

High School Olympiad

Guiding the leaders of tomorrow

ECONOMICS

GRADE 10

Olympiad Paper

Round One

Marks: 30

Time: 1 hour

Date: 12 May 2021



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!

PROVERTO EMS OLYMPIAD 2021 – GRADE 10

ECONOMICS

ROUND 1

BASIC ECONOMIC CONCEPTS

1. Economics focuses on:
 - A limited wants and unlimited means.
 - B limited wants and limited means.
 - C unlimited wants and unlimited means.
 - D unlimited wants and limited means.

2. Clive and Sarah visit a local restaurant that has a special on unlimited refills of a glass of cold drink at a fixed price of R29. The economic concept at play here is:
 - A demand and supply.
 - B price formation.
 - C marginal utility.
 - D opportunity costs.

3. As a science, macro-economics studies:
 - A how the individual role player in economy behaves.
 - B inflation, national income, gross domestic product (GDP) and changes in unemployment.
 - C what's likely to happen when individuals make certain choices.
 - D demand and supply of all the participants in the economy.

4. As a result of lockdown regulations instituted as a result of the Covid pandemic, total output of goods in the economy has decreased. This will typically be seen as part of:
 - A positive economics.
 - B normative economics.
 - C micro-economics.
 - D macro-economics.

THE ECONOMIC PROBLEM

5. Natural resources can fall outside the realm of scarcity. Which one of the following reasons are NOT correct?
 - A Anything available in practically infinite supply that can be consumed at zero trade-off of other goods, is not scarce.
 - B Consumers are indifferent to a resource and may not have any desire to consume it.
 - C Because consumers are unaware of it, or its potential use has zero utility.
 - D There is an unlimited supply of a natural resource, and the cost of using it is R0.

6. Vaccines for Covid-19 are produced in vast numbers by various pharmaceutical companies. These vaccines can be described as:

- A scarce.
- B relatively scarce.
- C free goods.
- D relatively free goods.

7. A scuba diver uses compressed air when diving. He is charged R60 to refill his cylinder with compressed air. The compressed air can be seen as a/an _____ good.



- A economic
- B free
- C positive
- D unlimited

8. The economic sector depicted in the picture can best be described as the:



- A primary sector.
- B secondary sector.
- C tertiary sector.
- D services sector.

9. Sugar is used in the factory to manufacture sugar syrup, which is used in the manufacturing of cooldrink. The cooldrink can best be described as a/an:

- A final good.
- B intermediate good.
- C consumer good.
- D capital good.

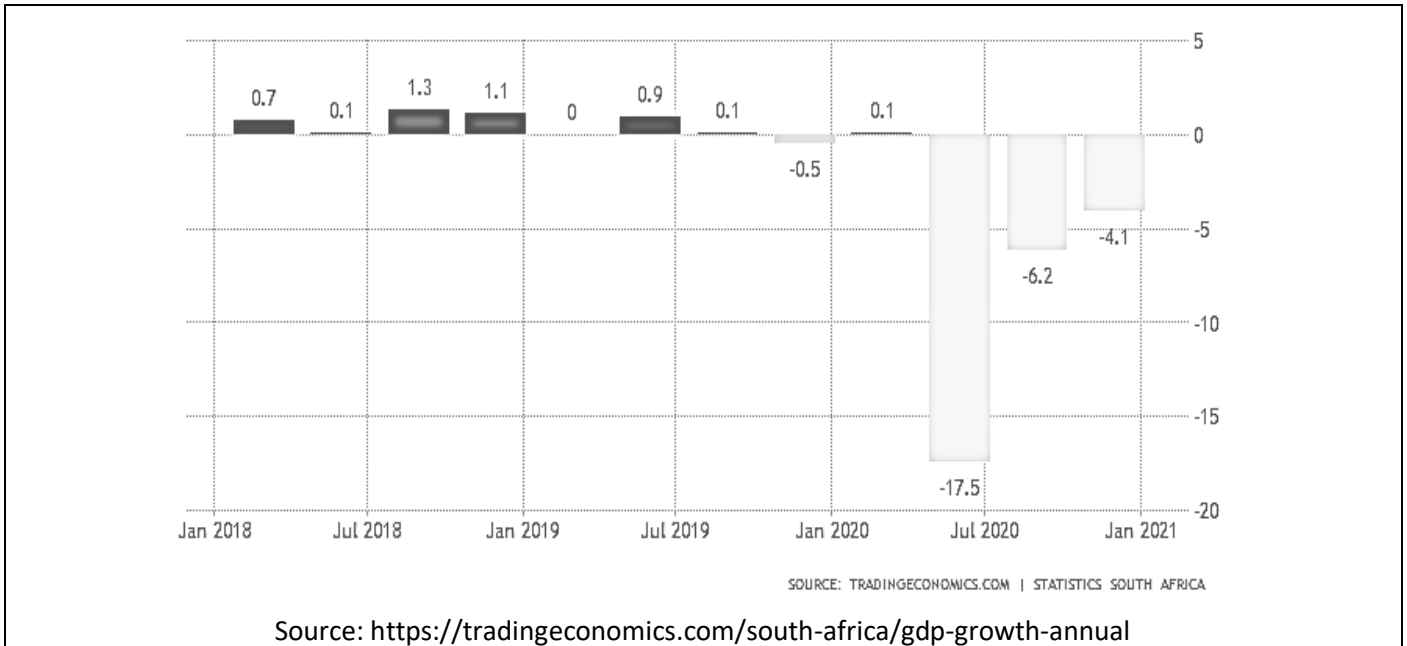
10. After the lockdown regulations were relaxed, the management of the local zoo decided to make 100 free tickets available to visitors, while other visitors could buy tickets at a reduced price. The visit to the zoo can best be described as an exclusion because:

- A few people are willing to buy tickets in order to visit the zoo.
- B tickets for payment are not limited and as such are available in large quantities.
- C the zoo can be visited for free by only 100 people.
- D it is possible to prevent someone who does not have a ticket from visiting the zoo.

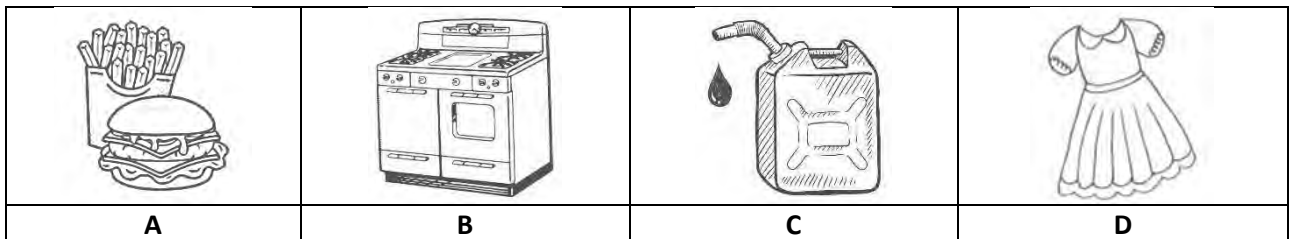
THE CIRCULAR FLOW

- 11.** Trade between sellers in South Africa and buyers in the rest of Africa can be described as:
- A** foreign trade.
 - B** international trade.
 - C** national trade.
 - D** entrepot trade.
- 12.** In a closed economy, the ____ sector does not play a role.
- A** consumer
 - B** producer
 - C** government
 - D** foreign
- 13.** Government expenditure includes the:
- A** salaries and wages paid to workers in the private sector.
 - B** profits of producers and the consumption of households.
 - C** payment for imports to South Africa.
 - D** expenditure on services provided by government.
- 14.** Which one of the following is the most correct statement?
- A** An open economy is one that has limited rules and regulations with regards to trading activity with outside economies.
 - B** The purpose of an open economy is to provide domestic consumers with everything they need from outside the country's borders.
 - C** Maintaining a closed economy is relatively easy in modern society, as wants and needs are unlimited and local producers can fulfil most of them.
 - D** When a government imposes quotas, subsidies and tariffs, it influences import and export activities.

Study the following graph indicating the South African annual GDP growth rate and answer questions 15 and 16.



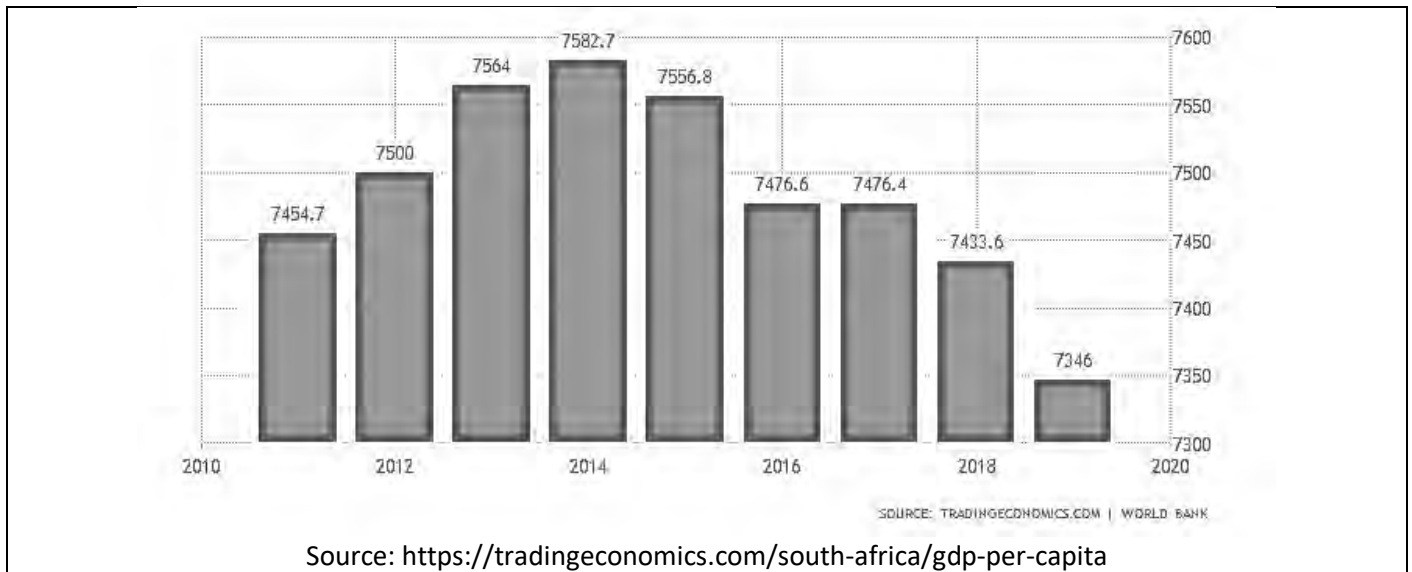
15. The economic growth for the four quarters starting January 2018 and ending December 2018 can best be described as a mainly _____ economic growth rate for South Africa.
- A positive
 - B negative
 - C static
 - D decreasing
16. The change in the economic growth rate from -17.5% to -6.2% can best be described as a:
- A positive growth rate at a decreasing rate.
 - B negative growth rate at an increasing rate.
 - C positive growth rate at an increasing rate.
 - D negative growth rate at a decreasing rate.
17. Which one of the following is an example of durable consumer goods?



QUANTITATIVE ELEMENTS

18. Which one of the following will be the best way to classify countries with regards to the size of their economies?
- A The number of goods and services produced in each of these countries during a year.
 - B The GNP of each of these countries.
 - C The value of all goods and services produced over a specific time period within each country's borders.
 - D Calculations using a price-deflator in order to calculate the value of total imports and exports of these countries.

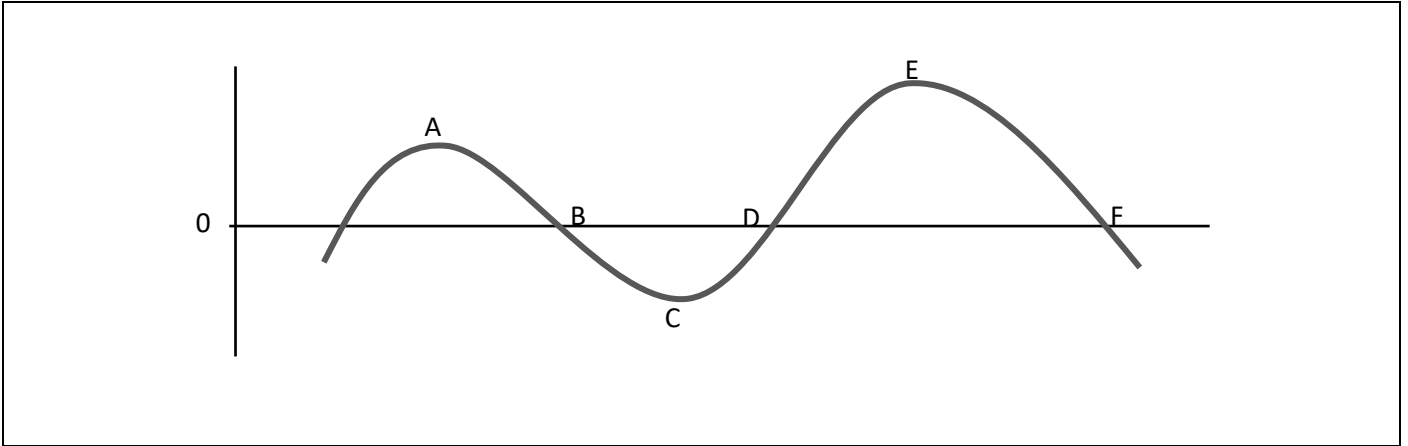
Study the following graph showing the South Africa GDP per capita and answer questions 19 to 21.



19. In 2018, the GDP per capita was ____ than the 2014 GDP per capita.
- A 1.97% lower
 - B 1.97% higher
 - C 2.01% lower
 - D 2.01% higher
20. The GDP per capita is obtained by:
- A ignoring the contributions of both the financial sector and the foreign sector when drawing up an economic model.
 - B multiplying the GDP by the inverse of the price deflator so that the effect of inflation can be eliminated.
 - C subtracting imports and adding exports to the national income figures.
 - D dividing the production of final goods and services within the geographical boundaries of the country by the total population.
21. The change in the GDP per capita between 2018 and 2019 can be contributed to:
- A a decrease in both GDP and the size of the population.
 - B an increase in both the GDP and the size of the population.
 - C a decrease in the GDP and an increase in the size of the population.
 - D an increase in die GDP and a decrease in the size of the population.

22. Which one of the following best describes a business cycle?
- A The fluctuations of gross domestic product around its long-term growth trend.
 - B Short-term cyclical movements in GDP per capita.
 - C The periodic but irregular up-and-down movements in market activities.
 - D The changes of demand and supply as illustrated by means of elasticity.

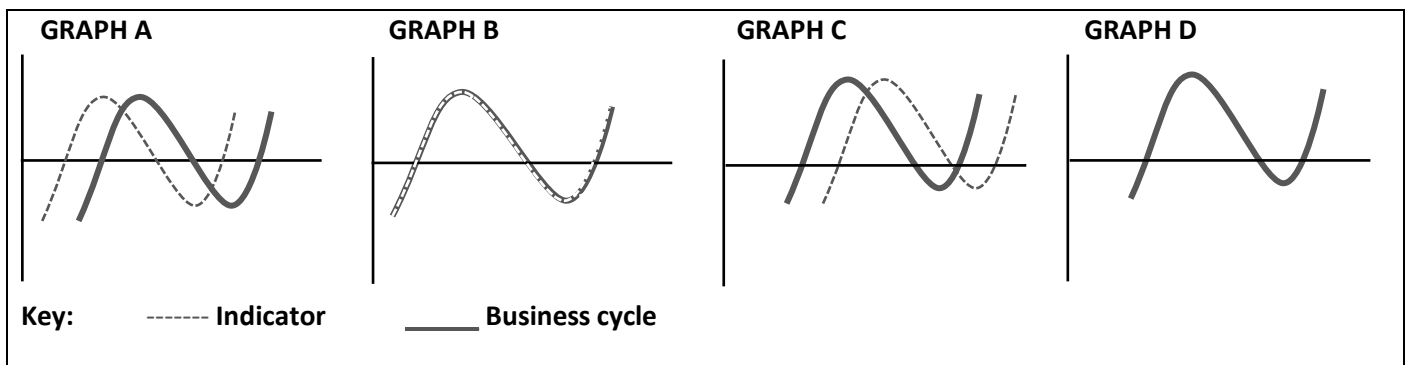
Study the following illustration of a business cycle and answer questions 23 to 25.



23. Which points indicate a negative economic growth at a decreasing rate?
- A AB
 - B BC
 - C CD
 - D DE
24. Between which points will the economy be contracting?
- A AB
 - B BC
 - C CD
 - D DE
25. During the first lockdown period that South Africa experienced (March – April 2020), one would expect that the level of economic activity would be between points:
- A AB
 - B BC
 - C CD
 - D DE
26. Which one of the following indicators will have a huge effect on the real economic growth in South Africa?
- A Gold mining, building plans passed and buildings completed, as well as inflation.
 - B Mining, retail and wholesale sales, electric current generated.
 - C Consumer expenditure, primary sector contribution, number of new vehicles sold.
 - D Building plans passed and buildings completed, services rendered and exports.

27. Which one of the following can be seen as a typical characteristic of a recession phase?
- A Private consumer expenditure increases.
 - B Investments decrease as starting costs are low.
 - C Unsold goods pile up because of low household demand.
 - D Output and employment levels increase.
28. Which ONE of the following holds TRUE during a phase of prosperity in the economy?
- A Income, employment, output, and price level tend to decrease.
 - B A rise in aggregate demand and cost leads to a decrease in both investment and price level.
 - C Existing capacity of plants is underutilised.
 - D Scarcity of resources leads to rising cost.
29. A lagging indicator of economic activities can best be described as an indicator that signals the economy or market's direction:
- A in advance.
 - B after it has occurred.
 - C as it occurs.
 - D at its lowest point.

Study the following graphical representation of economic indicators and business cycles and answer question 30.



30. Which graph indicates a lagging indicator?
- A Graph A
 - B Graph B
 - C Graph C
 - D Graph D