

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) National Income does not include:
 - ☆ Profit and Rent
 - ☆ Wages and salaries
 - ☆ Transfer payments
 - ☆ Interest and capital
- ii) The value of Money means:
 - ☆ Increasing power of money
 - ☆ Decreasing power of money
 - ☆ Purchasing power of money
 - ☆ Selling power of money
- iii) Pakistan's Fiscal year starts from:
 - ☆ 1st January
 - ☆ 1st March
 - ☆ 1st July
 - ☆ 1st August
- iv) This is not a function of a Commercial Bank:
 - ☆ Serving of Agencies
 - ☆ Advancing Loans
 - ☆ Controlling of Currency
 - ☆ Accepting deposits
- v) The Federal Government Budget is prepared by the:
 - ☆ Planning Commission
 - ☆ Ministry of Finance
 - ☆ Cabinet Division
 - ☆ Central Bank
- vi) The burden of Indirect Tax is borne by the:
 - ☆ Wholesaler
 - ☆ Retailer
 - ☆ Consumer
 - ☆ Producer
- vii) Supply of Land is:
 - ☆ Non-fixed
 - ☆ Fixed
 - ☆ Unlimited
 - ☆ Limited
- viii) The rate of Zakat is:
 - ☆ 1.5%
 - ☆ 2.5%
 - ☆ 3.5%
 - ☆ 4.5%
- ix) The most important source of government revenues is:
 - ☆ fees
 - ☆ prices
 - ☆ taxes
 - ☆ royalties
- x) State bank of Pakistan was established in the year A.D.:
 - ☆ 1947
 - ☆ 1948
 - ☆ 1949
 - ☆ 1950
- xi) Comparative cost theory of international trade was given by:
 - ☆ Adam Smith
 - ☆ Ricardo
 - ☆ Marshall
 - ☆ Robbins
- xii) The largest seaport of Pakistan is:
 - ☆ Gwadar
 - ☆ Karachi
 - ☆ Bin Qasim
 - ☆ Kaiti bunder
- xiii) Issuance of currency note in Pakistan is the function of the:
 - ☆ Planning Commission
 - ☆ State Bank of Pakistan
 - ☆ Commercial Banks
 - ☆ none of these
- xiv) During Inflation, a debtor:
 - ☆ suffers losses
 - ☆ makes gains
 - ☆ remains unaffected
 - ☆ none of these
- xv) Pakistan gets major portion of its income from the export of:
 - ☆ Cotton and its products
 - ☆ Rice
 - ☆ Sports goods
 - ☆ Leather and its products
- xvi) The 2nd five year plan was considered:
 - ☆ Failure
 - ☆ Successful
 - ☆ Encouraging
 - ☆ Discouraging
- xvii) When payments of a country exceed its receipts, its balance of payment is said to be:
 - ☆ Favourable
 - ☆ Unfavourable
 - ☆ Balanced
 - ☆ none of these
- xviii) The reward for capital is known as:
 - ☆ Profit
 - ☆ Wages
 - ☆ Rent
 - ☆ Interest
- xix) Rent is the reward for:
 - ☆ Labour
 - ☆ Capital
 - ☆ Organization
 - ☆ none of these
- xx) In inflation:
 - ☆ Prices rise
 - ☆ Standard of living rises
 - ☆ Poor becomes rich
 - ☆ none of these

SECTION 'B'

(SHORT – ANSWER QUESTIONS) (50 Marks)

MACRO - ECONOMICS (30 Marks)

2. Attempt any Six of the following part questions.
 - i) Distinguish between GDP and GNP.
 - ii) Explain Ricardian Theory of Rent.
 - iii) Distinguish between Nominal Wages and Real Wages.
- OR What are the main characteristics of Profit?
- iv) List the various problems of Barter System.
- v) Distinguish between Balance of Trade and Balance of Payments.
- vi) State the functions of Commercial Bank.
- vii) Describe the characteristics of good money.
- viii) Explain the Canons of Taxation given by Adam Smith.
- ix) Explain the effects of changes in the value of money on the different sections of the society.

PAKISTAN ECONOMICS (20 Marks)

3. Attempt any Four of the following part questions.
 - i) Describe the role of Financial Institutions in the Economic Development of Pakistan.
 - ii) State the objectives of Economic Planning in Pakistan.
 - iii) Describe the economic significance of Zakat.
 - iv) State the problems of Cottage Industries in Pakistan.
 - v) What role are the Commercial Banks playing in the Economic Development of Pakistan?
- OR What are the sources of Revenue of Provincial Government?
- vi) State the significance of Motorways in Pakistan.

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 describe its various concepts.
 - ii) Distinguish between Domestic Trade and Foreign Trade. Discuss the advantages of International Trade.
 - iii) Distinguish between Direct Tax and Indirect Tax. Describe the merits and demerits of Direct Tax.
- OR Explain the Quantity Theory of Money given by Prof. Irving Fisher under the equation of exchange.

PAKISTAN ECONOMICS (10 Marks)

5. Attempt any One question from the following part questions.
 - i) Write the various means of Transportation and Communication in Pakistan. Describe their Importance in Economic Development of Pakistan.
 - ii) What are the causes of unfavourable balance of payments in Pakistan? Give suggestion to improve these.