)
Question 7 (10 marks)
7.1 Define <b>ethical consumerism</b> .
7.2 Explain three ways consumers can practice ethical consumerism in daily life. (6)  1
Question 8 (10 marks) 3.1 What is a carbon footprint?
3.2 Give two examples of how consumers can reduce their carbon footprint. (4)
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8.3 How does reducing the carbon footprint benefit the environment? (4)	
Question 9 (10 marks)	
9.1 Explain the concept of <b>planned obsolescence</b> .	
9.2 How can consumers avoid falling victim to planned obsolescence? (3)	
9.3 List two advantages of buying second-hand products. (3)	
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**End of Exam Paper** 

TOTAL : 100

#### **MEMO**

## **\*\*EXECTION A: CONSUMER CREDIT AND LOANS (30 marks)**

#### **Question 1 (10 marks)**

- 1.1 Credit rating = A score or evaluation of a consumer's creditworthiness, based on their past borrowing and repayment history. (2)
- 1.2 Importance of a good credit rating:
  - Helps get loans approved
  - May receive better interest rates
  - Increases trust from lenders (3)
- 1.3 Difference between secured and unsecured loans:
  - Secured loan is backed by collateral (an asset pledged as security).
  - Unsecured loan has no collateral and is riskier for the lender. (4)
- 1.4 Examples of collateral:
  - House/property
  - Car/vehicle (2)

### Question 2 (10 marks)

- 2.1 APR = Annual Percentage Rate the yearly cost of a loan including interest and fees, expressed as a percentage. (2)
- 2.2 Factors lenders consider:
  - Credit history/credit score
  - Income level and stability (Explain each briefly) (4)
- 2.3 Consequences of missed repayments:
  - Increased debt due to penalties/interest
  - Negative impact on credit rating
  - Legal action or debt collection
  - Possible loss of collateral (4)

### Question 3 (10 marks)

- 3.1 Debt counselling = A service that helps over-indebted consumers manage and repay their debts. (2)
- 3.2 How debt counselling helps:
  - Negotiates better repayment terms with creditors
  - Creates a manageable payment plan
  - Helps avoid legal action and financial ruin
  - Educates consumers about financial management (4)
- 3.3 Steps to avoid debt:
  - Spend within means
  - Save regularly
  - Avoid unnecessary credit
  - Plan budget carefully (any two explained) (4)

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# **SECTION B: CONSUMER PROTECTION AND LAWS (40**

### marks)

### Question 4 (15 marks)

- 4.1 Purpose of Consumer Protection Act:
  - Protect consumers from unfair business practices
  - Ensure fair trade and safe goods/services
  - Provide mechanisms for complaints and redress (3)
- 4.2 Four consumer rights under CPA:
  - Right to safe products
  - Right to fair treatment
  - Right to information
  - Right to return faulty goods (4)
- 4.3 Implied warranty = A guarantee that goods will work as expected even if not explicitly stated. (2)
- 4.4 Ways to resolve disputes:
  - Contact seller to request repair/replacement/refund
  - Use Consumer Protection Act complaint procedures
  - Approach consumer court or ombudsman
  - Mediation or arbitration services (5)

### Question 5 (10 marks)

- 5.1 False advertising = Making untrue or misleading claims about products or services. (2)
- 5.2 Harm from false advertising:
  - Consumers may waste money on poor products
  - Loss of trust in brands/businesses
  - Damage to business reputation and possible legal action (4)
- 5.3 What consumers can do:
  - Report false advertising to authorities (e.g., NCC)
  - Demand refund or replacement
  - Inform others or write reviews
  - Take legal action if necessary (4)

### Question 6 (15 marks)

- 6.1 Role of National Consumer Commission:
  - Investigates consumer complaints
  - Enforces consumer laws
  - Educates consumers and businesses
  - Protects consumer rights (4)
- 6.2 Complaints handled by NCC:
  - Selling faulty or unsafe products
  - Unfair business practices
  - False advertising
  - Unfair contract terms (any two explained) (4)
- 6.3 Documents to keep for complaints:
  - Receipts
  - Warranties/guarantees
  - Contracts or agreements (3)
- 6.4 Benefits of understanding consumer rights:
  - Make informed decisions
  - Avoid being exploited
  - Know how to get help when needed

Promote fair trading (4)



# **X** SECTION C: SUSTAINABLE CONSUMER PRACTICES (30

### marks)

### Question 7 (10 marks)

7.1 Ethical consumerism = Buying products that are made in a socially responsible, environmentally friendly, and fair manner. (2)

7.2 Ways to practice ethical consumerism:

- Buy fair trade products
- Avoid products made with child labour
- Support companies that use sustainable materials (3)

#### 7.3 Importance of social impact:

- Ensures that purchasing does not support exploitation or harm to communities
- Promotes social justice and sustainability (2)

### Question 8 (10 marks)

- 8.1 Carbon footprint = The total greenhouse gas emissions caused directly or indirectly by an individual or product. (2)
- 8.2 Ways to reduce carbon footprint:
  - Use public transport or walk instead of driving
  - Use energy-efficient appliances or renewable energy sources (4)

#### 8.3 Benefits to environment:

- Reduces global warming
- Lowers pollution levels
- Conserves natural resources
- Protects ecosystems and biodiversity (4)

### Question 9 (10 marks)

- 9.1 Planned obsolescence = Designing products to have a limited useful life so consumers have to replace them frequently. (2)
- 9.2 Avoiding planned obsolescence:
  - Buy durable, high-quality products
  - Repair rather than replace
  - Research product lifespan before purchase (3)
- 9.3 Advantages of second-hand goods:
  - Cheaper than new products
  - Reduces waste and environmental impact (3)

