



ECONOMICS

REVISION BOOKLET

2025 TERM 2

Grade 10

This review program is designed to help you review the critical content and skills covered during Term 2. The aim is to prepare you to understand the key concepts and to give you the opportunity to achieve the required standard and the application of the knowledge needed to master the Final Examination.

The review program covers the following topics:

- Supply and demand
- Market equilibrium
- Production Possibility curves
- Maximum prices
- Minimum prices
- Minimum Wages
- Perfect and Imperfect Markets

INDEX PAGE

	Contents	Page number
1	Supply and demand	2
2	Market Equilibrium	4
3	Production possibility curves	4
4	Maximum prices	5
5	Minimum prices	5
6	Minimum Wages	5
7	Perfect and Imperfect markets	6

This revision booklet covers the topics covered in Term 2:

The first topic we will focus on is:

ACTIVITY 1

Use the information below in the table to do the following: Draw a supply and demand curve on the same axes.

On the chart, indicate market equilibrium

Price of eggs in Rand	Demand for eggs	Offer of eggs
2000	8	4
2000	7	5
3000	6	6
4000	5	7
5000	4	8
6000	3	9

From the information given, the following conclusion can be made.

Law of Demand	Low prices will be more demanded and less at higher prices
Law of Supply	More will be offered at higher prices than low prices where
Equilibrium	demand and supply intersect $Q=D$

ACTIVITY 2

Choose the correct answer from the alternatives provided. Write only the correct letter next to the number. E.g. 2.1 D

2.1 Which of the following will NOT cause a shift in the supply or demand curve.

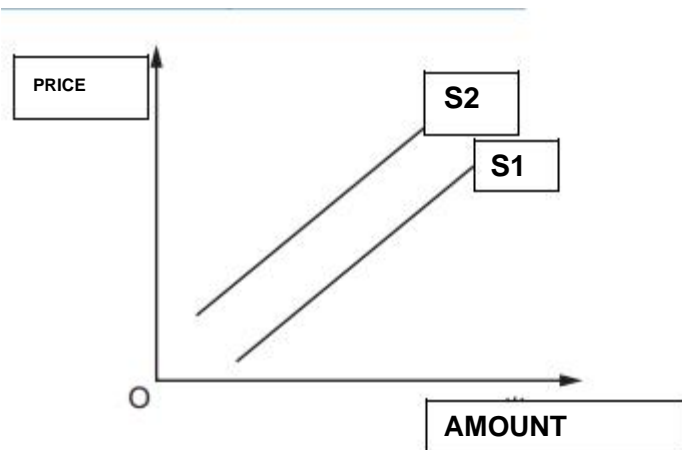
A Change in the taste and preference of consumers

- B Change in the price of substitute goods
- C Change in the price of goods
- D Change in the price of complementary goods

2.2 What is meant by the equilibrium price of goods in the market?

- A The average price consumers pay
- B The price where maximum profits is made
- C The price where producers break even
- D The price where supply and demand curves cross

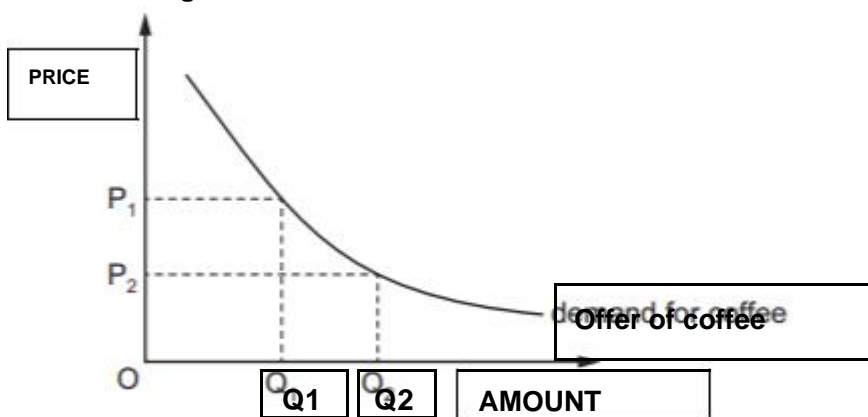
2.3 The diagram shows a change in the supply curve of cars from A1 to A2



2.3 What is the possible reason for the change in the supply curve?

- A An increase in the indirect tax on petrol
- B An increase in the price of cars
- C An increase in the wages of car workers
- D A new subsidy given to car manufacturers

2.4 The diagram shows the demand curve for coffee



Why did the quantity demanded move from H1 to H2

- A Coffee is cheaper
- B Income has increased
- C There was a successful advertising campaign
- D The price of coffee substitute goods increased

2.5 What is the basic economic problem?

- A Excess
- B Depression
- C Recession
- D Scarcity

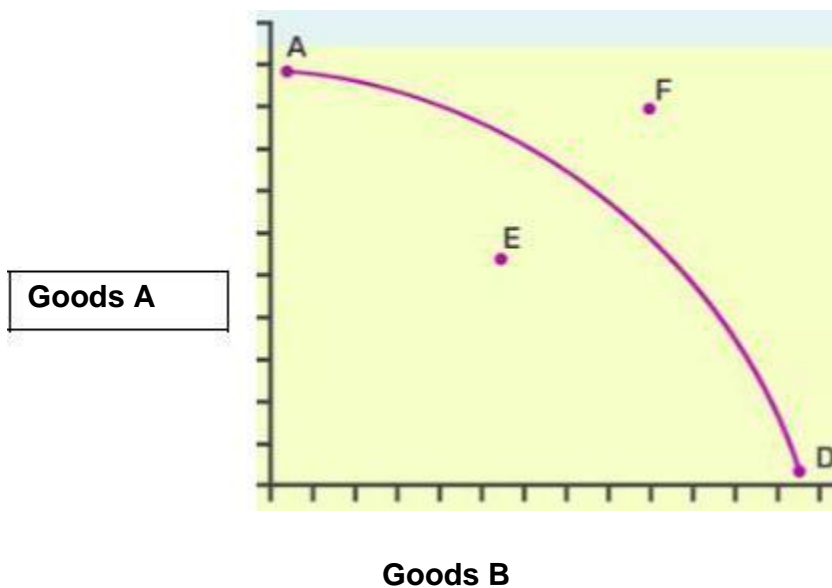
2.6 Why do consumers have to make a choice before spending their income?

- A Advertising forces them to spend
- B Consumers have excess income
- C Consumers cannot satisfy all their desires with their income
- D Not all products are attractive to consumers

6 x 2 (12)

ACTIVITY 3

Many people believe that in Economics they will learn about investing and how to make money, but in reality Economics shows you how to use the limited resources to satisfy your unlimited needs and desires. So the best thing we can learn from Economics is to make good choices. As in many other Economic matters, a graph can explain this. The graph I am referring to is the Production Possibilities Curve



The following can be deduced from the graph:

- Point of inefficiency E
- Point of efficiency Movement along the curve F
- Non-productive point A/D
- Opportunity cost A/D

Because of the scarcity issue, there are 3 basic economic questions that need to be answered.

- What should be produced?
- How will it be produced?
- Who will it be produced for?

These questions are answered by means of the economic system used.

The most popular system is the mixed economic system

In this system, individuals make the decisions but the government has legal powers.

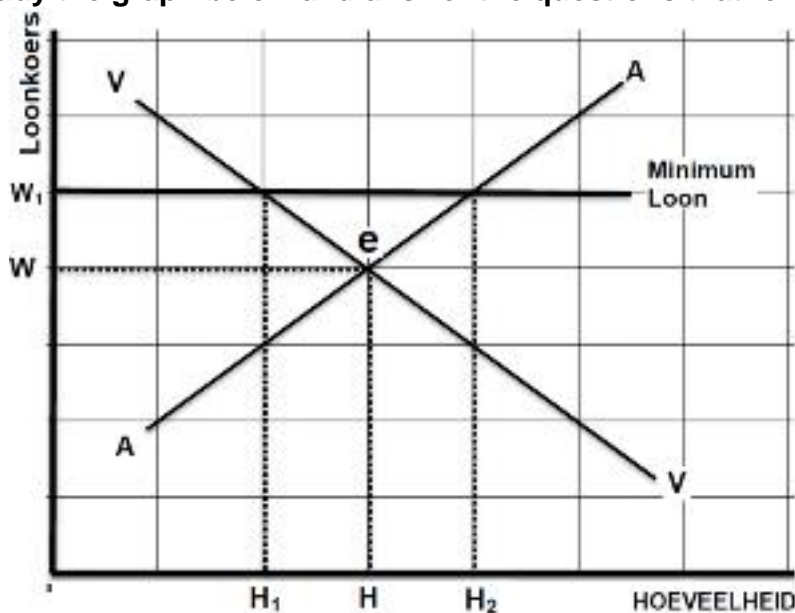
Therefore, the government interferes with the markets as follows:

- **Maximum prices:**
So a benefit for the consumer. The government's price is below market equilibrium, to ensure that consumers have access to goods and services
- **Minimum prices:**
So to the benefit of the producer. The government sets the prices above market prices so that some producers can stay in the market.
- **Minimum Wages:**
The government sets wages above market equilibrium so that workers cannot be exploited and so that workers can fulfill their basic needs and desires. What is the minimum wage currently in South Africa?

3.1 With the help of a graph, explain the concept of maximum prices. (8)

3.2 Use a graph and illustrate minimum prices. (8)

3.3 Study the graph below and answer the questions that follow.



3.3.1 What is the original price? (1)

3.3.2 Who sets minimum wages? (1)

3.3.3 What are the current minimum wages in South Africa? (2)

3.3.4 Why is it set above equilibrium? (2)

3.3.5 In your opinion, is this a good policy to follow? (4)

ACTIVITY 4

This brings us to the different market structures in the economy. We get perfect and imperfect markets. The following table shows the characteristics of each of the markets

Characteristics	PERFECT	MONOPOLY	OLIGOPOLY	MONOPOLISTIC COMPOSITION
Number companies	Very	One	Small number	Very
Nature of the product	Homogeneous	Unique	Homogeneous/ heterogene	Different
Barrier to entry	No	Blocked	Difficult	No
Market information	Perfect	Imperfect	Imperfect	Imperfect
Pricing	Price taker	price maker	price maker	price maker
Example	JSE	ESKOM	Cell phone operators	fast food sellers

4.1 Provide a concept for each of the following descriptions

4.1.1 Occurs where the seller cannot influence the price.

4.1.2 An agreement between businesses with the aim of entrenching competition to keep prices high.

4.1.3 Products that are exactly the same, in terms of type, caves and appearance.

4.1.4 Refers to only one seller or producer of a product or service.

4.2 Study the photo below and answer the questions that follow.



- 4.2.1 Name the type of market as illustrated in the photo above. (1)
- 4.2.2 What types of products are offered by the perfect market? (1)
- 4.2.3 Briefly describe the term perfect competition. (2)
- 4.2.4 Briefly explain the advantage of an unregulated market. (2)
- 4.2.5 How does technology play an important role in the economy? (2x2) (4)

4.3 Study the images below and answer the questions that follow.



4.3.1 What type of market structure is shown above? (1)

4.3.2 What is the nature of the product sold in the above market? (1)

4.3.3 Briefly describe the term product differentiation. (2)

4.3.4 Why are businesses independent in the market structure. (2)

4.3.5 How does price control differ between oligopoly and perfect markets. (4)