



eduresourcza.com

ECONOMIC AND MANAGEMENT SCIENCES

GRADE 9

ASSIGNMENT

TERM 1

Marks: 50

Time: 60 minutes

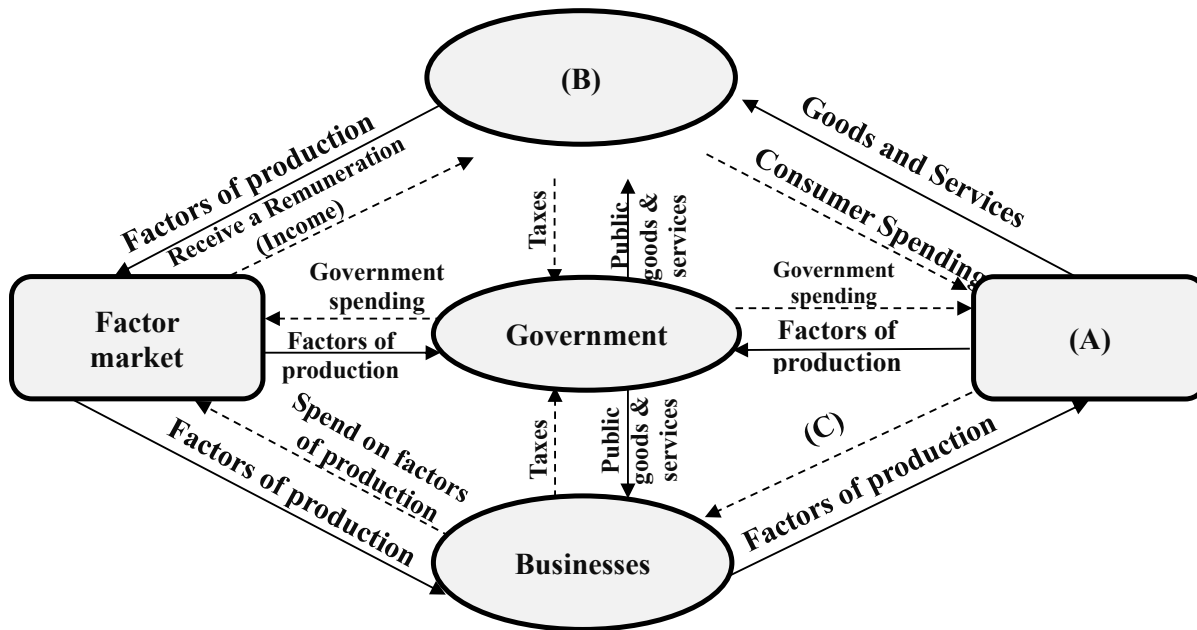
Instructions:

- Answer ALL the questions on the answer sheet provided.
- Answer only what is required.
- Write neatly and legibly

MEMORANDUM

THE ECONOMY**QUESTION 1 – CIRCULAR FLOW**

Study the following circular flow before answering the questions that follow



1.1 (A) – Goods and Services Market ✓✓ (B) – Households ✓✓ (4)

1.2 Each of the statements describe the flow of income in an economy. Indicate the relevant participant.

1.2.1 Earns wages from another participant - Households ✓✓

1.2.2 Sells goods and services to other participants - Businesses ✓✓

1.2.3 Provide labour to government and businesses - Households ✓✓

1.2.4 Pays personal tax to the government - Households ✓✓

(4x2) (8)

1.3. Label the four images illustrating the factors of production: (4)

A = Capital ✓	B = Natural Resources ✓
C = Entrepreneurship ✓	D = Labour ✓

1.4. Briefly discuss who the “households” are. Give your own reasons, for your answer, why they can be both consumers and producers. (2)

- Households consist of consumers. ✓
- They are responsible for consumption **by spending on goods and services.**
- Households **provide labour** which is a factor of production. ✓
- Any other relevant and correct answer.

1.5. Government provide public goods and services with the income they receive. List 2 services provided by government. (2)

- Education ✓
- Infrastructure ✓
- Health care
- Libraries
- Any other relevant and correct service.

1.6. If government were to increase household tax substantially, how would that impact consumer spending? (2)

- Consumers will have less disposable income as they are paying more tax. As a result they will have less money to spend and spending will decrease. ✓✓
- *Any other relevant and logical correct explanation.*

1.7. Explain why the circular flow is not an accurate reflection of economic reality. (2)

- It is a model of how money and goods and services flow. ✓ It is based on the assumption that households spend all their income, they receive goods and services and don't save anything. It also assume that all goods and services that are produced by businesses are purchased by households. ✓ This is not the case.

1.8. Closed. ✓ (1)
[25]

QUESTION 2 – ECONOMIC SYSTEMS

2.1.1. On which imported commodity did Russia spend the most money on?

Crude oil

(2)

2.1.2. When different countries trade commodities and money with one another, we are

referring to: **International trade / globalisation**

(2)

2.1.3. Complete the following table:

(2x2)

(4)

One advantage of the globalisation	One disadvantage of globalisation
- Increased market size. ✓✓ - Free flow of capital. - Access to a wider variety of products. - Free movement of labour. - Specialisation	- Brain drain ✓✓ - Outflow of profit from developing economies. - Exploitation of resources. - Dumping

- 2.2. Compare the role of each economic system with regard to each characteristic mentioned in the table below. (8)

Characteristic	Planned Economy	Mixed Economy
Government Control	The government takes full control of the economy ✓	The government is responsible for the environment in which business exist. Laws exist to ensure social needs motive are protected. ✓
Profit motive	Profit motive is replaced with social needs motive ✓	Profit motive drives businesses, while social needs motive exist to provide public goods and services to benefit the citizens ✓
Ownership of factors of production	Government ✓	Government and private ownership of factors of production. ✓
Prices	Prices controlled by the state. ✓	Demand and supply determines process with state intervention and control at times. ✓

- 2.3. Indicate how resources, the 4 factors of production will be allocated in a market economy. (4)

- Land : Private ownership of natural resources. ✓
- Labour : People free to work where they want. ✓
- Capital : Individuals control the flow. ✓
- Entrepreneur : Individuals free to start their own business. ✓

- 2.4. Are the following statements TRUE or FALSE? If it is FALSE, give the correct answer. (5)

2.5.1 Socialism is another word for a planned economy.
TRUE ✓

2.5.2 Economic problem of scarcity refers to the limited needs and unlimited resources.
FALSE ✓ – refers to unlimited needs and limited resources. ✓

2.5.3 Capital is controlled by individuals in a planned economy.
FALSE ✓ – Controlled by government ✓

[25]

TOTAL MARKS: 50