Economics - 9th Class English Medium Economics Full Book Test

Q1. Define Equilibrium

Ans 1: The Concept of equilibrium is used in both physical and social sciences and it is of central importance in economic analysis. In economics, a market is said to be in equilibrium whenall selleers and buyeers ars satisfied with one rice and there is no tendency for production or prie in that market to change.

Q2. Write Important Features of Economcis.

Ans 1: Important features of the definition are given below:
1- Economics is gthe study of daily activities of mankind.
2- Economics deals with the making of material goods either individually or collectively It ignores non material things.
3- Economics is linked with only those economic activitis, which generate materail requistes of well being.
4- Economics studies the wealth of nations only becuse it helps to gain himan welfare.

Q3. What does material welfare menas.

Ans 1: Material welfare refers to the state or condition of well -being or prosperity, Primaril focused on material possessions, resources, and comforts, It encompasses the tangible aspects of lime such as access to basic necessities like food, shelter, clothig, as well as the ability to acquire goods and services that enhance quality of life. Material welfare is often measured by actors such as income levels, standard of living, access to health care and educationnnnn, employment opportunities,and overall economicstability.

Q4. Define Supply

Ans 1: Supply referesto the quanity of goods of services that producers are willling and able to offer for sale at different prices withing a given time period. It's a fundamental concept in economics, representing the relationship between the price of a product and the quantity that producers are willing to produce and sell in the market.

Q5. Demand Demand.

Ans 1: Demand refers to the quantity of a good or service that consumers ae willing and able to purchase at vaious prices during a specific period. It represents the desire and purchasing power of consumers for a particular product or service. Demand is influencedby various factors including price, consumer preferences,income level, and the availbility of subsititutes, In ecomics, demand is ofter depicted graphically as a downward sloping curve, indicating an invers relationship between price and quantity demanded, assuming othe rfactor remain constant.

Q6. What does free goods mean.

Ans 1: Free Goods typically refer to products or services that are available at no cost to the consumer. These could be items given away as promotional gifts, samples distributed for testing purposes, or even resoruces provided by governments or organizations without charge, such as free healthcare or education. The concept of "Free Goods" can vary depending on context ; sometimes, the cost is covered by advertising revenue or subsidies, while in other cases,it might be funded though donations or taxes.

Q7. Defien Low per capita income in Pakistan?

Ans 1: A low per capita income in Pakistan refers to asituation where the average income eraned per person in the country is relaively low compared to other countries or regions. This means that, on average individuals in Pakistan earn a modest amount of money over a given period, typically a year. Low per capita income indicates limited economic persperity and can be indivative of various socia-economic chanlenges, including poverity, limite daccess to education and healthcare, and inadequate infrastructure development.

Q8. Define Economic Equilibrium

Ans 1: All other things being equal a buyer will always choose a seller with the lowest price, whereas a sellers will choose, if possible, to sell at higher price. Only one price is possible where both seller and buyer and this is the state of equilibrium.

Q9. What is meant by equilibrium price and quantity?

Ans 1: Equilirbrium 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 nro a shortage of the product in the market.

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

Q10. What is remedial Measures of Illitercy.

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 topromote investment in deucation.
3- Share of education in budget soudl be raised to a least 4% of GNP, according to the UNESCO guidelines.

Q11. Define Capital

Ans 1: "Capital is the wealth wich yield an income or aids in the production of an income or is intended to do so".

Q12. What is Capital mean?

Ans 1: Capital generrally refers to the finaicial resoruces, machinery, equipment, and infrastructure uesed in the production of goods or the provision of serices in an economy.

Ans 2: 1- Physical Capital: This includes tangible assets such as buildings, machinery vechicles, tools, and equipment used in production processess.

Ans 3: 2- Financial Capital: Refers to money or funds available for investment in businesses or other ventures.Fincial capital can come from sources such as savings, investmetns, lons, or venture capital

Ans 4: 3- Human Capital: This reprsents the skills, knowledge, expertiese,and abilities of invidiuals that contribute to econmic productivity. Human capital is ofter developed through education training, and expereince.

Q13. Define Economics of Alfred Marshall

Ans 1: Alfred Marshall wrote the book on "Princles 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 connectd with the attainment and with the use of the material requistes of well beings."

Q14. What is the meaning of Scarcity.

Ans 1: Scarcity refers to the fundamental economic problem of limited resources relative to unlimited wants and needs. It's the condition where there are insufficient resources to satisfy all the wants and needs of individuals or society. In other words scarcity exists when the available resources are not enough to produce or provide all the goods and servies that people desire.

Ans 2: Scarcity forces individuals, businesses, and governments to make choices about how to allocated their limited resources efficiently. This concept is central to economics becasue it influences decisions about what to produce, how to produce, it and for whom to produce it. As a result scarcity is a key driver of economc behavior and decision making.

Q15. What is the slope of a demand curve?

Ans 1: The slope of a demand curve represent the rate at which quantity demadned chagnes in respense 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 responsivenss of quantity demanded to chagne in price, known as price elasticity of demand.

Q16. What does elasticity of demand mean?

Ans 1: Elasticity of demand refers to the responsivencessor sensitivity of the quantity demanded of a good or service to changes in its price.In other words it measrues how the quantity demanded chagne in response to a cahng ein price.

Ans 2: 1. Price Elasticity of Demand: This measures the percentage chagne in quantity demanded relative to the percentage change in price. If PED is greater than 1, demand is considered elastic, meaning that a small change in price leades to a relatively large change in quantity demanded.

Ans 3: 2. Income Elasticity od Demand : This measures the percentage chagne in quantity demanded relative to the perentage chagne income . It indicates whether a good is a normal good YED >0 , an inferior good YED <0, or a luxury good YED >1

Ans 4: 3. Cross Price Elasticity of Demand: This measures the percentage chagne in quantity demanded of one good relative to the percentage chagne in the price of antoher good . It helps determine whether goods ae substitutes XED>0, Complements XED <0 or unrelated XED =0

Q17. Write graphic Presentation of the Law of supply

Ans 1: Price of onion in rupees
20
40
60
80

Ans 2: Quantity of Onions supplied in kilogram
10

20
30
40

Q18. What is mean of Utility

Ans 1: In economics, "Utlity" refers to the satisfaction or usefulness that a consumer derives from consuming a good or service, It's a measufe of the level of satisfaction or happiness that an individual obtains from the consumption of a particular produce or service. Utility is a subjective concept, meaning it aries from person to person and can't be measure dobjectively Economists often use the concept of utility to understand consumer behavior, preferences,and choices.

Q19. What is the meaning of Value?

Ans 1: Value has different meanings depending on the context but in general, it refers to the worth, usefulness, or importanceof somethign Here are a few common interpretations.

Ans 2: 1. Economic Value: In economics, value often refers to the worth of goods and services as determined by their utility scarcity , and demand, Economic value is subjective and can vary amongindividuals and societies.

Ans 3: 2. Personal Value: On a personal level, value can represent the significnce or importance of something to an individual, This could include personal beliefs, Principles, relationships, or experiences that hold meaning and importance in one's life.

Ans 4: 3. Market Value : Market Value refers to the price at which a product or servie can be exchanged in the marketplace. It's determined by factros such as supply and demand, competition and the perceived worth of the item by buyers and sellers.

Ans 5: 4. Moral or Ethical Value: Value can be also refer to moral or ethical pricniples that guide behavior and decision making. For example , someone might prioritize honesty,integrity, or social responsibliity as importat values.

Q20. What does the supply schedule represent.

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