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PREFACE

IN THE NAME OF ALLAH, MOST GRACIOUS AND MOST MERCIFUL.

Excellence is not an art. It is the habit of practice. In this regard the concepts learnt can only be assessed when questions are answered. The perfect logical approach to this is to take one step at a time.

Chapter wise learning and sub topic by sub topic its application on exam-based questions provides exclusive comprehension. This booklet is the perfect resource for the practice of complete Economics O-Level syllabus This compilation has been refined by experts who have tried to make this book error free.

The book has been edited and checked to remove possible mistakes. However, constructive criticism is welcome. You may call us for your productive feedback and suggestions at this No. (0332-6682372) . This book is recommended by all renowned Chemistry teachers who contributed to make it effective and fruitful.

This book provides:

- Knowledge with understanding.
- Handling information and solving problems or Experimental skills and investigation.
- Sorted/separated questions or parts of questions, placed in related classified topics.
- Questions in order from the early years to most recent years.
- Answering Key/ Mark Scheme at the end of each topic.
- Actual spacing between consecutive questions and within options as per CAIE format which gives students a genuine feel of attempting questions. In addition to all this; review, feedback and contribution in this booklet by various experienced teachers of the subject belonging to popular school chains makes it a treasured resource for both the teachers and the students.

Team Coordinator

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Quality Policy

- Customer satisfaction is our priority and achieve this goal we will always, work as a team.
- Produce and supply finest quality goods meeting all the specification including Environmental concern and safety
- Every employee will influence to contribute towards
- Quality improvement to sustain through ideas and innovation.

- گاہک کا اطمینان ہماری اولین ترجیح ہے۔
- اپنے مقصد کے حصول کیلئے ہم ہمیشہ بحیثیت ایک ٹیم کام کرتے ہیں۔
- گاہک کی ضروریات اور ماحولیاتی حالات اور احتیاطی تدابیر کہ مدنظر رکھتے ہوئے معیاری اشیاء فراہم کرتے ہیں۔
- ہر فرد اپنے خیالات اور تخلیقات کے ذریعے بہتر کوالٹی اور اس کو برقرار رکھنے کیلئے موثر کردار ادا کرتا ہے۔

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Q2/12/O/N/23

1 The economy of country X is always on its production possibility curve (PPC).

When will the goods and services produced by country X become more scarce?

	PPC	population size
A	shifts left	increases
B	shifts right	unchanged
C	unchanged	decreases
D	unchanged	unchanged

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ANSWER KEYS

Q#	Answer	Marks
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Q3/11/M/J/18

1 What is the cause of the economic problem facing all countries?

A climate change and global warming

B significant quantities of unemployed resources

C uneven distribution of income and wealth

D unlimited wants in relation to limited resources

Q2/12/O/N/18

2 What do economies aim to achieve in tackling the economic problem of scarcity?

A equal balance between public and private sectors

B equal reward for equal effort

C increased competition in the use of resources

D optimum allocation of finite resources

Q2/13/O/N/18

3 Hospital services are provided by the government and paid for through taxation. People cannot always get the treatment they require because of long waiting lists.

Of what is this an example?

A external cost

B market system

C perfectly inelastic supply

D scarcity

Q1/13/O/N/18

4 What identifies a finite resource?

A The resource does not renew itself.

B The supply of the resource is greater than demand.

C There is no opportunity cost for the resource.

D There is unlimited supply of the resource.

Q1/12/O/N/20

5 What causes economic agents to make choices?

A limited needs and wants

B the existence of finite resources

C the existence of free goods

D the market mechanism

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Q1/13/O/N/20

6 Why do consumers have to make choices when spending their income?

A Advertising encourages consumer spending.

B Consumers have unlimited incomes.

C Consumer wants cannot all be satisfied with their income.

D Not all products will be attractive to consumers.

Q1/12/O/N/21 Q1/13/O/N/21

7 To help reduce the price of oil, new supplies are needed. However, objectors oppose exploration of new sites because of the environmental damage it may cause.

Why is this statement an example of the basic economic problem?

A Oil is a limited resource.

B Oil is expensive.

C The exploration involves demand and supply.

D There are external costs involved in production.

Q1/11/M/J/23

8 What is the cause of scarcity in an economy?

A high employment levels

B high investment levels

C unlimited resources

D unlimited wants

Q1/12/M/J/23

9 What is part of the economic definition of scarcity?

A high levels of taxation

B low levels of investment

C unequal distribution of income

D unlimited consumer wants

Q1/13/O/N/23

10 A consumer has $10 to spend. A meal costs $9 and a drink costs $5.

What would describe the situation if the consumer did **not** have enough money to purchase both the meal and the drink?

A excess demand

B free goods

C market failure

D the economic problem

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Q1/12/M/J/24

11 Why will scarcity always exist?

A There are high costs of production.

B There are low levels of education.

C There are unlimited resources.

D There are unlimited wants.

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