

**Class: IX****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. What is economics?
  - A. Study of history
  - B. Study of human behavior
  - C. Study of how people make choices about resources
  - D. Study of science and technology
2. What is an economic want?
  - A. Want that can be satisfied by money
  - B. Want that cannot be satisfied by money
  - C. Want that is essential for survival
  - D. Want that is not important
3. Which of the following is an example of a secondary activity of production?
  - A. Extracting minerals from the earth.
  - B. Growing crops.
  - C. Providing education services.
  - D. Manufacturing of textiles.
4. What is the Law of Supply?
  - A. As the price of a good increases, the quantity demanded decreases.
  - B. As the price of a good increases, the quantity supplied also increases.
  - C. As the price of a good decreases, the quantity supplied increases.
  - D. As the price of a good decreases, the quantity demanded increases.
5. What is the main difference between microeconomics and macroeconomics?
  - A. Microeconomics focuses on individual units, while macroeconomics focuses on aggregate variables.
  - B. Microeconomics focuses on aggregate variables, while macroeconomics focuses on individual units.
  - C. Microeconomics studies international trade, while macroeconomics studies domestic trade.
  - D. Microeconomics studies short-term phenomena, while macroeconomics studies long-term phenomena
6. What is the reward for the "capital"?
  - A. Rent.
  - B. Wage.
  - C. Interest.
  - D. Profit.
7. Which of the following is an example of a need?
  - A. Buying a luxury car.
  - B. Purchasing the latest smartphone.
  - C. Dining at a fancy restaurant.
  - D. Having access to clean drinking water.
8. Which of the following is a characteristic of a mixed economic system?
  - A. Coexistence of public and private sectors.
  - B. The private sector has complete freedom to operate.
  - C. Complete government control over the economy.
  - D. The economy is completely isolated from the world.
9. What does the Law of Diminishing Marginal Utility state?
  - A. As consumption increases, total utility increases at an increasing rate.
  - B. As consumption remains constant, marginal utility remains constant.
  - C. As consumption decreases, marginal utility increases.
  - D. As consumption increases, marginal utility decreases.
10. What is the role of preferences in influencing consumer behavior?
  - A. Preferences determine the budget constraint of a consumer.
  - B. Preferences influence the quantity of goods and services consumed.
  - C. Preferences have no impact on consumer behavior.
  - D. Preferences determine the market price of goods and services.
11. What is a budget constraint?
  - A. A limit on the quantity of goods and services consumed.
  - B. A limit on the income earned by a consumer.
  - C. A limit on the amount of money available for spending.
  - D. A limit on the price of goods and services.
12. What is the role of a producer in an economy?
  - A. To create goods and services.
  - B. To provide labour services.
  - C. To consume goods and services.
  - D. To distribute income.
13. What is the market price of a good or service?
  - A. The average price of a good or service in a market.
  - B. The price that consumers are willing to pay.
  - C. The price that producers are willing to accept.
  - D. The price at which the quantity demanded equals the quantity supplied.
14. Why do consumers demand more of a good when its price falls?
  - A. Because the good becomes less expensive
  - B. Because the good becomes more expensive
  - C. Because the consumer's income increases
  - D. Because the consumer's preferences change
15. What is supply in economics?
  - A. The quantity of a good that producers are willing and able to sell
  - B. The quantity of a good that consumers are willing and able to buy
  - C. The price of a good
  - D. The demand for a good

**END OF SECTION "A"**

**Class: IX****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 Identify the key branches of economics.

Q.3 Differentiate between needs and wants, providing examples of each.

Q.4 Mention classical and modern schools of thought in economics with respect to their views on wealth, welfare, and scarcity.

Q.5 Identify the factors that influence a consumer's purchasing decision when buying a product in Pakistan.

Q.6 List the assumptions of the Law of Diminishing Marginal Utility.

Q.7 Mention the different stages involved in transforming raw materials into finished goods in a manufacturing firm.

Q.8 Describe the relationship between total revenue and total cost in determining profit.

Q.9 Explain how a change in consumer income affects the demand for a normal good in Pakistan.

Q.10 Describe the relationship between the price of a good and the quantity supplied by producers in a market.

Q.11 Explain the process of reaching market equilibrium.

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

Q.12 Discuss the importance of understanding needs and wants in economic decision-making.

Q.13 Evaluate the differences between classical, neoclassical, and modern schools of thought in economics.

Q.14 Analyse how the Law of Diminishing Marginal Utility affects consumer behaviour in Pakistan.

Q.15 Assess the role of secondary activities of production in Pakistan's economic development.

Q.16 Evaluate the impact of labor on production costs.

**END OF PAPER**