



MINISTRY OF EDUCATION
CHUMEY HIGHER SECONDARY SCHOOL
ANNUAL EXAMINATION-2022



CLASS: IX
ECONOMICS

WRITING TIME: 2 hours
TOTAL MARKS:100

READ THE FOLLOWING

DIRECTIONS CAREFULLY:

1. Do not write for the first **fifteen minutes**. This time is to be spent on reading the questions. After having read the questions, you will be given **two hours** to answer all the questions.
2. Make sure there are **sixteen pages** (Page 1 of 16- 16 of 16).
3. Write your **index number and class** correctly in your answer sheet.
4. Section **A** is compulsory. Attempt **FIVE** questions from Section **B**.
5. The intended marks for each question are given in the **brackets []**
6. Remember to write **quickly but neatly**.
7. **Do not** leave the examination hall before you have made sure that you have answered all the questions.

.....
Section A [20 marks]

Directions: For each question, there are four alternatives **A, B, C, and D**. choose the correct alternative and circle it. Do not circle more than **ONE** alternative. If there are more than one circled, **NO** score will be awarded

Question 1

- I. “Wealth is only a means to satisfy human wants and not an end in itself “the statement is based on
A. Wealth oriented
B. Welfare oriented
C. Scarcity oriented
D. Growth oriented
- II. “Every choice involves a trade-off, i.e., giving up one thing to have next best alternative” the statement best describes
A. Opportunity receipt
B. Opportunity benefit
C. Opportunity cost
D. Opportunity gain
- III. In an economy, people generally consumed goods and services as it possess
A. Value
B. Utility
C. Power
D. Satisfaction

- IV. Provision of facilities such as electricity, communication, transportation network, water supply and banking services are important for promoting economic sectors. Such facilities are termed as:
- | | |
|-------------------------------|--------------------------|
| A. Natural facilities | C. Technology facilities |
| B. Infrastructural facilities | D. Advance facilities |
- V. The tertiary sector plays a significant role in the economic development of the nation and also plays important role to
- | | |
|----------------------------|--------------------------------|
| A. Promote industry | C. Provision of infrastructure |
| B. Provision of food grain | D. Promote international trade |
- VI. The amount of money that the consumer pay for purchasing goods and services is called
- | | |
|-----------|------------|
| A. Cost | C. Revenue |
| B. Income | D. Price |
- VII. Everyday the people living in the country increases and it creates a situation where human wants exceed available resources in an economy. This situation creates
- | | |
|---------------|-----------------|
| A. Choice | C. Scarcity |
| B. Priorities | D. Entrepreneur |
- VIII. In a favorable market, the percentage decrease in the price was 40% which leads to 40% increase in the quantity demanded. In this situation the price elasticity of demand is said to be
- | | |
|---------------------|-----------------------------|
| A. Elastic demand | C. Perfectly elastic demand |
| B. Inelastic demand | D. Unitary elastic demand |
- IX. In the production process a person who organize the production of goods and services by combining several factors of production is called
- | | |
|------------|-----------------|
| A. Labour | C. Proprietor |
| B. Capital | D. Entrepreneur |
- X. The relationship between price and quantity supplied is termed as
- | | |
|------------------|-----------------------|
| A. Law of supply | C. Law of income |
| B. Law of demand | D. Law of expenditure |
- XI. The relationship between price and quantity supplied is represented in graphical form is called
- | | |
|-----------------|--------------------|
| A. Demand curve | C. Demand schedule |
| B. Supply curve | D. Supply schedule |
- XII. Trade plays an important role in bringing economic growth. The trade taking place between two or more countries is known as
- | | |
|-------------------|------------------------|
| A. Domestic trade | C. International trade |
| B. Internal trade | D. Bilateral trade |

XIII. Use information given in the table to answer the question below

Product	Per unit cost of production (Nu)	
	Bhutan	Japan
Mushroom	15	10
Apples	10	15

Bhutan has absolute cost advantages in the production of

- A. Mushroom
B. Apples
- C. Both the goods
D. Non of the above
- XIV. In the digitalized world the trade through electronic means such as internet and mobile phone application is termed as
A. E- commerce
B. Commerce
C. E- trade
D. Trade
- XV. Any economic activities which leads to creation of goods and services to satisfy human wants is
A. Production
B. Consumption
C. Manufacturing
D. Marketing
- XVI. Bhutan Power Corporation Limited (BPCL) supplying electricity to India is an example of
A. Local market
B. National market
C. Regional market
D. International market
- XVII. In the year 2021, the general price in an economy rises from 1- 3 percent, this type of inflation is termed as
A. Walking inflation
B. Running inflation
C. Creeping inflation
D. Hyper inflation
- XVIII. “..... a market structure where there are large number of buyers and sellers dealing with homogeneous products. No single buyer or seller can influence the price of a commodity in such a market”.
Above statement best describe
A. Monopoly
B. Perfect competition
C. Oligopoly
D. Monopolistic competition
- XIX. Risk pooling is one of the important functions of
A. Banking financial institution
B. Non-banking financial institution
C. Central bank
D. financial institution
- XX. In a farm market, 10% increase in the price of chili leads to 30% increase in the quantity supplied. The price elasticity is said to be
A. Inelastic supply
B. Elastic supply
C. Perfectly elastic supply
D. Perfectly inelastic supply

Question 2

[5*1=5]

Directions: Match each item in column A with the correct item in column B. Rewrite the correct pairs by writing the alphabet against the number in the space provided.

A	B
I. The earliest form of money.	A. Plastic money
II. In the earlier times precious metal like gold, silver and bronze were used as money.	B. Paper money
III. The type of money that resulted in the collapse of goldsmith bankers.	C. Coin
IV. Evolvement of credit and debit cards has become more convenient for the people to carry out economic transaction.	D. Currency note
V. The mode of payment is being changed from cash to electronic transaction.	E. Commodity money
	F. Digital Money
	G. Stage II

Column A	Column B
I.	
II.	
III.	
IV.	
V.	

Question 3

[5*1=5]

Direction: Write TRUE or FALSE for the following statements in the space provided

I. Non- Economic activities are carried out to earn profit.	
II. Future price expectation will determine the present demand for goods and services.	
III. A country who follows capitalistic economic system has more state interference.	
IV. Monopolists are called 'price makers' as they have the power to influence the price of the products.	
V. Due to the digitalization, e-commerce is becoming value less.	

Question 4

[5*1=5]

Direction: Read the following and fill in the blanks with appropriate word/s.

- I. The economic decision in a capitalist economy is taken by _____
- II. International trade enables a country to consume a large variety of _____
- III. Demand is a desire backed by the willingness and the _____ to pay for a particular commodity
- IV. Exchange of goods and services between more than two countries is called _____
- V. The tertiary sector includes economic activities which provide _____

Question 5

- I. Is Economics considered as science or arts? Justify? [2]

- II. Why does human want changes over a period of time. Provide practical example to it? [2]

- III. What are some of the adverse impacts of economic activities on environment? Suggest at least TWO measures to address those issues? [2]

IV. Industrialization is considered as the backbone of economic growth and development in a country and the country is in need of enterprising individuals. You being future leaders of a country write at least FOUR skills you need to inculcate in order to become entrepreneur?

[2]

Question 6

I. Explain demand in context of economics?

[2]

II. Draw and explain demand curve?

[2]

III. Draw and explain perfectly in-elastic supply curve?

[2]

IV. Explain the meaning of trade?

[1]

Section B

Attempt **ANY FIVE** questions

Question 7

I. Which definition of Economics is the most suitable for Bhutan? Give TWO reasons.

[2]

II. How the concept of opportunity cost helps in making informed decision? [2]

III. What are some of the adverse impacts of economic activities on the environment? Suggest three measures to address those issues. [3]

IV. Use the supply schedule provided below to draw supply curve? [3]

Price of oranges per kg (Nu)	Quantity supplied per day (kg)
80	12
120	24
160	18

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Question 8

I. What are some of the features of the Bhutanese economic system? [2]

II. Explain TWO characteristics of good money? [2]

III. *Monopolistic competition is a market structure where many firms sell differentiated products which are close substitutes of one another. Goods and services of different firms are differentiated from one another through various marketing strategies. The number of buyers and sellers are lesser than the perfect competition but more than monopoly market. The firms have the freedom to enter and exit the market.*

From the above statement identify at least THREE features of monopolistic competition market. [3]

IV. Explain the main causes of inflation in Bhutanese economy?

[3]

Question 9

I. Illustrate movement along the demand curve?

[2]

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II. How would a decrease in input price of a particular commodity influence the supply of that commodity in a market? Explain with the help of suitable diagram? [2]

III. Explain THREE functions of money?

[3]

IV. If the financial institutions were not being introduced in our country, how would it affect economic performance of a country? [3]

Question 10

I. Theory of Absolute Cost Advantage and theory of Comparative Cost Advantage are two important trade theory. Which theory is most applicable in the real trade world? Why?[2]

II. What type of market is existing in Chumey? Discuss characteristics of existing market?[2]

III. Use the table to answer following questions:

Price (Nu)	Quantity Demanded	Quantity supplied
10	60	20
20	50	30
30	40	40
40	30	50
50	20	60

a) Find the equilibrium price and equilibrium quantity [1]

b) Discuss the market situations when the price of commodity increases from Nu. 30 to Nu. 40, and decreases from Nu. 30 to Nu. 20. [2]

IV. Why is it necessary for the government to regulate price for goods and services? [3]

Question 11

I. How does the concept of opportunity cost help consumers to make informed decisions? Explain with the help of a diagram? [2]

II. In order to become a successful entrepreneur, you should require to have skills and should have certain characteristics. Suggest ways to become successful entrepreneur? [2]

III. Which, according to you, is the best economic system? Give reason? [1]

IV. How capitalist economy creates 'haves' and 'haves not'? [3]

V. With the operation of different e-commerce companies, online shopping is becoming popular across the world. However, it has negative consequences as well. Discuss some of the negative consequences of e-commerce and suggest remedial measures. [2]

Question 12

I. How do you think non-economic activities helps in promoting social welfare? [2]

II. As a consumer of goods and services, how would you contribute to sustainable consumption? [2]

III. Identify TWO challenges faced by tertiary sector of Bhutanese economy? [2]

IV. With the help of diagram , explain TWO types of price elasticity of demand? [2]

V. Inflation refers to a sustain increase in the general price level of goods and services over a period of time in an economy. Explain TWO positive effects of inflation. [2]
