

**AGA KHAN UNIVERSITY EXAMINATION BOARD**

**SECONDARY SCHOOL CERTIFICATE**

**CLASS IX**

**MODEL EXAMINATION PAPER 2023 AND ONWARDS**

**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 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D	1 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
	2 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
	3 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D
	4 <input type="radio"/> A <input type="radio"/> B <input checked="" type="radio"/> C <input type="radio"/> D

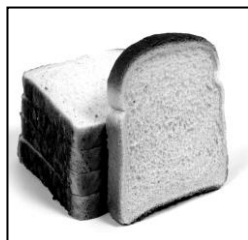
**Candidate's Signature**

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. Which of the following can be classified as a 'commodity' in terms of economics?



A



B



C



D

2. With reference to the concept of consumption, the good that can be classified as a luxury good is



A



B



C



D

3. Rashid received a gift voucher of Rs 1,000 for participating in a quiz contest. The gift voucher gives a chance to avail any one of the following choices.

- To attend a theatre performance of his favourite play at a discounted price
- To avail 'all you can eat' offer at minimum rates at a pizza parlour
- To purchase clothing from a branded clothing store on discount
- To avail free ticket for watching any movie

If he has chosen to avail the free ticket to watch a movie over the others, then economic concept reflected through the decision is of

- A. opportunity cost.  
 B. stock and supply.  
 C. price determination.  
 D. diminishing marginal utility.
4. The given table provides the details about the cloth sold by a wholesaler.

S. No.	Particulars	Quantity (metre)	Rate (per metre)	Amount
1	Red cotton	12	100	1,200
2	Black velvet	20	75	1,500
3	Brown silk	30	60	1,800
	<b>Total</b>			<b>4,500</b>

In this table, the value of goods is expressed in terms of

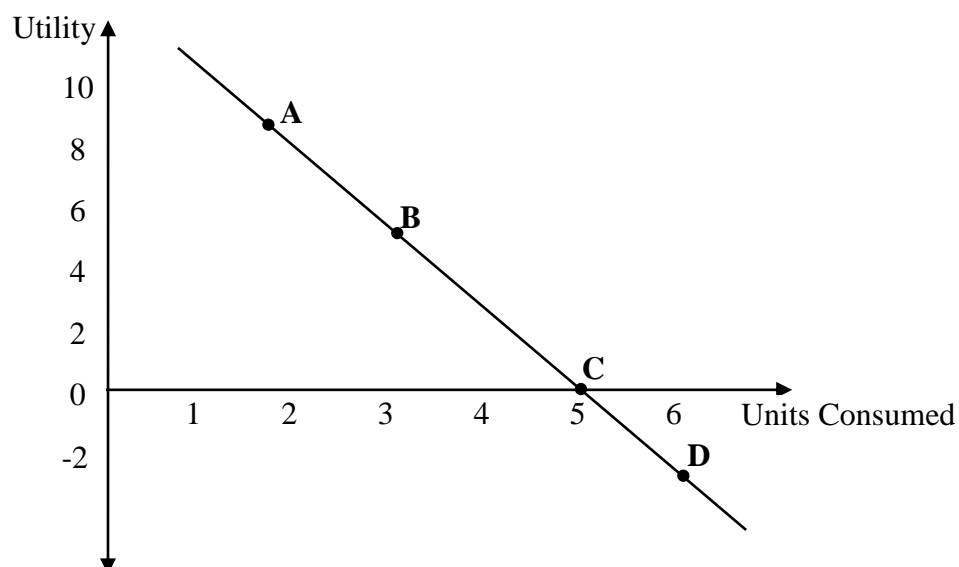
- A. utility.  
 B. money.  
 C. exchange.  
 D. consumption.

5. The law of diminishing marginal utility will be TRUE in which of the following conditions?
- A person drinks a glass of water hourly.
  - A person drinks a glass of water back to back.
  - A person drinks a glass of water in the morning and then at noon.
  - A person drinks a glass of water regularly in the morning every day.
6. The following table reflects the consumption pattern of Sara for mango shake.

Units of Mango Shake (in glasses)	Total Utility	Marginal Utility
1	20	--
2	35	15
3	45	10
4	50	5
5	50	0
6	45	-5
7	35	-10

As per the given data, the point of satiation will be at the

- 1<sup>st</sup> Unit.
  - 3<sup>rd</sup> Unit.
  - 5<sup>th</sup> Unit.
  - 7<sup>th</sup> Unit.
7. The point from which onwards the total utility decreases on the given graph is labelled as



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8. Which of the following decisions is studied under macroeconomics?
- A. A frequent traveller indicated in a survey that he usually prefers to travel through a private airline company rather than through a national or public airline.
  - B. An educational institution revised its overall fee structure for all the programmes they offer to manage the increasing cost and needs.
  - C. The central bank revised the interbank credit rate from 4% to 5% to cut-off excess money supply.
  - D. The management of a factory revised and announced market adjustment to the salary structure of technical staff to marginalise the inflation effect.
9. Which of the following BEST describes the objective of the classical school of thought in economics?
- A. There is no economic problem that fiscal policy cannot solve.
  - B. The 'invisible hand' of the free market is all that is needed to achieve equilibrium.
  - C. The way to understand the working of an economy is to understand the way the human mind reacts and adapts to the market and the economy.
  - D. The Central bank can steer the economy on a path to prosperity through a laissez faire approach if nominal gross domestic product targeting is implemented.
10. The feature that does NOT fall within the scope of capitalism is
- A. consumer sovereignty.
  - B. the freedom of enterprise.
  - C. the existence of public sector.
  - D. the right to own private property.
11. Salima and Karima are participating in an economic discussion forum. They advocate the features of a mixed economic system as a solution to the problems of all developing countries.
- The statement that will strengthen their argument in this discussion will be that a mixed economic system
- A. guarantees full employment in the economy.
  - B. achieves an equal distribution of wealth in the economy.
  - C. denies consumers' preferences for goods in the economy.
  - D. ensures that all capital resources are utilised in the economy.
12. With reference to the law of demand, the factor that brings change in quantity demanded is
- A. price.
  - B. income.
  - C. weather.
  - D. population.

13. The option that is CORRECT about the relationship between price and quantity demanded is

	Price	Quantity Demanded
A	increase	increase
B	decrease	increase
C	increase	remain same
D	decrease	decrease

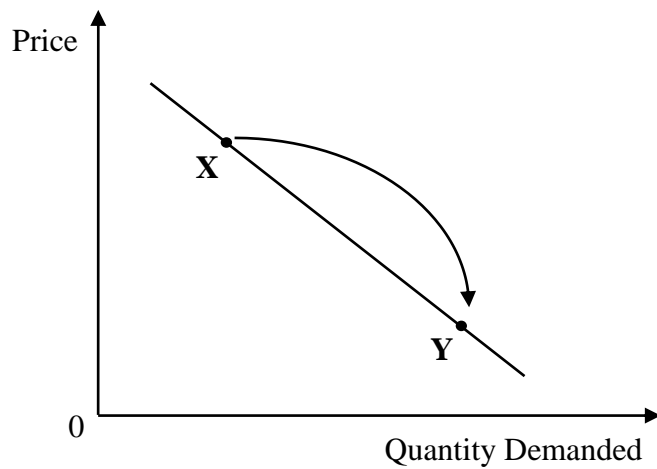
14. The given schedule reflects demand of milk for four people at different price levels.

Price per litre	Individual Demand for Milk (litres)			
	P	Q	R	S
40	2	4	6	2
50	1	3	4	1
60	0	2	3	1

The total market demand for milk at Rs 50 is

- A. 6 litres.  
 B. 9 litres.  
 C. 14 litres.  
 D. 23 litres.
15. The market demand schedule of a product can be obtained by
- A. adding the quantity demanded at different price levels.  
 B. multiplying the quantity supplied at different price levels.  
 C. multiplying the number of consumers with each consumer demand in the market.  
 D. adding the prices that consumers are willing to pay at different quantity demanded.

16. In the given diagram, the movement from point **X** to point **Y** shows a/ an



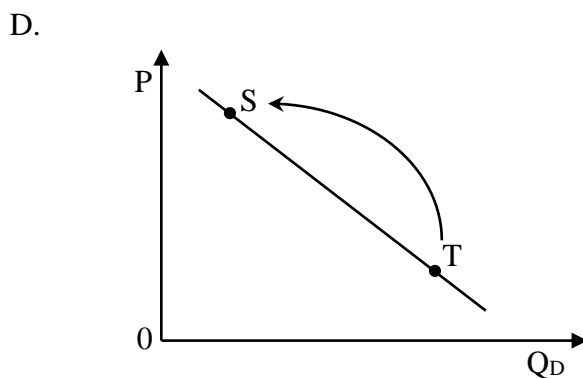
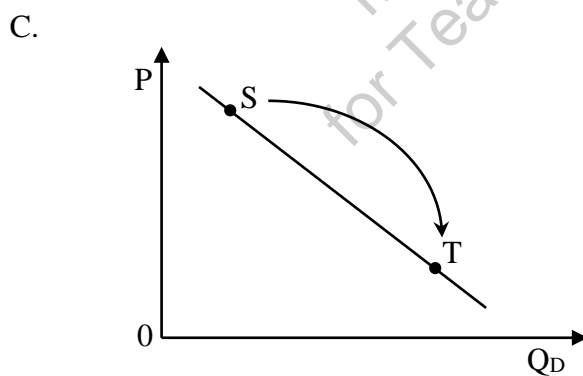
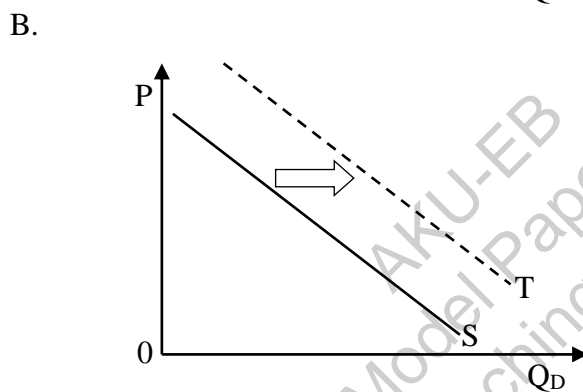
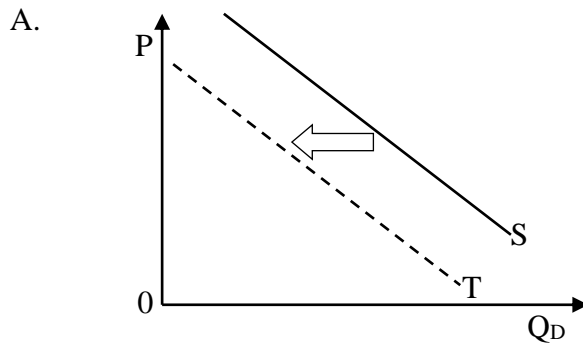
- A. fall in demand.  
B. rise in demand.  
C. extension in demand.  
D. contraction in demand.
17. An increase in the price of chicken feed will cause a decrease in the supply of chicken meat in the market.
- The effect on the demand of chicken meat due to the given situation will be termed as
- A. fall in demand.  
B. rise in demand.  
C. extension in demand.  
D. contraction in demand.
18. Recently, the manufacturers of leather products have raised the price of leather by 20% due to which the quantity demanded of leather products has dropped by 25%.

In the given scenario, the elasticity of demand of leather products is

- A. elastic.  
B. unitary.  
C. inelastic.  
D. perfectly elastic.

19. Recently, the demand of chicken meat has decreased in Pakistan due to the rumour of Bird Flu virus.

The effect of this rumour on demand can be graphically represented as



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20. Arham manufactures 10 jute baskets in a day. Out of which, as per his wish, he has sold every 8 baskets on a given day.

In the given scenario, his stock of goods will be

- A. 02 baskets.
- B. 08 baskets.
- C. 10 baskets.
- D. 12 baskets.

21. As per law of supply, the relationship between the quantity supplied and price is

- I. direct
- II. indirect
- III. neutral

- A. I only.
- B. II only.
- C. III only.
- D. I and II.

22. In order to meet the increase in demand of wood racks, Saleem installed a new wood cutting machine in his workshop. This machine will increase his production capacity by 20% and at the same time, decrease the average cost.

In the given scenario, the increase in supply was because of the change in

- A. technology.
- B. taxation policy.
- C. weather condition.
- D. cost of production.

23. The law of supply depicts the functional relationship between the price of a commodity and its supply by keeping in mind certain assumptions.

A change in which of the following elements is NOT considered as an assumption for the given law?

- A. Technology
- B. Income of consumer
- C. Rate of tax by the government
- D. Price of different factors of productions

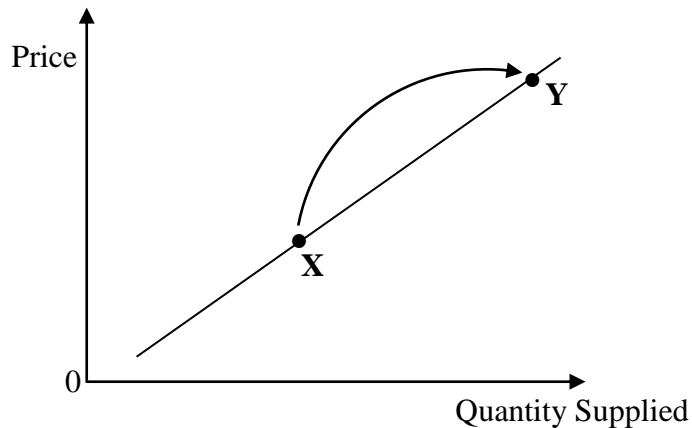
24. The market reflects a surplus of sugar supply. Sugar producers have stopped selling and have started stocking sugar due to a decline in prices.

In order to revert the behaviour of the producers, in the long run, the government should fix

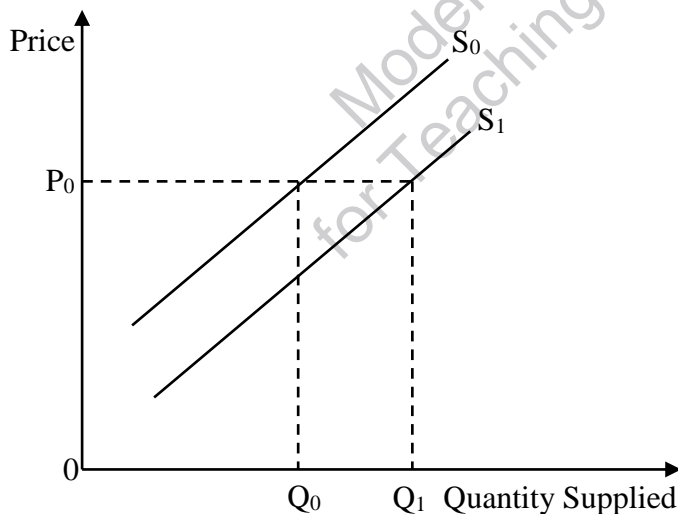
- A. subsidised prices.
- B. equilibrium prices.
- C. minimum market prices.
- D. maximum market prices.



25. The given change on supply curve from point X to point Y will be considered as a/ an



- A. fall in supply.  
 B. rise in supply.  
 C. extension of supply.  
 D. contraction of supply.
26. The given graph shows the effect of change in supply from  $S_0$  to  $S_1$  on the quantity supplied of motor vehicles for a firm.



The MOST likely reason for such a shift in the supply curve of motor vehicles would be a/ an

- A. change in the price of motor vehicles by the firm.  
 B. decrease in the price of motor vehicles of competitive firms.  
 C. increase in the cost of production of motor vehicles for the firm.  
 D. introduction of new technology in production of motor vehicles at the firm.

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27. Due to a severe drought, a country which was a major exporter of agricultural product is no longer a contributor in the world market.

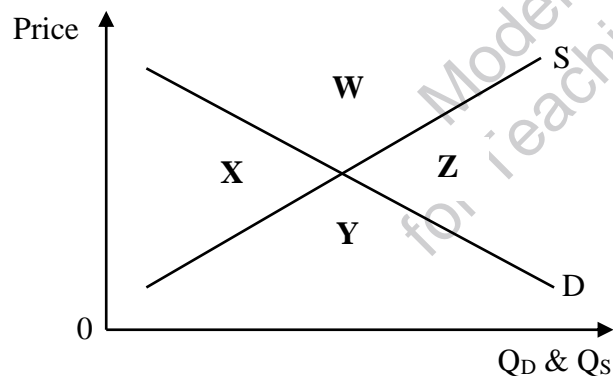
In the given situation, the world market of agricultural product would face a/ an

- A. increase in demand due to increase in supply.
- B. increase in demand due to reduction in supply.
- C. reduction in demand resulting in increase in supply.
- D. reduction in demand resulting in reduction in supply.

28. Which of the following relationships between market condition and price is INCORRECT?

	Market Condition	Price
A	Demand > Supply	Rise
B	Demand = Supply	Equilibrium
C	Demand < Supply	Falls
D	Demand $\geq$ Supply	Falls

29. Which area on the graph, **W**, **X**, **Y** or **Z** reflects shortage of goods (deficit) in the market?



- A. W
- B. X
- C. Y
- D. Z

30. The transformation of resources into goods and services is called

- A. allocation.
- B. production.
- C. distribution.
- D. consumption.

31. The activities which assist the trade are known as auxiliaries to trade such as transportation, communication, banking, insurance, warehousing and advertising.

In the economic sector, the given activities are classified as

- A. primary.
  - B. secondary.
  - C. tertiary.
  - D. quaternary.
32. With reference to factors of production, which of the following is the MAJOR characteristic of labour?
- A. It is perishable.
  - B. It is transferable.
  - C. It is homogenous in nature.
  - D. It is a passive factor to production.
33. Abbas and Babar started a partnership business. Abbas invested his efforts and Babar invested by providing a building for the office. As per partnership deed, they both are employed and will receive the reward.

The CORRECT option that depicts the source of reward for Abbas and Babar is

	<b>Abbas</b>	<b>Babar</b>
A	rent and salary	rent, interest and salary
B	interest and salary	rent and profit
C	profit and salary	rent, profit and salary
D	profit and interest	interest and salary

34. Amir works in a bank. Recently, he has been transferred from the bank's branch in a rural area to a branch in an urban area.

The mentioned labour mobility is classified as

- A. vertical mobility.
  - B. horizontal mobility.
  - C. geographic mobility.
  - D. occupational mobility.
35. With reference to the factors of production, oil fields and gold mines are categorised under
- A. land.
  - B. labour.
  - C. capital.
  - D. entrepreneur.

36. The factor that directly influences the poverty level in the economy is
- A. interest rate.
  - B. unemployment.
  - C. economic boom.
  - D. low per capita income.
37. All of the following are the effects and consequences of illiteracy on the economic development EXCEPT
- A. increased poverty.
  - B. increased unemployment.
  - C. high crime rate in a society.
  - D. high rate of money laundering.
38. The social cause of low per capita income in Pakistan is
- A. nepotism.
  - B. bad governance.
  - C. dishonesty and corruption.
  - D. poverty and unemployment.
39. The condition when a person's basic needs of food, drinking water, clothing and shelter are not being met is termed as
- A. welfare.
  - B. poverty.
  - C. illiteracy.
  - D. unemployment.
40. Recently, Alpha Enterprises opted for direct salary transfer from a commercial bank. As a result, Saleem lost his position as an accountant for the enterprise.
- Saleem's unemployment is classified as
- A. seasonal unemployment.
  - B. frictional unemployment.
  - C. structural unemployment.
  - D. voluntary unemployment.

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