



## DELHI PUBLIC SCHOOL NEWTOWN

SESSION 2025-26

MONDAY TEST

CLASS: IX  
SUB: ECONOMIC APPLICATIONS

FULL MARKS: 40  
DATE: 28/07/25

### General Instructions:

- The paper consists of two printed pages.
- Answer should be to the point.
- Copy the question number carefully before answering the questions.

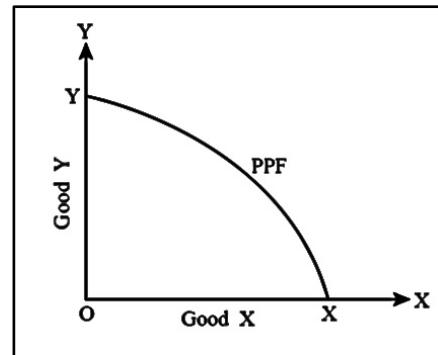
### SECTION A [10 MARKS]

*Attempt all questions*

#### Question 1

Choose the correct answers to the questions from the given options. (Do not copy the questions. Write the correct answer *only*.)

- (i) Assertion (A): Scarcity means limited resources for unlimited wants. [1]  
Reasoning (R): Scarcity of resources only exists in poor countries.  
(a) A is true but R is false  
(b) A is false and R is true  
(c) Both A and R are true and R explains A  
(d) Both A and R are true but R does not explain A
- (ii) Assertion (A): Samuelson's definition of economics emphasizes the role of efficiency and choice. [1]  
Reasoning (R): His definition only focuses on the production of goods.  
(a) A is true but R is false  
(b) A is false and R is true  
(c) Both A and R are true and R explains A  
(d) Both A and R are true but R does not explain A
- (iii) What are the three fundamental economic questions every society must answer? [1]  
(a) Where to produce, how much to produce, and who will produce  
(b) What to produce, how to produce, and for whom to produce  
(c) How to produce, who will distribute, and who will consume  
(d) What to consume, how to consume, and when to consume
- (iv) What does the Production Possibility Frontier (PPF) illustrate? [1]  
(a) The trade-offs between different goods and services a society can produce given limited resources  
(b) The total output of a country at full employment  
(c) The relationship between wages and labour productivity  
(d) The total cost of producing all goods in an economy
- (v) Why are consumers considered important in an economy? [1]  
(a) They create laws for the economy  
(b) They produce raw materials  
(c) Their demand determines what is produced  
(d) They only save money



- (vi) If an economy is producing at a point inside the PPC, it indicates that: [1]
- The economy is operating at full efficiency
  - Resources are being used inefficiently, and the economy is underperforming
  - The economy is producing the maximum possible output
  - The economy is achieving the highest standard of living possible.
- (vii) When the government imposes minimum wages for factory workers, its primary objective is to: [1]
- Reduce consumer spending
  - Improve working conditions in industries
  - Encourage environmentally responsible production
  - Boost consumer subsidies
- (viii) Which of the following is NOT a feature of Samuelson's definition? [1]
- Scarcity and choice
  - Distribution of output
  - Ethical and moral judgment
  - Unlimited resources
- (ix) Define 'government' as an economic entity. [2]

## SECTION B [30 MARKS]

### Question 2

- (i) What is meant by 'economizing of resources'? Distinguish between economic growth and economic development. [7]
- (ii) Following the given diagram, discuss the exchange relationship between the given two economic entities with the help of a diagram. [8]



### Question 3

- (i) In recent years, there has been a growing demand for various consumer goods in Country Y. In response, several manufacturing units have started producing these products.  
Identify and define the economic entity mentioned in the above passage and discuss its relevant importance in Country Y. [7]
- (ii) "Economics is often defined as the study of how people make choices in a world of limited resources and unlimited wants."  
Based on this understanding, explain the features of the scarcity definition of Economics. [8]