

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX EXAMINATION

APRIL/ MAY 2019

Economics Paper I

Time: 40 minutes Marks: 25

INSTRUCTIONS

1. Read each question carefully.
2. Answer the questions on the separate answer sheet provided. DO NOT write your answers on the question paper.
3. There are 100 answer numbers on the answer sheet. Use answer numbers 1 to 25 only.
4. In each question, there are four choices A, B, C, D. Choose ONE. On the answer grid, black out the circle for your choice with a pencil as shown below.

Correct Way	Incorrect Ways
1 (A) (B) ● (D)	1 (A) (B) (C) (D)
	2 (A) (B) (C) (D)
	3 (A) (B) (C) (D)
	4 (A) (B) (C) (D)

Candidate's Signature

5. If you want to change your answer, ERASE the first answer completely with a rubber, before blacking out a new circle.
6. DO NOT write anything in the answer grid. The computer only records what is in the circles.
7. You may use a simple calculator if you wish.

1. Mr Aleem previously bought his clothes from a low price store. After his promotion, he has now started to purchase clothes from a branded store which is comparatively expensive.

In the given scenario, the clothes bought from branded store are considered as

- A. giffen goods.
 - B. luxury goods.
 - C. normal goods.
 - D. inferior goods.
2. Ali is fond of eating chocolate cakes. He visited a carnival where he found a promotional offer on cakes by United Bakers. The offer is 'all you can eat' for just Rs 250. He decided to avail the offer and was able to eat 4 slices of cake.

In the given scenario, marginal utility will be maximum at

- A. first slice of cake.
 - B. second slice of cake.
 - C. third slice of cake.
 - D. fourth slice of cake.
3. Which of the following BEST defines economics as a social science?
- A. It helps an individual in efficient allocation of available economic resources.
 - B. It assesses the government revenue and government expenditure of the public authorities.
 - C. It studies how governments or business organisations manage the large amounts of money.
 - D. It allows the in-depth study of a range of specialities such as accountancy, finance, organisation, human resources management and marketing.

4. The BIGGEST demerit of mixed economic system is that it

- A. encourages lesser income inequality.
- B. brings about the fear of nationalisation.
- C. promotes quick economic development.
- D. provides the freedom to own private property.

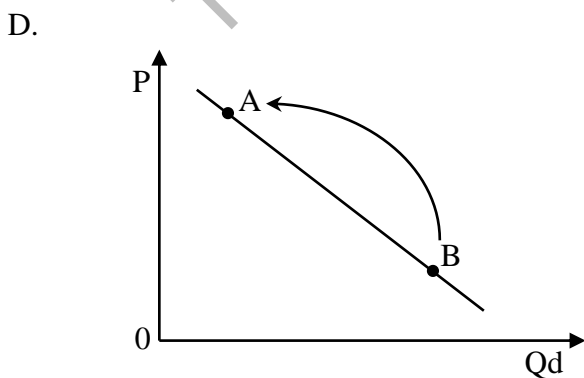
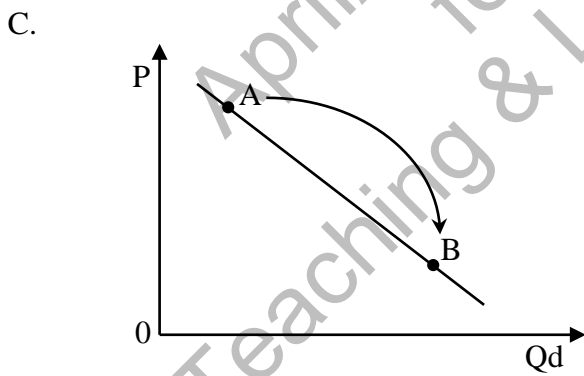
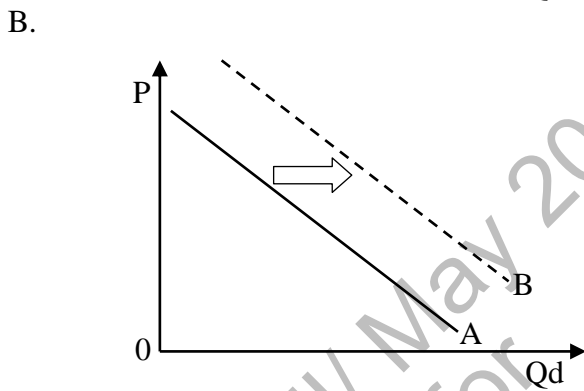
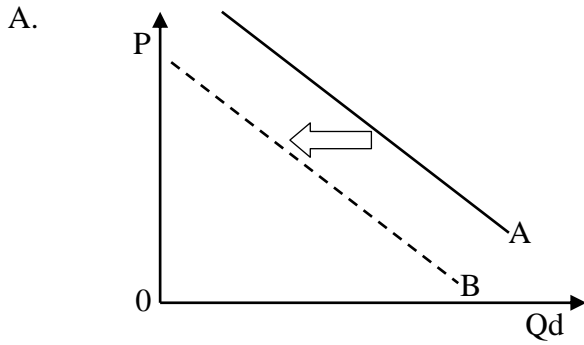
5. "Economics is the science which studies human behaviour as a relationship between multiple ends and scarce means which have alternative uses."

This definition of economics was given by

- A. Adam Smith.
- B. Lionel Robbins.
- C. Alfred Marshall.
- D. Maynard Keynes.

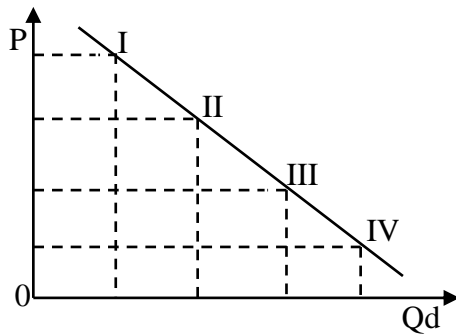
6. Recently, the demand of chicken meat has decreased in Pakistan due to the rumour of Bird Flu virus.

The effect of this rumour on demand will be shown in a graph as



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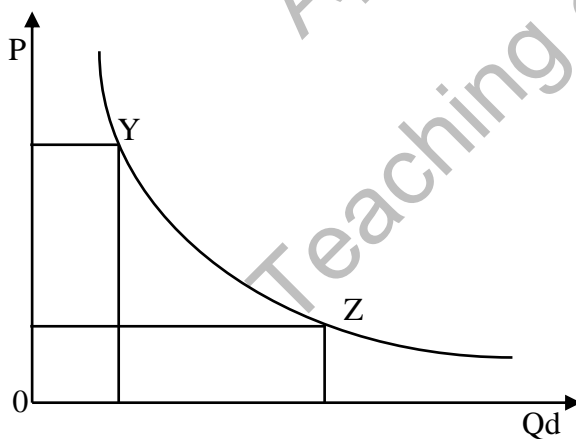
7. In the given graph, the point at which the price is minimum and quantity demanded is maximum has been marked as



- A. I.
 B. II.
 C. III.
 D. IV.
8. Nafeesa, an expert in embroidered clothes, usually receives personalised orders. She wants to expand her business. Hence, she wants to estimate the market demand for her products.

The BEST way to estimate market demand for her products would be by

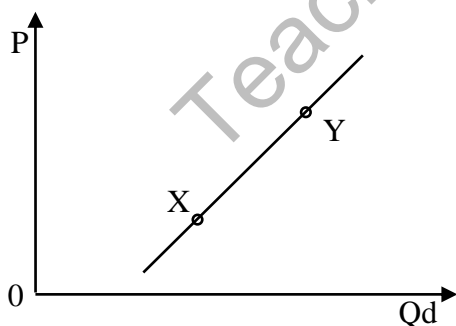
- A. averaging aggregate demand of all orders in last month.
 B. only considering the largest order she received last month.
 C. only considering the last order she received by a customer.
 D. summing up all the orders she has prepared in the last month.
- 9.



The given graph shows the demand curve for a product. The movement from Y to Z is MOST likely due to the change in

- A. price.
 B. income.
 C. number of buyers.
 D. quantity demanded.

10. In most of the cases, the slope of a demand curve is downwards because demand
- A. increases with a decrease in price.
 - B. decreases with a decrease in price.
 - C. increases with an increase in price.
 - D. remains same with an increase in price.
11. If the percentage change in quantity demanded is equal to percentage change in its price, then the elasticity of demand is
- A. elastic.
 - B. unitary.
 - C. inelastic.
 - D. perfectly inelastic.
12. Which of the following will be the cause for positive slope of the supply curve?
- A. Price
 - B. Trend
 - C. Quantity supplied
 - D. Quantity demanded
13. The market reflects a surplus of sugar supply. Sugar producers have stopped selling and have started stocking sugar due to decline in prices.
- In order to revert the behaviour of the producers, in long run the government should fix
- A. subsidised price.
 - B. equilibrium price.
 - C. minimum market price.
 - D. maximum market price.
14. In the given graph, the shift from point X to Y shows

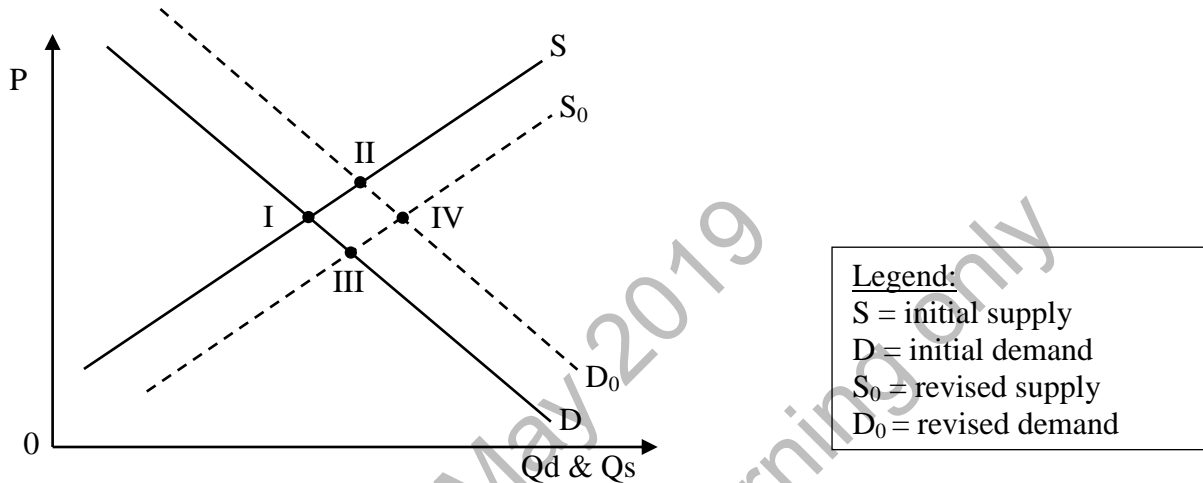


- A. fall in supply.
- B. rise in supply.
- C. extension in supply.
- D. contraction in supply.

15. Which of the following is the DIRECT cause of shift in supply curve?

- A. Changes in population
- B. Changes in people's income
- C. Changes in the price of other commodities
- D. Changes in the cost of factors of production

16. In the given graph, if the demand curve shifts from point D to D_0 , then the new market equilibrium will be at point

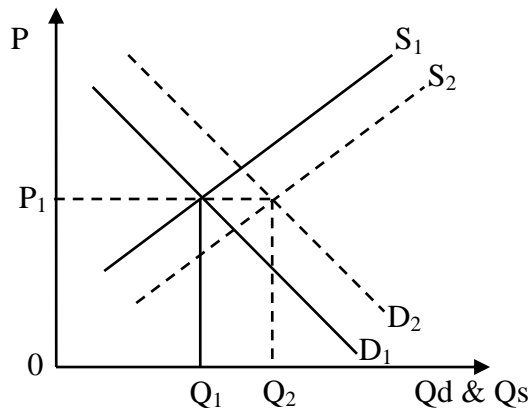


- A. I.
- B. II.
- C. III.
- D. IV.

17. A situation where economic forces of supply and demand are balanced in the absence of external influences is called market

- I. equilibrium
 - II. surplus
 - III. deficit
- A. I only.
 - B. III only.
 - C. I and II.
 - D. II and III.

18. By analysing changes in the given graph, it can be concluded that



- A. demand increases more than supply.
 B. demand increases less than supply.
 C. demand and supply increase equally.
 D. demand and supply fall equally.
19. The price of tomatoes increases from Rs 20 to Rs 120 per kg within a few days due to limited supply and excessive consumer's demand in the vegetable market.

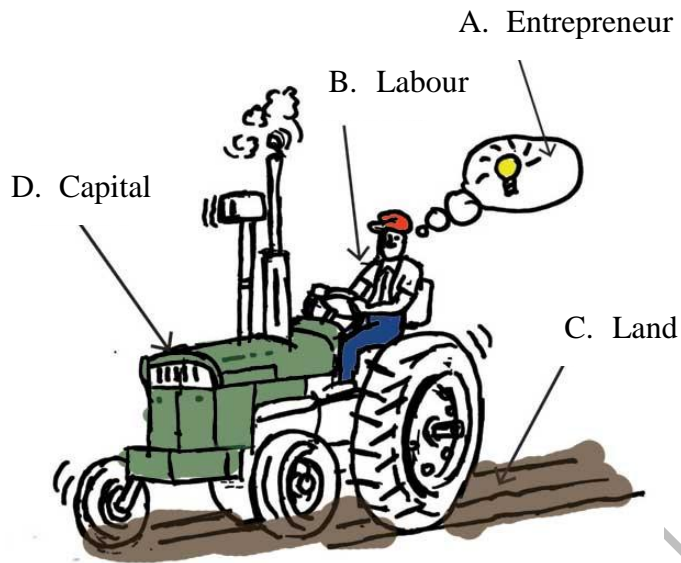
On the basis of the given scenario, the market of tomatoes with reference to time, will be classified as

- A. long period market (Yearly Market).
 B. short period market (Monthly Market).
 C. very short period market (Daily Market).
 D. very long period market (more than one financial year).
20. A government invested Rs 5 billion in exploring the country's natural resources and developing the country's infrastructure.

The factors of production that are IMMEDIATELY affected in the given situation are

- A. land and capital.
 B. land and entrepreneur.
 C. entrepreneur and labour.
 D. capital and entrepreneur.

21. In the given picture, the reward for which 'factor of production' will be considered as 'interest'?



22. Raheem runs a chain of fast food restaurant in different parts of the city. He earns Rs 50,000 monthly.

With reference to the factors of production, the earnings of Raheem are classified as

- A. rent.
B. salary.
C. profit.
D. interest.
23. Which of the following South Asian countries has the highest per capita income as of 2017?
- A. India
B. Bhutan
C. Pakistan
D. Maldives
24. In response to an economic recession, a departmental store has planned to downsize. As a consequence, Nadeem a sales officer at the store, lost his job.
Nadeem's unemployment is classified as
- A. cyclic.
B. seasonal.
C. frictional.
D. structural.
25. Per capita income of an economy can be computed by dividing the total national income by the total
- A. population.
B. employed population.
C. skilled labour population.
D. economically active population.

END OF PAPER

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