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LETHULWAZI COMPREHENSIVE SCHOOL

GRADE 9 ASSIGNMENT

TERM 1

MARKS: 50

TIME ALLOCATION: 60 MINUTES

DATE:

TOPICS: The Economy: Economic System, Circular flow

Name of Learner:

Class: 9.....

Teacher Feedback:

Question	Total Marks	Mark Achieved
1	10	
2	20	
3	20	

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Moderator: Sibiya Z

INSTRUCTIONS:

1. Complete the task individually in class.
2. Write your answers in the spaces provided.
3. Read questions carefully before answering.
4. Calculators may be used.
5. Mark allocation

Question 1	Question 2	Question 3	Total
10	20	20	50

Question 1 Multiple choice

1.1 indicate whether the following statements are TRUE or FALSE. Write only the word true or false in the space provided

	STATEMENTS	ANSWER
1.1.1	An economic system is the way in which people decide to organise the production, distribution and consumption of goods and services	True✓
1.1.2	What, How, and for Whom to produce are the basic economic questions that every society must answer	True✓
1.1.3	All societies must answer the three questions the same way	False✓
1.1.4	In a command economy, a central authority makes the decisions regarding what, how and for whom to produce	True✓
1.1.5	The global economy is characterized by free trade	True✓
1.1.6	In a market economy only the government decides what goods and services to produce	False✓
1.1.7	In a command economy, the aim of businesses is to make profit	False✓
1.1.8	In a command economy the government decides how goods and services that are produced will be distributed	True✓
1.1.9	In a market economy, decisions regarding production and consumption result from the interaction of consumers and producers	True✓
1.1.10	The USA is an example of command economy	False✓

(10)

QUESTION 1: The Economy

1.1 Explain the following terms:



1.1.1 Economic system (2)

A system that a country uses to solve its economic problems ✓✓

It answers the question of what, how and for whom to produce ✓✓

The way in which a country runs its economy ✓✓

2.1.2 Global Trade (2)

The buying and selling of goods and services across the world ✓✓

(4)

2.2 Give one example of the following

2.2.1 A country using planned economic system (1)

China
Cuba
Laos
North Korea
Vietnam

2.2.2 A country using mixed economic system (1)

South Africa
United Kingdom



2.3 Compare the role of each economic system with regard to each characteristic mentioned in the table below (10)

Characteristics	Planned economy	Market economy	Mixed Economy
Government control	central ✓	No control	Semi-control ✓

Profit motive	No ✓	Yes- the driving force	Yes-the driving force✓
Ownership of factors of production	Government	Private✓	Private✓
Allocation of resources	Government decides what production targets are and allocate resources accordingly✓	Consumers determine how resources are allocated✓	Government has key industries for whole economy. Provincial incentive scheme
Prices	Fixed- set by government ✓	Competition checks price	Competition determine prices✓

(10)

2.4 Explain how each of the following situations are typical of a market economy

2.4.1 Your sister, a student, was offered two jobs over the holidays. She chose the one closest to your home so she would have less travelling expenses. (2)

Freedom of choice"✓ in a market economy hence she chose the job closest to her home✓

2.4.2 You are saving for the latest fashionable sports shoes that are more expensive than any local brand. (2)

You have a variety of consumer goods to choose from✓ - "freedom of choice".✓

(4)

(20)

QUESTION 3 CIRCULAR FLOW

3.1 What is the remuneration for the following factors of production

3.3.1 Natural resources Rent✓✓ (2)

3.3.2 Labour Wages✓✓ (2)

3.3.3 Capital Interest✓✓ (2)

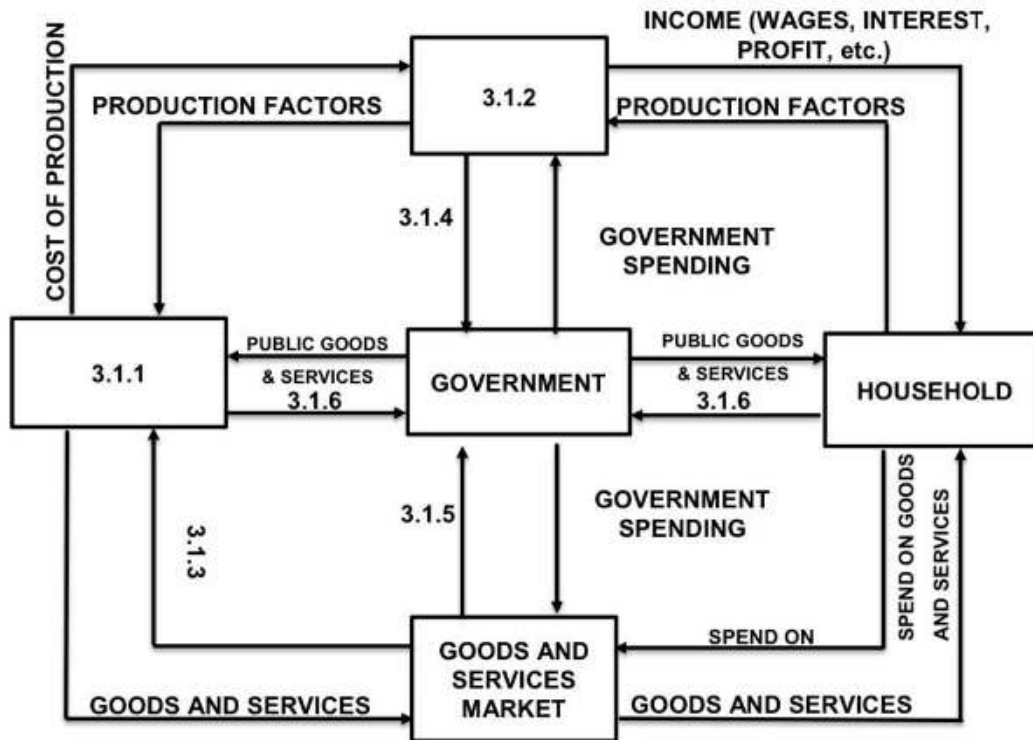
3.3.4 Entrepreneurship Profit✓✓ (2)

(8)

3.2 Study the following circular flow diagram before answering the questions that follow.

THE CIRCULAR FLOW

Study the following circular flow diagram before answering the questions that follow.



3.2.1 Identify 3.1.1 to 3.1.6 in the diagram above.

(6)

3.1.1 Businesses✓
3.1.2 Factor Market✓
3.1.3 Income from sales✓
3.1.4 Factors of production✓
3.1.5 Goods and services✓
3.1.6 Tax (Tax on profit)✓

3.2.2 Briefly discuss the government interaction with businesses

(4)

Government provides businesses with public goods and services✓✓
Businesses pay tax on profit from the sales to government✓✓

3.2.3 Name of the diagram above

(2)

Circular flow✓✓

(20)

Total (50)