UNIQUE STUDY POINT

AMITESH NAGAR, INDORE

PRACTICE PAPER 01 (2026-27)

CHAPTER : BUILDING BLOCKS IN ECONOMICS

Prepared by: SUMEET SAHU | Website : Click Here | WhatsApp Channel : Click Here

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Class : IX Subject : Social Science

General Instructions :

- This question paper contains 75 questions divided into five sections A, B, C, D and E.
- Section A has 40 objective type questions (MCQ, Match the following, Statement-based, Assertion-Reason) of 1 mark each.
- Section B has 15 short answer questions of 2 marks each.
- Section C has 10 short answer questions of 3 marks each.
- Section D has 5 case based questions of 4 marks each.
- Section E has 5 long answer questions of 5 marks each.
- All questions are compulsory. Use of a calculator is not permitted.

SECTION – A

This section consists of 40 objective type questions of 1 mark each.

1. Which of the following countries is provided as an example of a predominantly market-oriented economy? **1**

   (A) North Korea (B) China (C) United States (D) India

2. In which economic system are all decisions taken by a central authority or the government? **1**

   (A) Centrally Planned Economy
   (B) Laissez-faire Economy
   (C) Mixed Economy
   (D) Market Economy

3. Which country is given as an example of a Centrally Planned Economy? **1**

   (A) United States (B) North Korea (C) India (D) Germany

4. Which characteristic is associated with a Centrally Planned Economy? **1**

   (A) Limited government interference
   (B) Freedom of choice for consumers and producers
   (C) Government ownership of resources
   (D) Profit motive drives production

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5. A "Mixed Economy" is a system where: **1**
   (A) Only the private sector exists
   (B) Both private and public sectors coexist
   (C) International trade is banned
   (D) Only the public sector exists

6. What is the primary objective of a Centrally Planned Economy? **1**
   (A) Promoting unlimited private enterprise
   (B) Maximizing consumer choice
   (C) Profit maximization
   (D) Achieving equality and welfare

7. What is the primary objective of a market economy? **1**
   (A) Government ownership of resources (B) Equality (C) Profit (D) Growth with welfare

8. Who is primarily responsible for studying the production, distribution, and consumption of goods? **1**
   (A) Historians (B) Politicians (C) Sociologists (D) Economists

9. Which of the following is NOT typically considered a resource in the context of economics? **1**
   (A) Time (B) Machinery (C) Human desires (D) Land

10. What happens to human wants as soon as one is satisfied? **1**
    (A) They disappear completely
    (B) Another one arises
    (C) They are replaced by needs only
    (D) They become less important

11. The problem of "For whom to produce" focuses on: **1**
    (A) Increasing exports
    (B) Selecting the right seeds for farming
    (C) The distribution of the final goods among consumers
    (D) Reducing the use of machinery

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12. In which type of economic system does the government own and manage resources, and government authorities fix production targets? **1**

(A) Market Economy (B) Mixed Economy (C) Barter Economy (D) Centrally Planned Economy

13. Which of the following is the fundamental reason behind all economic problems? **1**

(A) Lack of money
(B) Scarcity of resources
(C) Government interference
(D) Overpopulation

14. Which economic system is characterized by decisions largely guided by demand and supply, with limited government interference? **1**

(A) Market Economy (B) Socialist Economy (C) Mixed Economy (D) Centrally Planned Economy

15. What is meant by the term 'production'? **1**

(A) The process of selling goods and services.
(B) The creation of goods and services.
(C) The consumption rate of goods.
(D) The distribution of income.

16. The problem of "How to produce" is related to: **1**

(A) Choice of goods
(B) Quantity of production
(C) Distribution of income
(D) Choice of technique (Labor vs. Capital intensive)

17. The value of the next best alternative foregone when a choice is made is called: **1**

(A) Opportunity cost (B) Social cost (C) Market value (D) Production cost

18. The concept of "Welfare Economy" focuses mainly on: **1**
    - (A) Maximum profit for firms
    - (B) Reducing international trade
    - (C) Increasing the price of luxury goods
    - (D) Social well-being and equitable distribution

19. Which of the following is an example of a public good or service provided by the government in a welfare economy? **1**
    - (A) Exclusive private golf clubs.
    - (B) Government schools.
    - (C) Toll roads managed by private corporations.
    - (D) Luxury apartment buildings.

20. Which of the following is an example of an issue economists analyse? **1**
    - (A) Inflation and unemployment.
    - (B) Advances in medical technology.
    - (C) Influenza outbreaks.
    - (D) Changes in local weather patterns.

21. What role does the government typically play in a Mixed Economy? **1**
    - (A) Moderate role in regulation and strategic sectors
    - (B) No role, entirely hands-off
    - (C) Limited and primarily providing public services only
    - (D) Very high, controlling all sectors

22. What fundamental characteristic of resources leads to the three basic problems faced by every economy? **1**
    - (A) Their constant distribution.
    - (B) Their uniform cost.
    - (C) Their unlimited availability.
    - (D) Their limited nature.

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23. Which of the following is considered a basic need that a welfare economy aims to make accessible to everyone? **1**
    (A) Private security services.
    (B) Luxury goods.
    (C) Basic necessities
    (D) High-end technology.

24. Economic analysis helps policy-makers by: **1**
    (A) Increasing the scarcity of resources
    (B) Eliminating the need for a government
    (C) Solving real-world issues like poverty and unemployment
    (D) Predicting the future with 100% certainty

25. What is the fundamental economic problem that arises due to the mismatch between limited resources and unlimited human wants? **1**
    (A) Recession (B) Inflation (C) Unemployment (D) Scarcity

26. Match the items in List I with those in List II. **1**

List I	List II
(A) Scarcity	(I) Value of next best alternative forgone
(B) Opportunity cost	(II) Unlimited wants, limited resources
(C) Trade-off	(III) Giving up one thing for another
(D) Unlimited wants	(IV) New desires arise after satisfaction

(A) A-III, B-IV, C-I, D-II (B) A-IV, B-III, C-II, D-I
(C) A-II, B-I, C-III, D-IV (D) A-I, B-II, C-IV, D-III

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27. Match the items in List I with those List II. **1**

List I	List II
(A) Private businesses make decisions	(I) Mixed Economy
(B) Government authorities fix targets	(II) Market Economy
(C) Government regulates industries	(III) Centrally Planned Economy
(D) Public Distribution System (PDS)	(IV) Example of mixed economy mechanism

(A) A-I, B-II, C-IV, D-III
(B) A-IV, B-I, C-II, D-III
(C) A-II, B-III, C-I, D-IV
(D) A-III, B-IV, C-I, D-II

28. Match the items in List I with those List II. **1**

List I	List II
(A) Role of Government: Limited	(I) Centrally Planned Economy
(B) Main Objective: Equality	(II) Market Economy
(C) Ownership: Both private and government	(III) Mixed Economy
(D) Economic System Decision	(IV) How to organize economy

(A) A-III, B-IV, C-I, D-II
(B) A-I, B-II, C-IV, D-III
(C) A-II, B-I, C-III, D-IV
(D) A-IV, B-III, C-II, D-I

29. Match the items in List I with those List II. **1**

List I	List II
(A) Market Economy	(I) Government ownership
(B) Centrally Planned Economy	(II) Shared decision-making
(C) Mixed Economy	(III) Profit motive drives production
(D) USA	(IV) Example of market economy

(A) A-III, B-I, C-II, D-IV
(B) A-IV, B-II, C-III, D-I
(C) A-I, B-III, C-IV, D-II
(D) A-II, B-IV, C-I, D-III

30. Match the items in List I with those in List II. **1**

List I	List II
(A) Basic Needs Accessibility	(I) Increased economic inequality
(B) Market-based System Limitation	(II) PDS for subsidized food grains
(C) Absence of Social Safety Nets	(III) Education, healthcare, housing
(D) Social Safety Net Benefit	(IV) People left behind

(A) A-III, B-IV, C-I, D-II
(B) A-II, B-I, C-IV, D-III
(C) A-IV, B-III, C-II, D-I
(D) A-I, B-II, C-III, D-IV

31. Statement I : In a market economy, the government has no role in regulating markets or providing public services to maintain a purely free market. **1**
Statement II : The focus on equality and welfare is a primary characteristic of a centrally planned economy, even if it leads to inefficiency.
(A) Statement I is false but Statement II is true
(B) Both Statement I and Statement II are true
(C) Both Statement I and Statement II are false
(D) Statement I is true but Statement II is false

32. Statement I : Economists help governments decide how to allocate funds for various sectors like education and healthcare. **1**
Statement II : The study of how income is divided among individuals and groups falls under the economist's role in analyzing 'distribution'.
(A) Statement I is false but Statement II is true
(B) Both Statement I and Statement II are true
(C) Both Statement I and Statement II are false
(D) Statement I is true but Statement II is false

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33. Statement I : Social safety nets are primarily designed to generate additional revenue for the government through public-private partnerships. **1**
Statement II : The Mid-Day Meal Scheme and pension schemes for senior citizens are examples of social safety nets.
(A) Both Statement I and Statement II are false
(B) Both Statement I and Statement II are true
(C) Statement I is false but Statement II is true
(D) Statement I is true but Statement II is false

34. Statement I : The primary objective of a market economy, exemplified by the USA, is focused on achieving equality among its citizens. **1**
Statement II : Centrally planned economies prioritize innovation and competition by encouraging limited government interference in economic decisions.
(A) Both Statement I and Statement II are true
(B) Statement I is false but Statement II is true
(C) Statement I is true but Statement II is false
(D) Both Statement I and Statement II are false

35. Statement I : The ownership of resources in a centrally planned economy is primarily by private individuals, fostering widespread competition. **1**
Statement II : In a mixed economy, market forces determine prices in many sectors, while the government provides welfare through policies and schemes like PDS.
(A) Statement I is false but Statement II is true
(B) Both Statement I and Statement II are true
(C) Both Statement I and Statement II are false
(D) Statement I is true but Statement II is false

Directions (Q. 36 to Q. 40) : In each of the following questions, a statement of Assertion (A) is followed by a statement of Reason (R). Choose the correct option :
(A) Both A and R are true and R is the correct explanation of A.
(B) Both A and R are true but R is not the correct explanation of A.
(C) A is true but R is false. (D) A is false but R is true.

36. Assertion (A) : Governments face opportunity costs when allocating public funds. **1**
    Reason (R) : Public funds are limited and must be distributed among competing needs.

37. Assertion (A) : Scarcity exists even in developed economies with abundant resources. **1**
    Reason (R) : No country possesses truly unlimited resources to satisfy all desires.

38. Assertion (A) : Government regulation exists even in a market economy. **1**
    Reason (R) : Governments provide public services and oversee market operations.

39. Assertion (A) : Economists study income distribution within populations. **1**
    Reason (R) : Understanding income inequality is crucial for suggesting measures to reduce it.

40. Assertion (A) : Economic analysis informs solutions for environmental issues like pollution. **1**
    Reason (R) : Economists propose carbon taxes to mitigate environmental impact.

SECTION – B

This section consists of 15 questions of 2 marks each.

41. What is a Market Economy? **2**

42. Describe the core principle behind 'opportunity cost' and provide an instance from daily life where a choice involves this economic concept. **2**

43. Explain how the distribution of produced goods and services is determined within an economy and why this is a critical problem. **2**

44. State one major objective of a Centrally Planned Economy. **2**

45. Explain the primary objective of economists in their professional roles. **2**

46. How does an economic system that blends both private initiative and state oversight function in addressing resource ownership and allocation? **2**
47. What is meant by Scarcity? **2**
48. Explain the primary factors that guide production decisions in an economic system where individuals and private entities largely control resources and output, and how these factors impact consumer choices. **2**
49. How does a nation's foundational economic framework influence resource allocation and goods distribution among its citizens? **2**
50. Describe why the concept of limited availability, rather than complete absence, is central to understanding resource constraints even in affluent nations. **2**
51. What are the common challenges associated with an economic model that prioritizes state control over all resources and economic activities, despite its goal of reducing disparity? **2**
52. In what ways do governmental market regulations contribute to the goals of a welfare-oriented economy? **2**
53. What is meant by 'distribution' in the context of economic processes studied by economists? **2**
54. Differentiate between an economy where private individuals own resources and one where the state controls significant sectors, considering decision-making and government intervention levels. **2**
55. What are the two types of techniques used in "How to produce"? **2**

SECTION – C

This section consists of 10 questions of 3 marks each.

56. What primary economic objective is central to a system where both market forces and government policies influence resource allocation and production decisions? **3**
57. Elaborate on the economic concepts of production, highlighting the key questions economists address within this process. **3**

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58. Describe the primary objectives that guide government actions in a welfare-oriented economic framework. **3**
59. Analyze the potential trade-offs between efficiency and equality in an economic system where resources are predominantly owned and managed by the state. **3**
60. Differentiate between Market Economy and Centrally Planned Economy. **3**
61. What is the role of an Economist in society? **3**
62. Describe why individuals and societies must constantly make choices, even when a previously desired item or service has been acquired. **3**
63. Explain why the concept of limited resources and unlimited wants leads to the necessity of financial planning and budgeting for households. **3**
64. How does a nation blend elements of private enterprise with government oversight to achieve economic growth while simultaneously addressing social welfare concerns? **3**
65. Explain how the concept of scarcity fundamentally drives the existence of central economic problems. **3**

SECTION – D

This section consists of 5 case based questions of 4 marks each.

66. Read the given source carefully and answer the questions that follow : **4**

Three countries follow different economic systems. Country A allows private businesses to make most economic decisions and relies heavily on market forces. Country B has a government that owns major resources and determines production targets. Country C combines private enterprise with government regulation and welfare programmes. Citizens of Country A enjoy wide consumer choice but face income inequality. Country B emphasises equality but offers limited consumer freedom. Country C attempts to balance economic growth with social welfare. These examples represent market, centrally planned, and mixed economic systems.

a. Which economic system is followed by India? **(1)**

b. What is a market economy? **(1)**

c. How does a mixed economy combine features of other systems? **(2)**

67. Read the given source carefully and answer the questions that follow : **4**

A country's government owns major industries, fixes prices, and decides how many goods should be produced annually. Citizens have limited options when purchasing products because production decisions are centrally controlled. Another country allows private companies to compete freely and respond to consumer demand. A third country uses both private businesses and government enterprises to meet economic objectives. Economists compare these systems to understand their strengths and weaknesses and how they address economic problems.

a. Which system is based on government ownership of resources? **(1)**

b. What is the main objective of a market economy? **(1)**

c. Compare centrally planned and market economies. **(2)**

68. Read the given source carefully and answer the questions that follow : **4**

During the COVID-19 pandemic, millions of workers and businesses faced economic difficulties. Governments around the world consulted economists to understand the impact of lockdowns on employment and production. Economists studied data related to income, consumer spending, industrial output, and public health measures. Based on their analysis, they recommended relief packages, financial assistance for workers, and support for businesses. They also advised governments on balancing economic activity with public safety. Their work helped policymakers decide where resources should be allocated and how recovery could be accelerated. This example highlights the importance of economists in addressing real-world challenges and improving economic outcomes.

a. What is production? **(1)**

b. What is consumption? **(1)**

c. Why were economists important during the COVID-19 pandemic? **(2)**

69. Read the given source carefully and answer the questions that follow : **4**

The government launches several welfare schemes to improve the lives of vulnerable citizens. Subsidised food grains are distributed through the Public Distribution System, farmers receive financial assistance, and poor families gain access to free healthcare. Public schools and hospitals are expanded so that essential services become accessible to everyone. The government also collects taxes from higher-income groups and uses the revenue to support welfare programmes. These initiatives aim to reduce inequality and ensure that basic needs are met. Such policies reflect the principles of a welfare-oriented economy.

a. What is a welfare economy? **(1)**

b. What are social safety nets? **(1)**

c. Why does the government intervene in a welfare economy? **(2)**

70. Read the given source carefully and answer the questions that follow : **4**

When the prices of onions and tomatoes suddenly increased across India, many families found it difficult to manage their household budgets. The government wanted to understand the reasons behind the price rise and sought the help of economists. Economists collected data on crop production, transportation costs, market supply, and consumer demand. They analysed trends and discovered that heavy rainfall had damaged crops, reducing supply. Based on their findings, they suggested importing vegetables from other regions and improving storage facilities. Economists also studied how the price increase affected consumers and farmers differently. Their recommendations helped policymakers take informed decisions. Apart from inflation, economists also study unemployment, poverty, income distribution, environmental issues, and economic growth. Their work assists governments, businesses, and international organisations in solving real-life economic problems and improving living standards.

a. What is inflation? **(1)**

b. What do economists study? **(1)**

c. How do economists help solve economic problems? **(2)**

SECTION – E

This section consists of 5 long answer questions of 5 marks each.

71. Compare and contrast Mixed Economy with Market and Centrally Planned systems. Why did India choose a Mixed Economy? **5**

72. Define the economic principle that quantifies the true cost of making a choice, extending beyond mere monetary expenditure, by considering the sacrifices made. **5**

73. Explain the fundamental principles that differentiate a welfare-oriented economic system from a purely market-based economic system. **5**

74. Describe the core concept that arises when a selection is made from several viable alternatives, highlighting what is inherently given up in that decision-making process. **5**

75. Discuss the features and significance of a Welfare Economy. **5**

————— All the Best —————