2016 E.C 1st Semester 1st Quarter Economics 3rd Worksheet for grade 9th

Name _____ **Section** _____ **No** _____

I. CHOOSE THE BEST ANSWER FROM THE GIVEN ALTERNATIVES

1. Which one of the following statement is correct?
   A. Economics is the study of how people choose to use their unlimited resource to produce goods
   B. The basic problem of economic is how to make the best use of unlimited resources satisfy limited wants
   C. The basic problem of economics is allocating scarce productive resources to satisfy wants
   D. Economics as a subject matter a rises in this world because of the existence of unlimited resource and unlimited wants
2. The basic decision must made by all economics are
   A. What will be produced, how good will be produced, for whom goods will be produced
   B. What the price of each good will be, how will be provided, who will consume
   C. How the opportunity cost principle will be applied
   D. How much will be produced, when it will be produced, how much it will produce
3. Which one of the following statements is not true in command economic systems?
   A. To solve the economic problem through state ownership and centralized planning
   B. It is an economic system that believe in dealing with the economic problem through the ownership and decision of individual market mechanism
   C. It is an economy where economic institution engaged in production and distribution are owned and control by the state and put to use under a centralized plan
   D. Allocation of resource through centralized planning leads to balanced economic development
4. Which of the following is false about scarcity?
   A. The perpetual and the cause root of all economics problem
   B. The universal problem of all society
   C. The limitation supply of commodity in relation to need for it
   D. Unbalance between human limited and unlimited resource available to satisfy these want
5. Which of the following is an example of positive economic statement?
   A. The export growth rate should be at least 45%
   B. The inflation pressure building up in the economy should be controlled

C. The law supply explain that producer supply more only higher price
D. We should adopt labor intensive techniques of production

6. Which of the following is the concern of microeconomics?
   A. How does a change in interest rate influence nation saving
   B. How do inflation, unemployment and price instability occur
   C. How do national economic growth?
   D. How do firm set price of good and service
7. Which one is not the feature capitalism economics system?
   A. The right to private property
   B. Freedom of choice by the consumers
   C. Price mechanism
   D. Collective ownership
8. All point lying on production possibility curve indicate
   A. Underutilize resource
   B. Efficient point
   C. Desirable but unattainable
   D. Inefficient point
9. The method of economic research that beings with gathering of fact and make generalizations on the basis of regularizes of behavior observed from the collected facts is;
   A. Inductive B. Deductive C. Deduction D. Hypothesis testing
10. The analysis of the behavior of individual decision-making units is the definition of
   A. Microeconomics B. Positive economics C. Macroeconomics D. Normative
11. In broad terms the difference between microeconomics and macroeconomics is
   A. Microeconomics studies the effects of government taxes on national unemployment rate
   B. Macroeconomics studies the effects of government regulation and taxes on the price of individual goods and services whereas microeconomics does not
   C. They use different sets of tools and ideas
   D. Microeconomics studies decisions of individual people and firms and macroeconomics studies the entire national economy
12. When an economy produces more houses and fewer typewriters, it is answering the_
   A. Where to produce? B. What to produce C. How to produce D. for whom to produce
13. When China builds a dam using few machines and a great deal of labor, it is answering the____ question.
   A. How to produce
   B. For whom to produce
   C. Where to produce
   D. What to produce
14. On Saturday morning, you rank your choices for activities in the following order: go to the library, work out at the gym, have breakfast with friends, and sleep late. Suppose you decide to go to the library. Your opportunity cost is
   A. Working out at the gym, having breakfast with friends, and sleeping late
   B. Zero because you do not have to pay money to use the library.
   C. Working out at the gym
   D. Not clear because not enough information is given.
15. A positive economics is
   A. Macroeconomics, not microeconomics
   C. the way things are

B. The way things ought to be D. Microeconomics, not macroeconomics

16. Statements about what ought to be are called
A. Normative B. Positive C. Assumptions D. Implications

17. Production possibilities curve:
A. Shows all possible production combinations for two products
B. Shows the maximum amount of two products that can be produces
C. Cannot be drawn if some resources are underutilized
D. Shifts if more people become unemployed

18. The science of economics has developed because
A. Governments need more information in order to make decisions
B. Companies need to find more productive ways to make products
C. Individuals need advice on investing their money
D. Resources used to produce goods are scarce

II. SHORT ANSWER

19. Explain the economic system in Ethiopia over the recent three regimes.
20. What are the central problems of an economy? Discuss them in detail.