

**Class: X****Time Allowed: 20 minutes****Q1:****MODEL PAPER 2026****SUBJECT: ECONOMICS****SECTION "A" (MULTIPLE CHOICE QUESTIONS)****Marks: 15**

**Note:** Attempt ALL the MCQs from Section "A". Each MCQ carries ONE mark.

1. How is personal income used?
  - A. For consumption and savings
  - B. For investment and government spending
  - C. For exports and imports
  - D. For production and distribution
2. What is GDP?
  - A. Gross Development Product
  - B. Gross Domestic Product
  - C. Gross Defined Product
  - D. Gross Deposited Product
3. Which type of investment is influenced by changes in income?
  - A. Induced investment.
  - B. Autonomous investment.
  - C. Public investment.
  - D. Private investment.
4. What is personal income?
  - A. The total value of goods and services produced by a country.
  - B. The income earned by individuals from various sources.
  - C. The profit earned by businesses.
  - D. The revenue collected by the government.
5. Which of the following is an indicator of economic growth?
  - A. Increase in life expectancy.
  - B. Decrease in poverty rate.
  - C. Increase in Gross Domestic Product Per Capita.
  - D. Decrease in literacy rate.
6. What was the primary purpose of introducing money into the economy?
  - A. To control inflation.
  - B. To facilitate trade and commerce.
  - C. To reduce unemployment.
  - D. To increase government revenue.
7. What type of financial market deals with the buying and selling of short-term securities?
  - A. Stock market.
  - B. Bond market.
  - C. Money market.
  - D. Foreign exchange market.
8. Which type of bank provides financial services to farmers and rural communities?
  - A. Agricultural bank.
  - B. Industrial bank.
  - C. Commercial bank
  - D. Microfinance bank.
9. What is the primary purpose of trade?
  - A. To promote economic growth.
  - B. To reduce unemployment.
  - C. To increase government revenue.
  - D. To exchange goods and services between countries.
10. Which of the following is a major export of Pakistan?
  - A. Machinery.
  - B. Electronics.
  - C. Textiles.
  - D. Automobiles.
11. What is globalization?
  - A. The process of increasing trade barriers.
  - B. The integration of economies and societies around the world.
  - C. The reduction of foreign investment.
  - D. The increase in government control over the economy.
12. Which of the following is a benefit of international trade?
  - A. Increased dependence on foreign goods.
  - B. Decreased economic growth.
  - C. Increased competition and innovation.
  - D. Reduced consumer choice.
13. What is the primary source of revenue for the government?
  - A. Taxation.
  - B. Public borrowing.
  - C. Private investment.
  - D. Foreign aid.
14. Why is taxation an important source of public revenue?
  - A. It reduces economic growth
  - B. It increases income inequality
  - C. It provides revenue for public goods and services
  - D. It decreases government intervention
15. What is the main objective of the Islamic economic system?
  - A. To promote economic growth
  - B. To reduce poverty
  - C. To increase individual wealth
  - D. To achieve collective welfare or 'Falah'

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**END OF SECTION "A"**

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**Class: X****MODEL PAPER 2026****Time: 2 hours 40 minutes****SUBJECT: ECONOMICS (SECTION "B" & SECTION "C")**  
**SECTION "B" (SHORT ANSWER QUESTIONS)****Total Marks: 60**  
**Marks: 30****Note:** Attempt any **SIX** questions from Section "B". Each question carries **FIVE** marks.

Q.2 Define the concept of income in economics.

Q.3 State the concept of Gross National Product (GNP).

Q.4 Explain how increased national income can improve the standard of living of its citizens.

Q.5 Define cyclical unemployment and explain its causes.

Q.6 Explain the role of commercial banks in Pakistan's economy.

Q.7 List the tools used by the State Bank of Pakistan to implement monetary policy.

Q.8 Explain how a surplus in the current account balance can impact Pakistan's foreign exchange reserves.

Q.9 Identify the demerits of engaging in international trade for Pakistan.

Q.10 Explain the impact of a budget deficit on Pakistan's economy.

Q.11 Describe the importance of private revenue for individuals and businesses.

**SECTION "C" (DETAILED ANSWER QUESTIONS)****Marks: 30****Note:** Attempt any **THREE** questions from Section "C". Each question carries **TEN** marks.

Q.12 Discuss the significance of traditional means of communication for the economic development of Pakistan.

Q.13 Analyze the causes of inflation in Pakistan and evaluate its impact on the value of money.

Q.14 Discuss the difficulties of the barter system and explain why it is impractical in modern economies like Pakistan.

Q.15 Examine the factors contributing to Pakistan's negative Balance of Payments.

Q.16 Compare the principles of wealth distribution in Islamic economics with conventional economic systems.

**END OF PAPER**