Class 9 - Social Science

Understanding Society India and Beyond PART-I

Economics - The Price Puzzle: What Drives the Market

CBSE NOTES

Economics - The Price Puzzle: What Drives the Market - Practice Worksheet

Strengthen your foundation with key concepts and basic applications.

Practice Questions

Solve the following questions. Write your answers in the space provided.

1. What are the factors that influence the demand for goods and services in a market? Discuss with examples.

Hint: Think of different scenarios where demand shifts based on consumer behavior.

2. Explain how the law of demand operates with the help of real-life examples.

Hint: Refer to the demand curve for visual representation.

Practice Questions

Solve the following questions. Write your answers in the space provided.

3. Describe the law of supply and its impact on market pricing.

Hint: Use the interaction of demand and supply to illustrate market behavior.

4. What is market equilibrium? Discuss its significance in a functional market.

Hint: Refer to examples where supply meets demand to find the equilibrium price.

Solve the following questions. Write your answers in the space provided.

5. How does government intervention affect market equilibrium and prices?

Hint: Consider the balance between consumer protection and market efficiency.

6. Identify and explain the determinants of supply and their impact on market dynamics.

Hint: Think about how advancements in technology can lead to increased supply.

Solve the following questions. Write your answers in the space provided.

7. Discuss the concept of demand schedules and how they relate to demand curves.

Hint: Illustrate with a table or graph showing quantity demanded at various prices.

8. Examine the relevance of complementary and substitute goods in understanding demand.

Hint: Consider how rising prices of one good can shift demand towards a substitute.

Practice Questions

Solve the following questions. Write your answers in the space provided.

9. Analyze the effect of consumers' expectations on current demand.

Hint: Explore scenarios like seasonal sales or anticipated inflation.

10. Evaluate the impact of seasonal factors on demand for various products.

Hint: Think about how weather conditions and celebrations can shift demand.

Answers

Check your answers with the solutions below.

1. What are the factors that influence the demand for goods and services in a market? Discuss with examples.

Solution: Answer in 12-15 sentences. Include definitions of demand and its determinants, such as income, tastes, prices of related goods, and future expectations. Provide examples like the impact of rising income on demand for luxury goods.

2. Explain how the law of demand operates with the help of real-life examples.

Solution: Demonstrate in 12-15 sentences how demand typically decreases when prices rise, and the inverse. Use examples like mango prices during the season to illustrate the concept.

3. Describe the law of supply and its impact on market pricing.

Solution: In 12-15 sentences, explain how price increases lead to higher quantity supplied, with examples from agriculture or manufacturing sectors. Include the concept of the supply curve.

4. What is market equilibrium? Discuss its significance in a functional market.

Solution: In 12-15 sentences, define market equilibrium, demonstrate how it's reached, and discuss its relevance and examples, such as equilibrium in the mango market.

5. How does government intervention affect market equilibrium and prices?

Solution: Discuss in 12-15 sentences the forms of government intervention such as price ceilings and floors, and their outcomes. Use examples like government price controls on essential goods.

Answers

Check your answers with the solutions below.

6. Identify and explain the determinants of supply and their impact on market dynamics.

Solution: Elaborate on 12-15 sentences how factors like production costs, technology, and number of sellers affect supply. Provide examples from agriculture or technology sectors.

7. Discuss the concept of demand schedules and how they relate to demand curves.

Solution: In 12-15 sentences, explain what a demand schedule is, how it is formed, and its graphical representation as a demand curve. Include examples with a hypothetical product.

8. Examine the relevance of complementary and substitute goods in understanding demand.

Solution: Explain in 12-15 sentences the difference between these two types of goods with examples. Discuss how the price change of one affects the demand for the other.

9. Analyze the effect of consumers' expectations on current demand.

Solution: Discuss in 12-15 sentences how consumer expectations about future price changes can affect present demand, illustrated with a real-world example.

10. Evaluate the impact of seasonal factors on demand for various products.

Solution: Illustrate in 12-15 sentences how seasonal changes affect demand with relevant examples such as festivals influencing sweet purchases.

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