**Pakistasn School , Kingdom of Bahrain**

**E- Support and Learning Material / Session 2020-2021**

**Subject: Economics Grade : 9**

**Book: Economics FIRST TERM**

 **Unit 3: Subject Matter of Economics Pg. No: 15**

**Short Questions Answers:**

Q #1: Write down Marshall’s definition.

Ans:  Professor Alfred Marshall determine the subject matter of Economics as, "the individual and collective human efforts to produce material required requisites for human welfare and well being".

Q # 2: Write down Robbins’ definition.

Ans: Professor Lionel Robbins is of the opinion that the purpose of economic motive is to satisfy unlimited human wants by Limited means.  The other purposes that should follow a certain line of action to satisfy his unlimited wants by his scarce means. Thus, prefering and satisfying the most important want first, he can be able to solve many of his problems gradually.

Q # 3: Name the Characteristics of wants.

Ans: certain goods and services are required to meet the requisites of human life.  In economics, these requisites are called wants.

* Wants are unlimited
* Wants recur
* Wants are competitive
* Wants are alternative
* Wants are satiable
* Wants are complimentary

Q # 4: What is meant by necessities, Comforts and Luxuries? Write in four lines.

Ans: **Necessities:** these are our fundamental wants and make our life possible, e.g food, clothing and shelter.

**Comforts:**  man can do without   satisfying wants because, they are less importance. Anyhow if a man avail them; they give him comfort and comfy his life. comforts increase our efficiency to work e.g. comfortable furniture and householdings, Radio TV fine dress and personal conveyance increase our efficiency.

 **Luxuries:** these wants are neither necessary for making life possible, nor increase our efficiency to work but lend dignity to our social status. Dignified residence, expensive convince, gems, jewellery and precious ornaments are a few examples of luxuries.

Q # 5: Name the four important factors of Robbins’ definition.

Ans: The power of exchange of a good with other good is known as value in economics. The value of a good cannot be measured until it is compared to other goods or services the value of a good cannot be measured until it is compared to other goods and services until it is compared to other goods and services. It is of two kinds:

1. Value in exchange
2. Value in use

Factors responsible to create value:

* Utility
* Scarcity
* Transferability

Q # 6: Mention in four lines, the factors responsible to create value.

Ans: The Factors responsible to create value are:

 **Utility**

The want satisfying power of goods and services, is called utility. Utility may be harmful in spite of being useful sometimes. Because it satisfies our want; it is called utility. Everything has utility but it depends upon the ability of consumer to get use of it. e.g. cigarettes are useful for smokers but useless for non-smokers because they find no utility in them.

 **Scarcity**

Generally, scarcity means a shortage of a certain thing but in economics and it differs from that of value i.e. scarcity is compared to the relative reference of the wants of goods and services. It means whether the supply of the particular commodity is more or less than its demand.

**Transferability**

If anything possesses value, it should also be transferable from one place to another, either physically after its sale (realization) e.g. Car, Radio, TV etc. are transferable but a piece of land and a house is not so. In this case its ownership can be changed because it possesses “Value”

Q # 7: What is meant by wants, in Economics?

Ans: Certain goods and services are required to meet the requisites of human life.  In economics, these requisites are called wants. Man is bundle of wants; that is why, he is busy round the clock, in production of goods in offering services. Food, clothing and shelter are the basic human wants, beside other unlimited. Wants are of two kinds: (i)  Economic wants                                                     (ii)  Non-economic wants

Q # 8: Write down the difference between economic and non-economic wants.

**Economic wants:**

these wants  are satisfied by consuming goods and services, purchased for cash. Our economic activities are meant for earning money, with the aim of satisfy our wants.

**Non-economic wants**:

these wants are satisfied by free gift of nature i.e air, water, sunshine etc. People can get them without any debit or payment. The love of mother is also included in non-economic wants.

**Detail Questions Answers.**

Q # 1: Describe the subject matter of Economics. How is an economics problem solved?

Ans: The subject matter of Economics refers to the economic activities of mankind. The economic activities are of three kinds i.e.  Primary, secondary and tertiary, on one side. Other side relates to consumption, production, exchange and distribution. The matter of the subject, Economics is again divided into two vast spheres i.e.  Macro and micro economic analysis.  We know, that man is a bundle of wants and is bound to satisfy them sooner or latter.

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 Professor Lionel Robbins is of the opinion that the purpose of economic motive is to satisfy unlimited human wants  by Limited means.  The other purposes that should follow a certain line of action to satisfy his unlimited wants by his scarce means. Thus, prefering and satisfying  the most important want first, he can be able  to solve many of his problems gradually. Thus, to seek the solution of economic problem.

Q # 2: Write down Marshall’s definition and explain.

Ans: Professor Alfred Marshall determine the subject matter of Economics as, "the individual and collective human efforts to produce material required requisites for human welfare and well being."

Q # 3: Write down on the following:

1. Goods and Services (b) Utility (c) Value (d) Scarcity

**Goods and Services**



All the commodities which satisfy our wants, are called good, in Economics e.g. food, fruit, , shoes, chair, table, pen etc. besides good services also satisfy human wants I.e. services of a doctor, a teacher, a professor or a musician. Many of our wants are satisfied by the educational or skilled qualities of different persons. There personal endeavours are called services in economics. In short it is said that all such commodities, which have want satisfying power and all the human Endeavour, which have also the want satisfying power are called “goods and services ” respectively, in economics.


**Utility**

The want satisfying power of goods and services, is called utility. Utility may be harmful in spite of being useful sometimes. Because it satisfies our want; it is called utility. Everything has utility but it depends upon the ability of consumer to get use of it. e.g. cigarettes are useful for smokers but useless for non-smokers because they find no utility in them.

 **Scarcity**

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Generally, scarcity means a shortage of a certain thing but in economics and it differs from that of value i.e. scarcity is compared to the relative reference of the wants of goods and services. It means whether the supply of the particular commodity is more or less than its demand. We see that air, clay and stones are found in abundance. They are not scarce because their supply is more than their demand.

Yet wood grains, clothing, books, cars, scooter and many other goods are scarce, due to less supply then their demand. Also many million tons of food grains and other goods are produced, yet they are scarce because their supply is less than their demand. This very relative scarcity creates economic problems. This scarcity of goods increases their value. Their prices are also increase ultimately. We often talk of scarcity of our resources which does not mean their actual scarcity but the quantity of their supply, is less than their demand. Our wants are such, unlimited and uncountable that the abundant supply of goods and services seems to be insufficient to fulfill them. The relative shortage of goods and services, is called “Scarcity” in economic.

 **Value**



The power of exchange of a good with other good is known as value in economics. The value of a good cannot be measured until it is compared to other goods or services the value of a good cannot be measured until it is compared to other goods and services until it is compared to other goods and services. It is of two kinds:

1. Value in exchange

If a good possesses the exchangeability power with other; it has the value in exchange. if 40 kg of rice are exchange for 20 kg of sugar, the later is the value of the farmer. The value in exchange, at present, is expressed in the terms of money.

1. Value in use.

Natural satisfaction of the use of a commodity is called its value in use. e.g. are the economic goods and services process the value in use. The value in exchange differs often from value in use e.g. the medicine save our costly life but their value in exchange is less.

Q # 4: Write down the characteristics of Wants.

Ans: Characteristics of wants

1. **Wants are unlimited**

Human wants are uncountable wants have no limits at all. if a man satisfies too many wants at a time, he cannot bring them to an end; because after the satisfaction of wants, they appear again to be satisfied.

1. **Wants recur**:

After the satisfaction of a particular want, it occurs again and again. Similar is the case with all other wants because they are recurring by nature.

3: **Wants are competitive**:

Wants complete among themselves, being unlimited. Some of our wants are more important than other; while some are preferable. It make no difference it makes no difference if we postpone less important wants for the time being. In this way, according to their importance and preference, want complete among themselves.

4: **Wants are alternative**:

Many wants can be satisfied by alternative methods e.g. the want for food can be satisfied by eating rice, fruits, meat and bread. Similarly we may travel by bus, motorcycle, bicycle or by train.

5: **Wants are satiable:**

Wants can be satisfied by consuming their requisites goods and services e.g. we eat food to satisfy our hunger and take water for the satisfaction of thirst.

6: **Wants are complementary**:

Some of our wants cannot be satisfied without their compliments. e.g. A motor car with petrol and fountain pen with ink pot, are said to be complementary wants.