

**MOTITHANG HIGHER SECONDARY SCHOOL
THIMPHU
MID-TERM EXAMINATION 2017**

**SUBJECT: ECONOMICS
CLASS: IX**

**WRITING TIME: 2 HOURS
TOTAL MARKS:80**

DIRECTIONS: Do not write for the first fifteen minutes. This time is to be spent reading the questions. Attempt all the questions from section A and any four questions from section B. The intended marks for questions or part of questions are given in brackets [].

Don't forget to write your Name, Roll No. and Section on your answer sheet.

SECTION A: {40 MARKS}

ANSWER ALL THE QUESTIONS. FIGURES IN THE BRACKETS [] INDICATE FULL MARKS.

INSTRUCTION: Each of the following questions has FOUR alternative answers A,B,C and D. Choose the correct answer and write A or B or C or D in the answer sheet.

Question 1 [1x15=15 marks]

1. The exchange of goods and services which takes place within the geographical boundary of a country is called as....
 - A. local market
 - B. international market
 - C. national market
 - D. Capital and consumer goods

2. Who is the father of economics?
 - A. Karl Marx
 - B. Adam Smith
 - C. Alfred Marshall
 - D. Milton Friedman

3. Following are all factors affecting economic activity EXCEPT....
 - A. The available of skilled labour and entrepreneurship
 - B. Historical
 - C. Access to technology
 - D. Gross domestic product

4. The central economic problem arises because of
 - A. Needs and wants
 - B. What, How and for whom to produce?
 - C. Luxury goods and necessities
 - D. Capital and consumer goods

5. The total amount of goods and services demanded by the all the consumer in the market is called....
 - A. Quantity demanded
 - B. Quantity supplied
 - C. Individual demand
 - D. Market demand.

6. Classical economist Adam Smith defined economics as
 - A. Scarcity of resources
 - B. Wealth of nation
 - C. General wealth
 - D. Welfare of the people.

7. The things that are produced which can be directly consumed or utilized are called
 - A. Resources
 - B. Wants
 - C. Needs
 - D. Commodities.

8. Activity related to the services industry, transportation, banking and insurance are
 - A. Primary activity.
 - B. Business sector
 - C. Tertiary sector
 - D. Secondary sector.

9. A table which represents the relationship between price of the commodities and quantity demanded is called
- A. Supply curve
 - B. Demand curve
 - C. Demand schedule
 - D. Supply schedule.
10. Given below are the types of market structure **EXCEPT**
- A. Monopoly market
 - B. Local market
 - C. Perfect competitive market
 - D. Monopolistic competition.
11. Demand for a commodity decrease due to increase in price is called
- A. Extension of demand
 - B. Contraction of demand
 - C. Decrease in demand
 - D. Increase in demand
12. A market structure where there are large numbers of buyers and sellers, homogeneous products and a uniform price is.....
- A. Monopolistic competition
 - B. Monopoly
 - C. Perfect competition
 - D. None of the above
13. Following are the features of a perfect competition, **EXCEPT**
- A. Large numbers of buyers and sellers
 - B. Homogeneous product
 - C. No transportation cost
 - D. Abnormal or super normal profit

14. Which of the following example is **NOT** an example of non economic activity?
- A. Mr. Pema playing game in the office.
 - B. Mrs. Tashi teaching in the school.
 - C. Mr. Kala cooking food for his family.
 - D. Miss Jigme driving her own car.
15. “Political economics or economics is the study of market in the ordinary business of life...Thus it is on the one side a study of wealth and on the other and more important side, a part of study of men.”
- The above mentioned definition is given by
- A. Adam Smith
 - B. Karl Marx
 - C. Alfred Marshall
 - D. J.M Keynes.

Question 2 [25 marks]

Answer all the questions. Figures in brackets [] indicate full marks.

- i. Demand curve slopes downwards from left to right. Why? [2]
- ii. Explain the term ‘resources’ as used in economics and what are the three types resources? [3]
- iii. Clearly differentiate between the economic and non-economic activities with fine examples. [2]
- iv. Explain GDP? [1]
- v. What does industrialization means? How industrialization help in bringing economic growth in the nation? [3]
- vi. Differentiate between the developed economy and underdeveloped economy. [2]
- vii. Explain any two barriers to entry in a monopoly market structure? [2]
- viii. Why do individuals and nations need to exchange goods and services? [2]
- ix. What are the factors affecting demand for goods and services? [2]

- x. Explain demand schedule? Give one sample of demand schedule giving your own data. [2]
- xi. State law of demand. [2]
- xii. What do you mean by barter system? [2]

Section B[40 marks]

Attempt *any FOUR* questions from this section. Figures in brackets [] indicate full marks.

Question3 [10 marks]

- a. Write the definition of economics. [2]
- b. Differentiate between needs and wants with two examples each. [3]
- c. With the table given below draw demand curve. [3]

Prices (Nu)	Quantity demanded (rice)kg
20	100
40	70
60	50

- d. Why do we consider all the economic activities as sources of income? Explain. [2]

Question 4 [10 marks]

- a. Why do economic problems arise? Explain with the help of flow chart. [3]
- b. What are the factors affecting economic activities in the locality? Explain at least three factors. [3]
- c. Write the meaning of market in economics. [2]
- d. Explain any one of the barriers to entry in monopoly market structure. [2]

Question 5 [10 marks]

- a. An economy comprises of different sectors which perform specific task. Explain them. [3]
- b. Name and explain the types of market classified based on the geographic location. Give examples. [3]

- c. Mention various barriers practiced in monopoly market structure. [2]
- d. What is Royal Government of Bhutan's aim upon the types of economic activity? [2]

Question 6 [10 marks]

- a. What are the basic economic problems? How is it solved under the capitalistic economic system? Explain. [3]
- b. Distinguish between substitute goods and complimentary commodity. Give two examples each. [3]
- c. Why do you think GNH is better than GDP? [2]
- d. Explain any two of the factors affecting demand. [2]

Question 7 [10 marks]

- a. There is a shift away from primary sectors to secondary sector and tertiary sectors in economy. What is your opinion up on it? [3]
- b. Explain the meaning of product differentiation along with the example. [3]
- c. List down the difficulties faced under the barter system which gave a way to the modern monetary exchange system. [2]
- d. Explain the increase in demand with the help of a diagram. [2]

Question 8 [10 marks]

- a. Why do you think monopolistic type of market structure is better compared to monopoly? Explain. [3]
- b. Is there any difference between demand and desire? Explain. [2]
- c. Economic activities can be broadly divided into three categories based on their origin. List down the types and explain the types with suitable examples. [3]
- d. Write down the difference between perfect competition and monopoly. [2]