




## Economics Grade 10 Term 3 Week 4 2020

ECONOMICS (Walter Sisulu University)



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<b>SUBJECT and GRADE:</b>	<b>ECONOMICS GRADE 10</b>																							
<b>TERM 3:</b>	<b>Week 4</b>																							
<b>TOPIC:</b>	<b>Growth, Development and Globalization</b>																							
<b>AIMS OF LESSON:</b>	<p><b>I must be able to understand the following:</b></p> <ul style="list-style-type: none"> <li>• Economic Development and emergence of trade</li> <li>• Evolution of markets.</li> <li>• Governments and the regulation of markets</li> <li>• Industrial development.</li> </ul>																							
<b>INTRODUCTION:</b>	<p><b>This section requires knowledge covered in:</b></p> <p>Gr. 8 - Standard of living. Gr.10- Markets in general; demand and supply.</p>																							
<p><b>KEY CONCEPTS:</b></p> <p><i>Make flashcards by writing the concepts on the one side and the explanations on the other side. Read through it daily.</i></p>	<table border="1"> <thead> <tr> <th>CONCEPTS</th> <th>DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td>1. Self-Sufficiency</td> <td>To be able to produce enough goods for your own consumption</td> </tr> <tr> <td>2. Nomadic</td> <td>When people move from place to place for food, water or pasture.</td> </tr> <tr> <td>3. Barter</td> <td>Exchanging one good for another one of more or less the same value.</td> </tr> <tr> <td>4. Trade</td> <td>When communities/countries buy and sell from each other.</td> </tr> <tr> <td>5. Specialization</td> <td>When a business/country focus on the production of a certain product or group of products, in order to become more efficient.</td> </tr> <tr> <td>6. Mercantile law</td> <td>It is a rules and regulations that govern commercial transactions between people, firms and governments.</td> </tr> <tr> <td>7. Industrialization</td> <td>A shift to powered, special purpose machinery, factories and mass production.</td> </tr> <tr> <td>8. Globalization</td> <td>The world-wide interaction and integration among people, companies and governments worldwide.</td> </tr> <tr> <td>9. Economic Growth</td> <td>An increase in the amount of goods and services produced in a country.</td> </tr> <tr> <td>10. Economic Development</td> <td>An improvement in the living conditions and lifestyle of people.</td> </tr> </tbody> </table>		CONCEPTS	DESCRIPTION	1. Self-Sufficiency	To be able to produce enough goods for your own consumption	2. Nomadic	When people move from place to place for food, water or pasture.	3. Barter	Exchanging one good for another one of more or less the same value.	4. Trade	When communities/countries buy and sell from each other.	5. Specialization	When a business/country focus on the production of a certain product or group of products, in order to become more efficient.	6. Mercantile law	It is a rules and regulations that govern commercial transactions between people, firms and governments.	7. Industrialization	A shift to powered, special purpose machinery, factories and mass production.	8. Globalization	The world-wide interaction and integration among people, companies and governments worldwide.	9. Economic Growth	An increase in the amount of goods and services produced in a country.	10. Economic Development	An improvement in the living conditions and lifestyle of people.
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<p><b>SKILLS:</b></p>	<p><b>At the end of the lesson I should be able to:</b></p> <ol style="list-style-type: none"> <li>1. know concepts relevant to the development of trade</li> <li>2. understand how specialization has led to barter and eventually the need for money.</li> <li>3. explain the importance of Mercantile Law in trade.</li> <li>4. understand the government's involvement in trade</li> <li>5. how the increase in the demand for goods and services has led to specialization and industrial development and globalization.</li> </ol>	
<p><b>NOTES:</b></p>  <p><i>Carefully read through the notes.</i></p> <p><i>Rewrite it in your notebooks.</i></p> <p><i>Go through it daily.</i></p>	<p><b>Early economic development and emergence of trade</b></p> <ol style="list-style-type: none"> <li>1. <b>Self-sufficient and dependent on trade</b> <ul style="list-style-type: none"> <li>▪ The earliest humans were <b>nomadic</b> hunters</li> <li>▪ They were <b>self-sufficient</b> and dependent on agriculture.</li> <li>▪ People started to <b>specialize</b> and producing one single commodity.</li> <li>▪ People started to <b>barter</b> (one good was exchanged for another good)</li> <li>▪ This was the first form of trade.</li> <li>▪ There was <b>no formal means of payment</b>.</li> <li>▪ Problems occurred and a primitive form of payment was developed</li> <li>▪ The <b>first means of payment</b> was gold, silver, beads, cowry shells, etc.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>2. <b>Evolution of markets</b> <ul style="list-style-type: none"> <li>▪ Producers started to <b>specialize</b> in a specific area of manufacturing</li> <li>▪ Increased specialization lead to <b>surplus production</b>.</li> <li>▪ Surpluses lead to <b>trade and transport</b></li> <li>▪ The needs of the people became diverse which leads to an <b>increase in the demand</b> for goods and services</li> <li>▪ <b>Trade increased</b> nationally and internationally.</li> <li>▪ Rules on how to conduct their business became law.</li> <li>▪ This is known as <b>Mercantile Law</b>.</li> <li>▪ New <b>forms of ownerships</b> came into existence</li> <li>▪ E.g sole proprietors, partnerships, companies, corporations.</li> <li>▪ <b>Technological progress:</b> Innovations and inventions that were related to economic activities of the time include the following: <ul style="list-style-type: none"> <li>▪ mining, navigation, printing, architecture</li> <li>▪</li> </ul> </li> </ul> </li> </ol>

## NOTES:



Carefully read  
through the notes.

Rewrite it in your  
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Go through it daily.

### 3. Governments and the regulation of markets

#### State involvement in trade:

- Wealthy individuals and government join forces and they back the discovery voyages.
- Government involvement in the market grew
- because governments benefit from taxes, tariffs, custom duties, etc.

#### Taxation and mobilization of finance for investment in infrastructure:

##### Taxation:

- Taxes were raised to finance the activities of the state
- The common taxes that were raised were:
- Direct taxes: poll taxes, income taxes, inheritance tax, land and property taxes.
- Indirect taxes: excise taxes, toll tax, custom duties, sales tax

#### Mobilization of finance for investment in infrastructure:

##### Infrastructure refers to:

- *Physical infrastructure* such as roads, ports, government buildings, water supply, and electricity supply, sewers, military installations,
- Social **infrastructure** such as schools, hospitals.
- Governments finance infrastructure projects through collecting taxes and by borrowing money from banks and through private business financing.

### 4. Industrial development Manufacturing:

- Technological progress, the mobilization of energy and mechanization of production:
- The processes change from an agrarian and handicraft economy to one dominated by industry and machine manufacturing.
- Industrialization marked a shift to powered, special-purpose machinery, factories and mass production.
- An increased in demand for goods, resulted in the need for more cost-effective methods of production, which led to the rise of mechanization and the factory system.
- The goods were manufactured on large scale in the factories.
- The factory system was characterized by division of labour.
- Technological innovations led to ever-increasing productivity, while requiring less human energy.
- Greater volume and variety of factory-produced goods were manufactured which raised the standard of living of many people.

**ADDITIONAL  
RESOURCES:**

**Econ Gr.10 Core Notes  
Econ Gr. 10 Answer Series  
Any other Caps Approved Econ Gr.10 Textbook**

**CONSOLIDATION  
ACTIVITIES:**



**1. Choose the correct answer:**

1.1 The breaking down of barriers to improve the free movement of goods, services and capital without regard for national boundaries is called ...

- A. immigration
- B. globalization
- C. urbanization
- D. nationalization

**(2)**

1.2 A characteristic of South Africa's manufacturing industry is that it is ...

- A. highly concentrated.
- B. spread over different provinces.
- C. isolated from world markets.
- D. not contributing to the GDP.

**(2)**

**2. Give one term of the following descriptions:**

2.1 Where households aim to produce enough goods for their own consumption

2.2 Where goods are exchange for goods with more or less the same value.

2.3 Laws that governs commercial transactions.

2.4 Where people move from place to place for food and water.

2.5 When a business focus on the production of one item in order to become more efficient.

2.6 An increase in the amount of goods and services produced in a country. **(6x1) (6)**

**3. Name two types of infrastructure in a country. (2x1) (2)**

**4. Why do businesses prefer mass production to other production methods? (1x2) (2)**

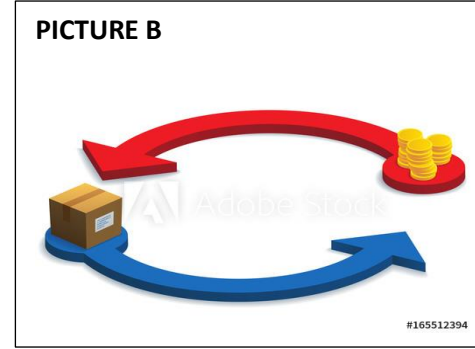
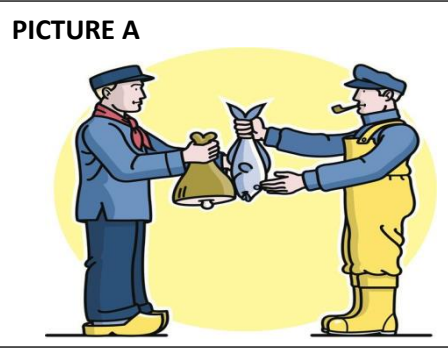
**5. How can an increase in income lead to the development of industries? (1x2) (2)**

**CONSOLIDATION  
ACTIVITIES:**



**6. Data response question**

**Study the pictures below and answer the questions that follow:**



- 6.1 Identify the picture that depicts bartering. (1)
- 6.2 Which economical method has led to barter? (1)
- 6.3 Briefly describe the concept specialization. (2)
- 6.4 Explain the role of Commercial Law in the evolution of markets. (2)
- 6.5 Explain how specialization has led to an increase in trade nationally and internationally. (4)
7. Explain the development of markets and trade in early societies. (8)
8. Discuss the government's involvement in trade through taxes and infrastructure. (2x4) (8)
9. Explain how an increase in the demand for goods and services contributed to industrial development. (8)