

# ECONOMICS

Time: 20 minutes

(Regular & Private)

Max. Marks:20

## SECTION 'A'

### (MULTIPLE CHOICE QUESTIONS) – (M.C.Qs.)

1. Choose the correct answer for each from the given options:

- i) IMF is the abbreviation of:  
☆ International Monetary Fund  
☆ International Money Flow  
☆ International Money Forum  
☆ International Monetary Finance
- ii) Excess of imports over exports results in:  
☆ budgetary deficit ☆ fiscal deficit  
☆ balance of trade deficit ☆ balance of payment deficit
- iii) When the burden of tax cannot be shifted, a tax is considered as:  
☆ Income Tax ☆ Direct Tax ☆ Indirect Tax ☆ Sales Tax
- iv) When economic activities are at their peak, it is called:  
☆ Boom ☆ Recession ☆ Depression ☆ Recovery
- v) The income which indicates the living standard of the people of a country is called:  
☆ Personal Income ☆ Per Capita Income  
☆ Net National Income ☆ Disposable Personal Income
- vi) The Marginal Productivity Theory of Distribution was presented by:  
☆ Adam Smith ☆ Marshall ☆ Ricardo ☆ Malthus
- vii) Extensive cultivation is possible in countries where land is:  
☆ abundant ☆ scarce ☆ very fertile ☆ barren
- viii) The rate of Zakat is:  
☆ 1.5% ☆ 2.5% ☆ 3.5% ☆ 4.5%
- ix) The maximum percentage of non-developmental Expenditure of Federal Government is on:  
☆ Defence ☆ Education ☆ Debt service ☆ Health
- x) This is not the function of Commercial Banks  
☆ Services of Agencies ☆ Advancing Loans  
☆ Credit Control ☆ Accepting deposits
- xi) The 'Canon of Taxation' was presented by:  
☆ Adam Smith ☆ Marshall ☆ Robins ☆ Ricardo
- xii) The "Quantity Theory of Money" was presented by:  
☆ Marshall ☆ Keynes ☆ Fisher ☆ Ricardo
- xiii) The most important source of Government Revenue is:  
☆ Fees ☆ Prices ☆ Taxes ☆ Royalties
- xiv) The Comparative Cost Theory of International trade was given by:  
☆ Adam Smith ☆ Ricardo ☆ Robins ☆ Pigou
- xv) The Federal budget is prepared by the:  
☆ Planning Commission ☆ Ministry of Finance  
☆ Cabinet division ☆ Central Bank
- xvi) The burden of an indirect tax is borne by:  
☆ Wholesaler ☆ Retailer ☆ Consumer ☆ Producer
- xvii) The State Bank of Pakistan was established in:  
☆ 1947 ☆ 1948 ☆ 1949 ☆ 1950
- xviii) The reward for labour is known as:  
☆ Rent ☆ Wage ☆ Profit ☆ Interest
- xix) Government prepares its budget on this basis:  
☆ Weekly ☆ Monthly ☆ Quarterly ☆ Annually
- xx) Taxes on Commodities are:  
☆ direct ☆ indirect ☆ progressive ☆ proportional

## SECTION 'B'

### (SHORT – ANSWER QUESTIONS) (50 Marks)

#### MACRO - ECONOMICS (30 Marks)

2. Attempt any Six of the following part questions.

- i) Define the function of Money.
- ii) Explain the canon of Taxation presented by Adam Smith.
- iii) Define functions of Central Bank.
- iv) Define trade Unions and its objectives.
- v) Distinguish between GNP and GDP.
- vi) Distinguish between Economic Rent & Quasi Rent.
- vii) What is the difference between Profit and Interest?
- viii) Discuss the advantages and disadvantages of direct taxes.
- ix) Differentiate between Private Finance and Public Finance.

#### PAKISTAN ECONOMICS (20 Marks)

3. Attempt any Four of the following part questions.

- i) Explain the Economic significance of Zakat.
- ii) Name various means of transport and communication of Pakistan.
- iii) What are the causes of Unfavourable balance of payments of Pakistan.
- iv) What are the major sources of revenue of Federal Government.
- v) What do you understand by 'Sahib-e-Nisab' & "Mustahaqeen".
- vi) What are the objectives of Economic Planning in Pakistan. Explain.

## SECTION 'C'

### (DETAILED – ANSWER QUESTIONS) (30 Marks)

#### MACRO - ECONOMICS (20 Marks)

4. Attempt any Two of the following part questions.

- i) Define National Income and explain one method of Measurement of National Income.
- ii) Explain the Quantity theory of Money.
- iii) Distinguish between Domestic trade and Foreign trade. Discuss the advantages and disadvantages of International trade

#### PAKISTAN ECONOMICS (10 Marks)

5. Attempt any One question from the following part questions.

- i) Write the importance of Road transportation in Economic development of Pakistan.
- ii) What are the Pakistan's major exports and imports? Give suggestions to improve exports of Pakistan.