

Economics - 9th Class English Medium Economics Full Book Test

Q1. What is Giffen Goods

Ans 1: Giffen Goods are special kinds of inferior goods. When price increases more is demanded and less of it is demanded if price is lower. It goes against the law of demand. for example, barley is inferior to wheat .

Q2. What does other thing remain constant mean in the law of demand.

Ans 1: In the law of demand, the phrase " Other things remain constant" refers to the assumption that all other factors influencing demand are held constant, except for the price of the good or service in question.

Ans 2: The law of demand states that, all else being equal as the price of a good or service decreases, the quantity demanded of that good or service will increase, and vice versa. However, in real-world situations, many factors can influence demand apart from just the price, such as consumer income preferences, prices of related goods, and so on.

Q3. Important features of Robbins's definition are Economics.

Ans 1: 1- Human efforts to fulfill unlimited wants with limited resources.
2- Economic problem arises because resources are scarce.
3- Problem of choice arises because resources have alternative uses.

Q4. 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.

Q5. 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

Q6. What is Economic Goods.

Ans 1: Economics 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.

Q7. 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.

Q8. 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.

Q9. What is Consumption of Wealth

Ans 1: It is that part of wealth which we spend on necessities of life.

Q10. Write Importance of Land

Ans 1: 1- It is a foremost factor of production without which any economic activity is impossible
2- It provides food to the human being. It supplies fruits and vegetables.
3- Agricultural development depends on the best qualities of land.
4- Land provides natural resources such as minerals, lakes, mountains, forest, rivers and canals, etc.
5- Fertile and productive land helps in economic development of a country.

Q11. 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 services that people desire.

Ans 2: Scarcity forces individuals, businesses, and governments to make choices about how to allocate their limited resources

efficiently. This concept is central to economics because 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 economic behavior and decision making.

Q12. 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.

Q13. Write short note Industrial Backwardness.

Ans 1: Industrial Backwardness refers to the condition where an industry or a region lags behind in terms of technological advancements, infrastructure, productivity and overall economic development compared to more advanced counterparts. This state can arise due to various factors such as inadequate investment in research and development, lack of skilled labor, outdated infrastructure, inefficient management practices, or unfavorable government policies.

Q14. Write four kinds of Wealth

Ans 1: Financial Wealth: This includes money, stocks, bonds, and other financial assets that can be easily converted into cash. Financial wealth represents the ability to access purchasing power and make investments.

Ans 2: 2- Physical Wealth: Physical wealth comprises tangible assets such as real estate, land, buildings, vehicles, machinery, and other physical goods. These assets have intrinsic value and can be used for various purposes, including shelter, transportation and production.

Ans 3: 3. Human Capital: Human capital refers to the knowledge, skills, experiences and abilities possessed by individuals. It represents the value that individuals contribute to economic activity through their labor and expertise.

Ans 4: 4- Social Capital: Social Capital encompasses the networks, relationships, and social connections that individuals and groups possess. It includes factors such as trust, reciprocity, and social cohesion within communities or organizations.

Q15. 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 with 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

Q16. What is Wants Mean

Ans 1: Wants mean desires and needs for good and services which provide utility. People indulge themselves in various economic activities till the time of death in order to fulfill their ever emerging wants.

Q17. The Correct Definition of Economics.

Ans 1: The subject of economics is very old . At different times economists defined it differently on the basis of individual observation undr diffrent economic situation or circumstance.

Q18. Write the functional dquation of demand

Ans 1: The functional equation of demand, ofter 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 pric of the good or service.

I = Represents the income of consumers.

T = Rrresents the tastes or preferences of consumers.

O = Represents other relevant factors that may influence demand.

Q19. Write Kinds of Labour

Ans 1: Mental Labour: It is the struggle done with brain, We make plans to lauch any economic activity to satisfy our needs and requirements through all stages of life.

2- Physical Lobour: It is the struggle which is applied physicall , Struggle is needed to produce any good. Although a struggle cannot be measured but profit of a producer is the outcome of his mental and physical struggle. A labourer also gets wages as a result of his physical struggle.

Q20. Define Stock

Ans 1: Stock typically refers to two main concepts:

1- Inventory: In a business context, stock ofter refers to the inventory of goods or materials that a company holds for the pursoe 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 it ownship into units called shares or stock.
