

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS IX EXAMINATION




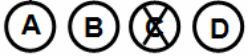

MAY 2015

Economics Paper I

Time: 35 minutes Marks: 25

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 25 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		1	
		2	
		3	
		4	

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. Cardinal measurement approach is used for
 - A. counting utility.
 - B. obtaining marginal utility.
 - C. diminishing marginal utility.
 - D. ranking consumer preference.
2. The following table refers to the utility statistics of a consumer on eating apples

Number of Apples	Total Utility
01	15
02	27
03	37
04	45

The Marginal Utility on eating the 4th apple will be

- A. 08
 - B. 10
 - C. 12
 - D. 15
3. Shortage of resources to satisfy unlimited wants is known as
 - A. need.
 - B. choice.
 - C. scarcity.
 - D. demand.
4. The marginal utility of a commodity due to its continuous and successive use will
 - A. rise.
 - B. diminish.
 - C. be flexible.
 - D. remain unchanged.
5. Which of the following is an example of complementary goods?



A



B



C

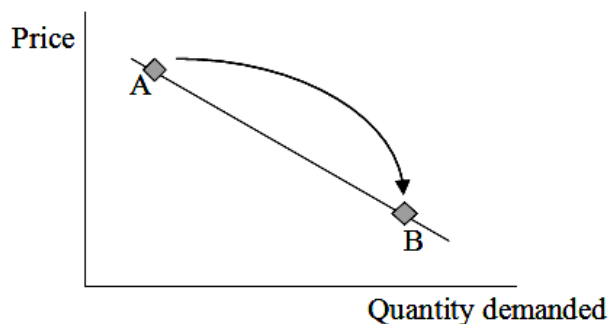


D

6. According to classical economist Adam Smith, economics is the study of the science of
- wealth.
 - scarcity.
 - material welfare.
 - production and distribution.
7. The central economic problem in an economy is
- scarcity.
 - poverty.
 - inflation.
 - unemployment.
8. In the following table which of the following comparisons of the two economic systems is INCORRECT?

	Command Economy	Market Economy
A	Government control	Private ownership
B	Centrally planned	By the market forces
C	Set by the government often distorted	Set and change by market forces
D	Efficient, wide range of goods and less equal distribution.	Inefficient, shortages and more equal distributions

9. All of the following factors affect the demand of a good EXCEPT the
- production costs.
 - prices of substitutes.
 - income distributions.
 - prices of complementary goods.
- 10.

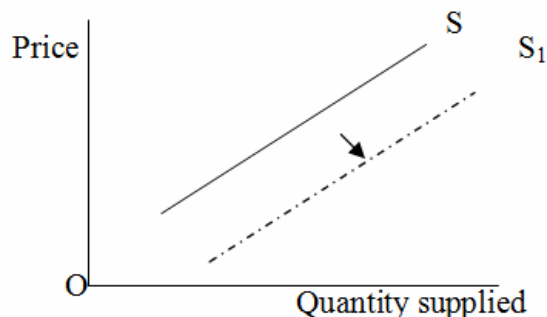


In the above diagram, the movement from point A to point B shows a/an

- fall in demand.
- rise in demand.
- extension in demand.
- contraction in demand.

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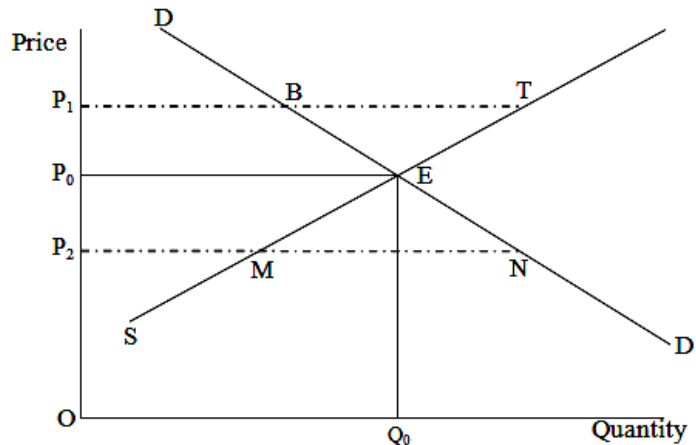
11. Which of the following is NOT related to the assumption of the law of Demand?
- A. Individual income should not change
 - B. Price of the good itself should not change
 - C. Price of the other commodities should not be flexible
 - D. Individual consumer preference (taste) should not change
12. The decrease in the price of petrol resulting in an increase in the price of cars reflects an
- A. increase in the maintenance cost.
 - B. increase in the price of substitute goods.
 - C. increase in the cost of car accessories and auto parts.
 - D. increase in the price of complementary goods.
13. Graphically, the long run supply curve is
- A. flat.
 - B. steep.
 - C. vertical.
 - D. backward bending.
14. Which of the following is the best explanation for the shift shown in the supply curve towards the right?



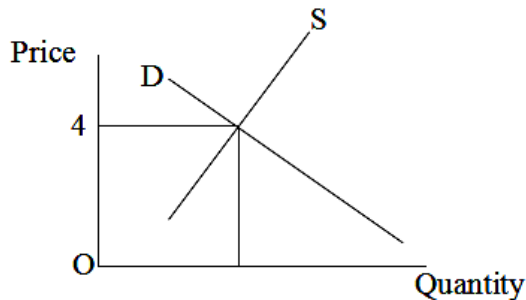
- A. The price of raw material increases.
 - B. Government increases tax on goods.
 - C. Resources used in the product become more costly.
 - D. New technique makes the production of goods cost effective.
15. At which of the following points will there be a shortage or shortfall?
- A. Supply is equal to demand.
 - B. Demand is less than supply.
 - C. Supply is more than demand.
 - D. Demand is more than supply.

16. The given diagram reflects market equilibrium at point E. Which of the following indicates the area of surplus?

- A. BET
- B. MEN
- C. TEN
- D. BEM



17. Eight rupees is the equilibrium price of a good Y but suddenly the government fixes the price at four rupees for the same good. This reflects



- A. a shortage of good Y.
 - B. an excess supply of good Y.
 - C. no change in equilibrium quantity of good Y.
 - D. that the equilibrium price is now rupees four of good Y.
18. Which of the following terms is excluded from factors of production?
- A. Land
 - B. Money
 - C. Labour
 - D. Organization (entrepreneur)
19. A firm's profit is computed by
- A. adding social cost to the total revenue.
 - B. adding marginal cost to the total revenue.
 - C. deducting total cost from the total revenue.
 - D. deducting average cost from the total revenue.
20. A common characteristic of land and capital is that they are both
- A. mobile.
 - B. immobile.
 - C. passive factor.
 - D. free gifts of nature.

21. When national income is divided by the total population the result represents the
- A. real income.
 - B. personal income.
 - C. per capita income.
 - D. disposable income.
22. Which of the following is the major cause of the slow growth rate of the industrial sector in Pakistan?
- A. Unavailability of overtime
 - B. Lack of technical knowledge
 - C. Depletion of natural resources
 - D. Trade restrictions imposed by other countries
23. Mr Saleem was an accounts officer. Later, however, he completed his MPA (Master's in Public Administration) and left his previous job to search for a new one which was better suited to his qualification and experience.
- This time period of unemployment can be called
- A. cyclical unemployment.
 - B. seasonal unemployment.
 - C. frictional unemployment.
 - D. structural unemployment.
24. Ahmed uses statistics data from the economic survey of Pakistan for the completion of his economic assignment. The source of information will be considered as
- A. tertiary source.
 - B. primary source.
 - C. informal source.
 - D. secondary source.

25.



The above picture is the result of mass migration from rural to urban areas. All of the following are problems reflected in the given picture EXCEPT

- A. pollution.
- B. employment.
- C. housing constraints.
- D. burden on resources.

Please use this page for rough work