

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX

ANNUAL EXAMINATIONS (THEORY) 2023

Economics Paper I

Time: 1 hour 10 minutes Marks: 40

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 40 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. The people of elite class are usually associated with products like diamonds that have high prices. The product also brings name and prestige to the family.

On the basis of given the description, diamonds can be classified as

- A. complementary goods.
- B. inferior goods.
- C. luxury goods.
- D. substitute goods.

2. A student is assigned by his/ her teacher to explore the reason behind students submission of assignment by students at the eleventh hour. He/ she gathers all the observations and detailed interview outcomes from previous studies to prepare a summary.

The type of data collected will be

- A. primary and qualitative.
- B. primary and quantitative.
- C. secondary and qualitative.
- D. secondary and quantitative.

3. Unlimited wants with limited resources in a society leads to scarcity.

The given situation creates choices and generates

- A. external cost.
- B. opportunity cost.
- C. economic problems.
- D. economic disparities.

4. Which of the following queries reflects the economic concept of value?

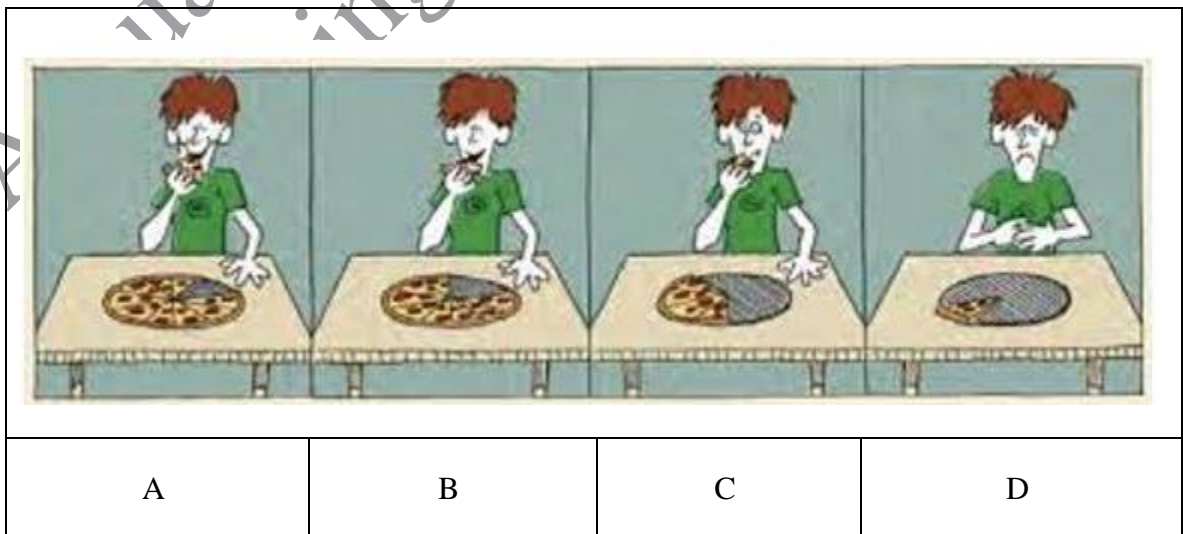
- A. What you pay for goods or services?
- B. What you expend to have goods or services?
- C. What you get from consumption of goods or services?
- D. What you forgive or forgo while attending the goods or services?

5. Review the given picture of a building of the United Nations.



With reference to economic concept of wealth, the building depicted in the given image is classified as

- A. individual wealth.
 - B. international wealth.
 - C. national wealth.
 - D. public wealth.
6. In the given image, the point at which marginal utility is negative is at point



PLEASE TURN OVER THE PAGE

7. On the completion of a marathon, the drinks were offered to an athlete and the athlete took 4 drinks back to back.

With reference to the law of marginal utility, the highest level of utility was derived from the

- A. first drink.
 - B. second drink.
 - C. third drink.
 - D. fourth drink.
8. The subject matter of economics was PRIMARILY
- A. fiscal management.
 - B. home management.
 - C. business management.
 - D. monetary management.
9. With reference to the proposed definition of Alfred Marshall we conclude economics as a
- A. Science of choice.
 - B. Science of human welfare.
 - C. Science of scarcity.
 - D. Science of wealth.
10. All of the following are the fundamental questions of an economy EXCEPT for
- A. how to produce.
 - B. what to produce.
 - C. when to produce.
 - D. whom to produce.

11. Read the following characteristics of an economy.



The economy identified from the given characteristics is

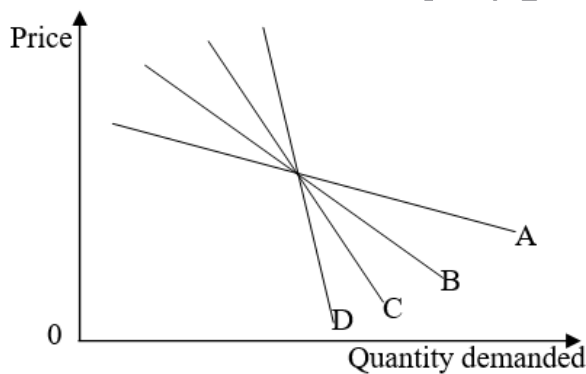
- A. capitalist economy.
B. communist economy.
C. mixed economy.
D. socialist economy.
12. “Every demand is our desire, but every desire cannot be our demand.”
The given statement is TRUE because demand is dependent on the
A. ability to pay and the will to purchase.
B. market trends and discounts offered.
C. marketing campaigns.
D. will to purchase only.
13. With reference to the law of demand, an individual’s demand for a commodity is MAJORLY determined by the
A. income of the consumer.
B. utility of the product.
C. trend of the market.
D. experience of the individual.
14. A Change in which of the following results in the change in quantity demand (Q_d) of a product?
A. Consumer income
B. Consumer tastes
C. Price of product
D. Prices of related products

15. If the income of an individual increases, then there is a fall in the demand of goods. Such goods are classified as
- A. comfort.
 - B. inferior.
 - C. luxury.
 - D. normal.

16. A new trend of clothing style was set up by a famous celebrity due to which there was an increase in the demand of the clothing style by the general public.

Based on the given scenario, the factor that caused the rise in demand is the change in

- A. consumer income.
 - B. market trend and fashion.
 - C. consumer price expectations.
 - D. price of substitute good.
17. The curve in the given graph that represents the less elastic demand is



18. Suppose, the price elasticity of demand of a product gives a number greater than one. This means that the change in quantity demand
- A. has no impact on the price.
 - B. is equal to the change in price.
 - C. is less than the change in price.
 - D. is more than the change in price.

19. If the price of wheat has increased by 5%, whereas its quantity demand has fallen less than the increase in price, then its elasticity of demand would be
- A. infinity.
 - B. less than one.
 - C. more than one.
 - D. zero.

20. Fatima manufactures 25 handmade leather embroidered purses every week. She sells these in a Sunday Bazar. She usually offers 20 bags per week in the market and holds the rest of the bags for the annual sale festival.

In the given scenario, Fatima's quantity supplied for the Sunday Bazar would be

- A. 5
 - B. 20
 - C. 25
 - D. 30
21. All of the following are assumptions of the law of supply EXCEPT that the
- A. cost of all factors of production does not change.
 - B. features of the products does not change.
 - C. price of the products does not change.
 - D. size of the market remains constant.
22. With reference to the price and quantity supplied of a commodity, the supply curve will graphically have a/ an
- A. direct relation and positive slope.
 - B. indirect relation and positive slope.
 - C. direct relation and negative slope.
 - D. indirect relation and negative slope.
23. A movement along the supply curve is due to a change in the
- A. income.
 - B. number of producers.
 - C. price of the product.
 - D. production technique.
24. Areej has installed a new plant in her factory, which has raised the production capacity by 40%. The given situation will lead to a/ an
- A. increase in the demand of the product.
 - B. increase in the income of consumers.
 - C. increase in the supply of the product.
 - D. shift in the supply curve to the right.

25. Which of the following options CORRECTLY exhibits the relationship of price with quantity demanded and quantity supplied?

	Quantity Demanded	Quantity Supplied
A	Direct	Inverse
B	Inverse	Direct
C	Direct	Direct
D	Inverse	Inverse

26. Which of the following options CORRECTLY differentiates between demand and supply?

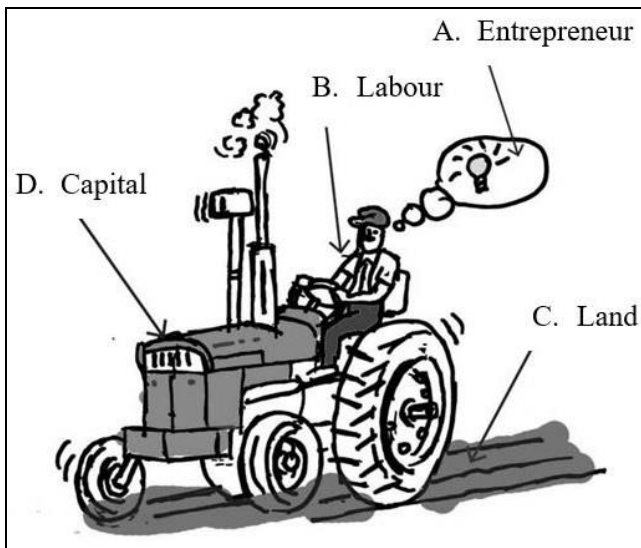
	Demand	Supply
A	It reflects the consumers' behaviour.	It reflects the producers' behaviour.
B	It is price driven.	It is quantity driven.
C	It is based on market expectations.	It is based on price mechanism.
D	It is an imaginary value.	It is a speculated value.

27. "This year the market of mangoes is on surplus".

The impact of the given scenario would be that

- A. the price of mangoes will be low as compared to last year.
 B. the price of mangoes will be too high than the last year.
 C. this year, the supply of mangoes will be abandoned.
 D. this year, there will be extra ordinary demand.
28. Kiran Traders have imported laptops from China to Pakistan. This import will be considered as trade from the
- A. international market.
 B. local market.
 C. national market.
 D. provincial market.
29. From the consumers' perspective, all of the following are the features of a perfect market EXCEPT for
- A. better consumer satisfaction.
 B. freedom of entry and exit.
 C. getting a fair and cheaper deal.
 D. having a homogeneous product.

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



31. In winters, the mountainous people normally shift their occupation from agriculture to small scale indoor skills such as weave carpets or leather products.

This labour mobility is classified as

- A. geographical.
- B. horizontal.
- C. occupational.
- D. vertical.

32. The following table shows the costs of a firm.

Output	Variable Cost (Rs)	Total Cost (Rs)
1	14	40
2	30	56
3	46	72

Based on the given table, the firm's fixed cost would be

- A. Rs 16
 - B. Rs 26
 - C. Rs 28
 - D. Rs 40
33. Ayan runs a chain of fast food restaurants in different parts of a city. He earns Rs 50,000 monthly.
- With reference to the factors of production, the earnings of Ayan are classified as
- A. interest.
 - B. profit.
 - C. rent.
 - D. salary.
34. Asma, an owner of a restaurant has received a contract for supplying 300 food boxes daily from a multinational company. Upon receiving the order, she offered 10 free lunches to the needy people every day.
- The cost of offering free lunches will be considered by Asma as
- A. fixed cost.
 - B. implicit cost.
 - C. social cost.
 - D. variable cost.
35. Which factor of production has a fixed supply?
- A. land.
 - B. labour.
 - C. capital.
 - D. entrepreneur.

36. "In recent time, mostly youth in Pakistan are complaining about unemployment."

With reference to the given statement, the major cause of unemployment in Pakistan is

- A. low paid jobs.
- B. lack of vocational training.
- C. slowdown of economic activity.
- D. high standards set by employers.

37. Aleem lost his job due to the economic recession.

With reference to the situation, Aleem's unemployment will be BEST classified as

- A. cyclical unemployment.
- B. seasonal unemployment.
- C. frictional unemployment.
- D. structural unemployment.

38. As per World Bank (2022), a person will fall under absolute poverty when her/ his daily income is below

- A. 2.15 US\$.
- B. 2.50 US\$.
- C. 5.00 US\$.
- D. 10.00 US\$.

39. Which of the following is characterised as a condition to absolute poverty?

- A. A person living in an unhygienic and unhealthy environment
- B. A person living with no permanent source of shelter, clothing and food
- C. A person not having any access to the basic education and health care facilities
- D. A person not having any right to raise his/ her voice for his/ her fundamental rights

40. The type of unemployment that happens because of the decrease in the aggregate demand of goods and services in a country is known as

- A. cyclical.
- B. frictional.
- C. seasonal.
- D. voluntary.

Please use this page for rough work

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