

# ECONOMICS

**GRADE 10**

**Olympiad Paper**

**Round One**

**Marks: 30**

**Time: 1 hour**

**Date: 11 May 2022**



## Instructions

1. Complete questions on the ANSWER SHEET provided.
2. Complete all information on the ANSWER SHEET.
3. The ANSWER SHEET consist of 4 sections. Please select the correct section/subject.
4. There are 4 possible answers per question (A B C D)  
Only one answer is correct.  
Colour a circle completely.
5. Good luck!

## BASIC ECONOMIC CONCEPTS

1. The study of economics essentially focusses on:
  - A demand.
  - B supply.
  - C choice.
  - D equilibrium.
  
2. Economists make use of various methods to obtain data and to explain economic phenomena. Which method would be least effective for obtaining economic data and to explain economic phenomena?
  - A Experiments
  - B Models
  - C Graphs
  - D Research
  
3. A consumer orders a chicken burger and a cool drink combination that is on special instead of the usual beef burger that she prefers. This is a typical example of:
  - A scarcity.
  - B marginal utility.
  - C demand.
  - D opportunity costs.
  
4. Economics analyse human behaviour. As such economics can be classified as a:
  - A social science.
  - B economic science.
  - C management science.
  - D mathematical science.
  
5. In a study, an economist gives no or very little attention to specific units making up various aggregates. This study can best be described as in the field of \_\_\_\_\_ economics.
  - A macro
  - B micro
  - C positive
  - D Negative
  
6. All persons should have free access to wi-fi so that their standard of living can be better. This statement can best be seen as part of:
  - A positive economics.
  - B normative economics.
  - C negative economics.
  - D modern economics.

7. The demand that all consumers have for the latest iPhone forms part of:
- A international economics.
  - B monetary economics.
  - C micro-economics.
  - D macro-economics.
8. A consumer in a fast-food restaurant must decide what food to order when they arrive at the counter. When making this decision, the consumer is:
- A fulfilling a need.
  - B comparing marginal costs and marginal benefits.
  - C using scarce factors of production.
  - D making perfect decisions.
9. The concept *ceteris paribus* means that:
- A wants and needs are unlimited.
  - B wants are the same as needs.
  - C demand and supply will always be equal.
  - D a variable is kept constant.

#### THE ECONOMIC PROBLEM

10. A product fails to secure a price on the goods market. The demand for this product is, however, greater than the supply of this product. This product can be best described as one which:
- A is free.
  - B is scarce.
  - C has unlimited availability.
  - D has zero utility.
11. A product can be described as relatively scarce when there is a/an:
- A limited demand and unlimited supply.
  - B unlimited supply and limited demand.
  - C limited demand and limited supply.
  - D unlimited demand and limited supply.
12. The curve that shows various combinations of Product A and Product B that a consumer can purchase with a specific income X, is known as a:
- A production possibility curve.
  - B demand curve.
  - C supply curve.
  - D budget constraint curve.

13. Capital goods differ from consumer goods because:
- A consumer goods directly satisfy wants, while capital goods aid the production of consumer goods.
  - B consumer goods directly satisfy wants, while capital goods aid the production of free goods.
  - C capital goods directly satisfy wants and consumer goods aid the production of consumer goods.
  - D capital goods refer to money as an economic resource.
14. When land, labour, capital and entrepreneurship are combined, it is known as:
- A manufactured resources.
  - B factors of supply.
  - C free goods.
  - D inputs.
15. The sector concerned with offering intangible goods and services to consumers, e.g. tourism, is known as the \_\_\_\_\_ sector.
- A primary
  - B secondary
  - C tertiary
  - D quaternary
16. Salt is bought by a household to be used when preparing food. Salt will be classified as a/an:
- A final good.
  - B intermediate good.
  - C production good.
  - D capital good.
17. Street lights can be described as non-excludable because:
- A it is defined by unlimited human wants and needs on the one side and scarcity on the other.
  - B it is not scarce and as such, available in large quantities.
  - C it can be used simultaneously by an unlimited number of consumers.
  - D it is impossible to prevent someone who has not paid for it from enjoying the benefits of it.

#### THE CIRCULAR FLOW

18. A company in South Africa purchases goods from a company in Botswana. This can be described as:
- A macro trade.
  - B international trade.
  - C national trade.
  - D entrepot trade.

19. Which sector is excluded in a closed economy model?
- A Consumer
  - B Producer
  - C Government
  - D Foreign
20. The general function of the government sector in the circular flow model is to:
- A produce goods and services.
  - B create an environment in which the economy can operate.
  - C tax citizens.
  - D supply factors of production.
21. The circular flow model represents the flow of:
- A demand, supply and equilibrium.
  - B production, income and expenditure.
  - C households, companies and government.
  - D wants, needs and scarcity.
22. Rent, wages, interest and profits represent the:
- A money that flows out of South Africa when we import goods and services.
  - B flow of goods from producers via the goods markets to households and other users of these goods.
  - C remuneration of factors of production for participating in the economy.
  - D savings of the participants of the economic flow model.
23. What is the function of households in a basic two-sector circular flow model?
- A Spend their income in the product market.
  - B Purchase resources from companies.
  - C Receive income via the product market.
  - D Produce goods.
24. An example of a **durable good** is:
- A food.
  - B clothing.
  - C stove.
  - D make-up.

### QUANTATIVE ELEMENTS

25. According to an economic report, the economy of Country A is 5% bigger than the economy of Country B. This illustrates that:
- A the value of the currency in Country A is higher than that of Country B.
  - B more goods and services were produced in Country A than in Country B.
  - C the value of all goods and services produced in a year within Country A's borders are greater than that of Country B.
  - D the value of imports from Country A is bigger than the net exports from Country B to Country A in any given year.

26. The GDP for Country A and Country B is provided:

	2020	2021
<b>Country A</b>	R3 385 000	R3 495 000
<b>Country B</b>	R3 408 000	R3 508 000

According to this information, the GDP of:

- A Country A has decreased by 3.24% from 2020 to 2021.
  - B Country A has increased by 3.24% from 2020 to 2021.
  - C Country B has increased by 2.85% from 2020 to 2021.
  - D Country B has decreased by 2.85% from 2020 to 2021.
27. The basic difference between a country's GDP and GNI is:
- A that GDP is location-based and GNI is ownership-based.
  - B that GDP is ownership-based and GNI is location-based.
  - C that GNI and GDP is not related to one another.
  - D that GNI is measured in Rand and GDP in volume.
28. The real GDP per capita differs from the nominal GDP per capita as it:
- A divides the country's GDP by the total population.
  - B subtracts imports and adds exports.
  - C ignores the foreign sector.
  - D excludes the effect of inflation.
29. An increase in the real GDP per capita over time is best described as:
- A a business cycle.
  - B a period of recession.
  - C economic growth.
  - D an inflationary boom.

30. A country experiences a phase of economic growth and overall prosperity in the economy. Which one of the following statements is true?
- A Income, expenditure and production tend to decrease.
  - B Investments, savings and spending declines.
  - C Existing capacity of producers is underutilised.
  - D Factors of production are relatively scarce.