📘 Class 9 Social Science – Chapter 9

Important Questions – The Price Puzzle: What Drives the Market

Book: *Understanding Society: India and Beyond – Grade 9, Part 1*
Session: 2026–27

Chapter 9 focuses on **demand, supply, market equilibrium, price determination, price controls, market structures and the role of government in the economy**. The textbook's end-of-chapter questions specifically test these concepts through real-life situations involving income, petrol prices, technology, online sales, vaccines, taxes and government regulation.

⭐ Very Short Answer Questions

1. What is a market?
2. What is demand?
3. What is the law of demand?
4. What is a demand schedule?
5. What is a demand curve?
6. What is supply?
7. What is the law of supply?
8. What is a supply schedule?
9. What is a supply curve?
10. What is market demand?
11. What is market supply?
12. What is equilibrium price?
13. What is equilibrium quantity?
14. What is excess demand?
15. What is excess supply?
16. What is a price ceiling?
17. What is a price floor?
18. What is a monopoly?
19. What is a regulated market?
20. Why does the government intervene in markets?

📝 Short Answer Questions

1. What is demand?

Demand refers to the quantity of a product that consumers are willing and able to buy at a particular price.

2. Explain the law of demand.

Generally, when the price of a product rises, its quantity demanded falls; when the price falls, quantity demanded rises, other things remaining constant.

3. What is a demand schedule?

A demand schedule shows the quantities consumers are willing and able to purchase at different prices.

4. What is a demand curve?

A demand curve is a graphical representation of the relationship between price and quantity demanded.

5. What factors can affect demand apart from price?

Important factors include:

💰 Income
🔄 Prices of related goods
👨‍👩‍👧 Population/number of consumers
🎯 Tastes and preferences
🔮 Future price expectations

The chapter explains that expectations about future prices can influence current demand even when the current price has not changed.

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6. What is supply?

Supply is the quantity of a product that sellers are willing and able to offer at a particular price.

7. Explain the law of supply.

Generally, as price increases, quantity supplied increases; as price decreases, quantity supplied falls. Higher prices can increase profitability and encourage producers to supply more.

8. What factors affect supply?

Factors include:

💰 Price of related goods
🏢 Number of sellers
💻 Technology
💵 Cost of production
🌦️ Production conditions

The textbook explains, for example, that improved technology can reduce production costs and increase supply.

📊 Demand and Supply Questions

1. Differentiate between demand and supply.

Demand 🛒	Supply 🏭
Related to buyers	Related to sellers
Quantity consumers want and can buy	Quantity sellers are willing and able to offer
Generally falls when price rises	Generally rises when price rises
Represented by demand curve	Represented by supply curve

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2. Explain the relationship between price and demand.

3. Explain the relationship between price and supply.

4. Why does a producer usually supply more when the price rises?

5. Why might consumers buy less when the price of a product rises?

⚖️ Market Equilibrium

1. What is market equilibrium?

Market equilibrium occurs when **quantity demanded equals quantity supplied**.

2. What is equilibrium price?

It is the price at which quantity demanded equals quantity supplied.

3. What is equilibrium quantity?

It is the quantity bought and sold at the equilibrium price.

The textbook's example shows equilibrium at **₹100 and 12 kg**, where the demand and supply curves intersect.

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4. What happens when demand is greater than supply?

This situation is called **excess demand** or a shortage. It can put upward pressure on prices.

5. What happens when supply is greater than demand?

This situation is called **excess supply** or surplus. It can put downward pressure on prices.

6. Explain how market equilibrium is reached.

7. Why does market equilibrium keep changing in the real world?

The textbook explains that technology, wages, interest rates, wars, political events, pandemics, weather and natural disasters can change demand and supply. Therefore, markets continually adjust towards new equilibrium positions.

📚 Long Answer Questions

1. Explain the law of demand with suitable examples.

Include:

📈 Price rises
⬇️
🛒 Quantity demanded generally falls

And:

📉 Price falls
⬇️
🛒 Quantity demanded generally rises

Then explain that factors other than price can shift demand.

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2. Explain the law of supply with suitable examples.

Include:

📈 Higher price
⬇️
🏭 Greater profitability
⬇️
📦 Higher quantity supplied

The textbook explains that higher prices can encourage existing producers to increase output and attract new firms into the market.

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3. Explain the determinants of supply.

Discuss:

💰 Price of related goods
🏢 Number of sellers
💻 Technology
💵 Cost of production
🌾 Production conditions

For example, if chickpea prices are high while wheat prices are low, a farmer may choose to grow more chickpeas in the following season.

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4. Explain market equilibrium with the help of demand and supply curves.

Demand Curve ↘️
Supply Curve ↗️

⬇️

⚖️ Intersection = Equilibrium

At equilibrium:

Quantity Demanded = Quantity Supplied

The textbook illustrates this with point **E** on the demand and supply graph.

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5. Explain the effect of excess demand and excess supply on prices.

🔴 Excess Demand

Demand > Supply
⬇️
Shortage
⬇️
Upward pressure on price

🟢 Excess Supply

Supply > Demand
⬇️
Surplus
⬇️
Downward pressure on price

🏛️ Government and Markets

1. Why does the government intervene in markets?

Markets may not always allocate goods fairly, especially when essential goods become too expensive or when consumers and workers face exploitation. The textbook explains that government intervention can promote **fairness, equity and consumer welfare**.

2. What is a price ceiling?

A **price ceiling** is a maximum price that sellers are legally allowed to charge for a product or service.

3. What is a price floor?

A **price floor** is a minimum price below which a product, good or service cannot legally be sold. For an effective price floor, it must be set above the market equilibrium price.

4. Why might the government set a price ceiling on essential medicines?

To prevent excessive prices and make essential goods more accessible, particularly for vulnerable and low-income groups.

5. Why might the government set a minimum wage?

A minimum wage acts as a price floor for labour and aims to ensure workers receive adequate compensation for their work.

🏢 Market Structure

1. What is a monopoly?

A monopoly is a market structure in which a **single seller or producer** controls the entire supply of a unique product or service and faces no close substitutes.

2. Why can monopoly be harmful to consumers?

A monopoly may:

💰 Charge higher prices
📦 Restrict supply
⚠️ Reduce competition
📉 Provide poorer quality
🛒 Reduce consumer choice

The textbook notes these possible effects of monopoly and the government's role in regulating such practices.

🧠 HOTS / Analytical Questions

1. Why does an increase in income not always lead to an increase in demand for every product?

The textbook specifically asks students to defend or refute this statement.

2. If petrol prices double, how might demand for diesel cars, electric cars and public transport change?

3. How can technology affect supply?

4. Why can improved irrigation increase agricultural supply?

5. Why might a farmer switch from wheat to chickpeas?

6. Why does equilibrium change over time?

7. Can government regulation ever harm markets?

8. Why might excessive regulation reduce market efficiency?

9. Why is government intervention particularly important for essential goods?

🚗 Case-Based Questions

Case Study 1 – Petrol Prices

Suppose petrol prices rise sharply.

Questions:

a. What could happen to demand for diesel cars?

b. What could happen to demand for electric cars?

c. What could happen to demand for public transport?

d. Explain your answer using demand and substitution.

This is directly based on the textbook's end-of-chapter activity.

Case Study 2 – Drip Irrigation

A farmer replaces manual irrigation with drip irrigation. Water use falls by 40%, while yield increases by 30%.

Questions:

a. How could this affect the farmer's cost of production?

b. How could it affect the farmer's willingness to supply?

c. What could happen to overall market supply if many farmers adopt the technology?

The textbook specifically uses this scenario to test the relationship between technology, production costs and supply.

Case Study 3 – Essential Vaccine

Suppose the government sets a maximum price for an essential vaccine **below its market-driven price**.

Questions:

a. Is this a price ceiling or price floor?

b. What is likely to happen?

c. Could a shortage arise?

d. Why might the government still consider such a policy necessary?

The textbook asks students to analyse this exact type of situation.

🔄 Assertion–Reason Questions

1. Assertion:

Demand generally falls when price rises.

Reason: Consumers generally reduce the quantity they purchase when a product becomes more expensive.

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2. Assertion:

Supply generally rises when price rises.

Reason: Higher prices can increase profitability and encourage producers to increase output.

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3. Assertion:

Market equilibrium occurs where demand and supply are equal.

Reason: At equilibrium, quantity demanded equals quantity supplied.

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4. Assertion:

Market equilibrium can change over time.

Reason: Demand and supply are affected by changing economic and external conditions.

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5. Assertion:

The government may regulate markets.

Reason: Markets do not always provide fair outcomes for consumers and vulnerable groups.

📊 Important Comparison Questions

Price Ceiling vs Price Floor

Price Ceiling 🔻	Price Floor 🔺
Maximum legal price	Minimum legal price
Prevents prices from rising above a limit	Prevents prices from falling below a limit
Used for certain essential goods	Can be used for wages and other markets
Effective below equilibrium price	Effective above equilibrium price

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Demand vs Supply

Demand 🛒	Supply 🏭
Consumer side	Producer side
Quantity consumers are willing and able to buy	Quantity sellers are willing and able to offer
Generally decreases as price rises	Generally increases as price rises
Demand curve	Supply curve

🎯 Top 10 Questions for Exam Revision

If students have limited time, prepare these first:

1. ⭐ **Explain the law of demand with a suitable example.**
2. ⭐ **Explain the law of supply with a suitable example.**
3. ⭐ **What factors determine demand and supply?**
4. ⭐ **Explain market equilibrium using demand and supply curves.**
5. ⭐ **What are excess demand and excess supply?**
6. ⭐ **Why does market equilibrium change over time?**

7. ⭐ **What is a price ceiling? Explain its possible effects.**
8. ⭐ **What is a price floor? Why might the government use it?**
9. ⭐ **What is monopoly? Why can it harm consumers?**
10. ⭐ **Explain the role of government in regulating markets.**

These cover the chapter's central concepts and its own end-of-chapter applications.

📌 Quick Revision Chart

🛒 DEMAND + 🏭 SUPPLY

Demand ↘️
Consumers
⬇️
Quantity demanded

Supply ↗️
Producers
⬇️
Quantity supplied

⬇️

⚖️ MARKET EQUILIBRIUM

Demand = Supply

⬇️

💰 PRICE

Changes in:

📈 Demand
📉 Supply
💻 Technology
💵 Production costs
👥 Number of sellers
🔮 Expectations

can change the market outcome.

⬇️

🏛️ GOVERNMENT

Price Ceiling + Price Floor + Consumer Protection + Regulation of Unfair Practices

The chapter's central idea is that prices in a market are shaped by the interaction of **demand and supply**, while government intervention can help address situations where markets do not produce fair or desirable outcomes.