

Economics - 9th Class English Medium Economics Full Book Test

Q1. What is remedial Measures of Illiteracy.

Ans 1: 1- Access to education should be made easy, especially in rural localities.
2- Government should provide lucrative incentives to the private education sector to promote investment in education.
3- Share of education in budget should be raised to at least 4% of GNP, according to the UNESCO guidelines.

Q2. Define Micro -economics.

Ans 1: Micro -economics is concerned with the small individual parts of the economy it deals with the study of the behaviour of buyers and sellers in the market for particular goods or service. For example a study of consumer behaviour price determination of one good, analysis of one firm etc.

Q3. What is Economic Goods.

Ans 1: Economic goods are tangible or intangible items that hold value and are subject to exchange in a market. They can be categorized into two main types.

Ans 2: 1- Consumer Goods: These are products designed and purchased for direct consumption or use by individuals, Examples include food, clothing, electronics, and cars.

Ans 3: 2- Capital Goods: These are goods used to produce other goods and services. Capital goods include machinery, tools, factories, and infrastructure.

Q4. What is the slope of a demand curve?

Ans 1: The slope of a demand curve represents the rate at which quantity demanded changes in response to a change in price. It's typically negative, indicating that as the price of a good or service increases, the quantity demanded decreases. The magnitude of the slope indicates the degree of responsiveness of quantity demanded to change in price, known as price elasticity of demand.

Q5. What is meant by equilibrium price and quantity?

Ans 1: Equilibrium Price: This is the price at which the quantity of a good or service that producers are willing to supply equals the quantity that consumers are willing to purchase. At this price, there is neither a surplus nor a shortage of the product in the market.

Ans 2: Equilibrium Quantity: This is the quantity of the good or service that is bought and sold at the equilibrium price. It represents the level of production and consumption that maximizes societal welfare, as it reflects the optimal allocation of resources based on consumer preferences and producer costs.

Q6. Difference between Supply and Stock

Ans 1: Supply:

- * Supply refers to the quantity of goods or services that producers are willing and able to offer for sale at various prices within a given time frame.
- * It represents the relationship between the price of a product and the quantity that producers are willing to produce and sell in the market.
- * Supply is influenced by factors such as production costs, technological advancements, government policies, and expectations about future prices.

Ans 2: Stock:

- # Stock typically refers to the inventory of goods or materials that a business holds for the purpose of resale or use in production.
- # It includes finished goods ready for sale, work in progress, and raw materials.
- # In financial context, stock can also refer to ownership shares in a corporation. Each share represents a portion of ownership in the company and shareholders are entitled to certain rights and benefits.

Q7. What is meant by Per Capita income

Ans 1: Per capita income refers to the average income earned per person in a specific area, such as a country, region or city. It is calculated by dividing the total income of a particular area by its population. This metric gives an indication of the average economic well-being of the individuals within that area. Per capita income is often used to compare the standard of living between different countries or to track changes in the economic prosperity of a region over time.

Q8. Write the functional equation of demand

Ans 1: The functional equation of demand, often represented as $Q_d = f(P, I, T, O, \dots)$ Where :

Ans 2: Q_d = represents the quantity demanded of a good or service.

P = Represents the price of the good or service.

I = Represents the income of consumers.

T = Represents the tastes or preferences of consumers.

O = Represents other relevant factors that may influence demand.

Q9. Cause of Poverty in Pakistan

Ans 1: 1- Unemployment: There are limited employment opportunities in Pakistan and only a handful number of people go to employment.

Ans 2: 2- Low Productivity: Productivity of various sectors has been quite low in Pakistan. Due to low productivity, GNP Growth rate of Pakistan decreased to 5.5% in 2001-02 during 1980's Pakistan's GNP has gone up to 6.7% according to Pakistan's economic survey of Pakistan 2006-07.

Ans 3: 3- Low per capita Income: Per capita income is very low in Pakistan. Its main causes include high population growth and low productivity. According to Pakistan's Economic Survey 2003-04

Q10. Perfect Define of Equilibrium

Ans 1: Equilibrium in economics refers to the state of balance in a market, where the quantity demanded by consumers equals the quantity supplied by producers at a particular price level. This equilibrium price and quantity represent the point of agreement between buyers and sellers, ensuring that all goods or services produced are effectively consumed, and there is no excess supply or demand.

Q11. What is Population.

Ans 1: Since people are potential buyers, therefore, the demand for most goods will increase with the rise in population. For example, migration of people from rural to urban areas increases the demand for housing, restaurants and transport in urban areas.

Q12. What is Specific Price

Ans 1: As good is demanded at a certain price similarly supply cannot be explained without price. Quantity is always supplied at some specific price.

Q13. Define Stock

Ans 1: Stock typically refers to two main concepts:

1- Inventory: In a business context, stock often refers to the inventory of goods or materials that a company holds for the purpose of resale or use in production. It includes finished goods ready for sale, work in progress, and raw materials

Ans 2: 2- Ownership in a company: Stock can also represent ownership shares in a corporation. When a company decides to raise capital by issuing shares, it divides its ownership into units called shares or stock.

Q14. Define Specific Time

Ans 1: Time period is also very important with reference to supply, for example whether it is daily, weekly or monthly. It means that quantity supplied is not determined within some time frame.

Q15. Write down three reasons of population growth?

Ans 1: 1- Fertility Rates: High fertility rates, especially in regions with limited access to contraception and family planning services, contribute significantly to population growth.

Ans 2: 2- Decline in mortality Rates: Improvements in healthcare, sanitation, and nutrition have led to a decline in mortality rates worldwide. Reduced mortality rates mean more people survive to reproductive age and beyond, leading to population growth.

Ans 3: 3- Migration: Migration whether internal or international, can contribute to population growth in areas where migrants settle. Migration patterns are influenced by factors such as economic opportunities, political instability, conflict, and environmental conditions and they can significantly impact population demographics in both sending and receiving regions.

Q16. Define Utility

Ans 1: Generally speaking utility means the advantages from the use of goods and services. It shows the usefulness of the commodity in use. But in economics it means the pleasure or satisfaction obtained from a good or a service. In economics utility and usefulness have different meanings.

Q17. What does the supply schedule represent.

Ans 1: The supply schedule represents the quantities of a specific good or service that producers are willing to supply to the market at various price levels, assuming other factors remain constant. It essentially illustrates the quantity supplied at different prices, providing insight into how producers respond to changes in price.

Q18. Define Economics of Alfred Marshall

Ans 1: Alfred Marshall wrote the book on "Principles of Economics" in 1890 According to him,

Ans 2: "Economics is the study of mankind in the ordinary business of life it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of well beings."

Q19. Why does price change in daily market?

Ans 1: Supply and Demand: Changes in supply and demand for a product or service can directly impact its price, for Example, if the supply of a particular product decreases while demand remains constant or increases, the price is likely to rise, Conversely, if supply increases while demand decreases, the price may fall.

Ans 2: 2- Market Sentiment: Investor sentiment and perception of market conditions can affect prices. Positive news or development about a company industry, or economy may lead to increased demand and higher prices, while negative news or uncertainty can result in decreased demand and lower prices.

Ans 3: 3- Economic indicators: Economic indicators such as inflation rates, Unemployment levels, GDP growth, and interest rates can influence market prices, For instance, high inflation may lead to higher prices for goods and services, while lower unemployment and strong economic growth may increase consumer confidence and spending, driving prices up.

Q20. Define Law of Supply

Ans 1: "Other things remain constant, an increase in price, increases the quantity supplied and a decrease in price decreases the quantity supplied".
