

ECONOMICS

2016**Time : 20 Minutes (Regular & Private) Marks : 20****SECTION "A" (MULTIPLE CHOICE QUESTIONS)****1. Choose the correct answer for each from the given options:**

- (i) Issuance of currency notes in Pakistan is the function of the:
- Planning Commission • State Bank of Pakistan
 - Commercial Bank • National Bank Pakistan
- (ii) The literacy rate in Pakistan is:
- 54% • 44% • 34% • 24%
- (iii) Disposable personal income is equal to:
- P.I. – Direct tax • FNP – Subsidies
 - GNP – Depreciation • P.I – Indirect tax
- (iv) Balance of Trade includes:
- Visible items only • Invisible items only
 - Both visible & Invisible items • None of these
- (v) The reward of capital is:
- Profit • Rent • Wage • Interest
- (vi) The Quantity theory of Money was presented by:
- Marshall • Keynes • Fisher • Ricardo
- (vii) The State Bank of Pakistan was established in the year:
- 1947 • 1948 • 1949 • 1950
- (viii) During inflation:
- Prices rise • Purchasing power increases
 - Poor becomes rich • Standard of living rises
- (ix) In Pakistan, commercial banks were nationalized on:
- 1st Jan. 1972 • 1st Jan. 1974
 - 1st Jan. 1976 • 1st Jan. 1978
- (x) Comparative Cost Theory of International trade was given by:
- Adam Smith • Ricardo • Marshall • Robbins
- (xi) The second five year plan was considered to be:
- Failure • Successful • Encouraging • Discouraging
- (xii) The burden of Indirect tax is borne by the:
- Wholesaler • Retailer • Consumer • Producer
- (xiii) The rate of Zakat is:
- 1.5% • 2.5% • 3.5% • 4.5%
- (xiv) The preparation of the Federal Government Budget is the function of the:
- Planning Commission • Ministry of Finance
 - Cabinet Division • State Bank of Pakistan
- (xv) Pakistan's Fiscal year start from:
- 1st Jan. • 1st March • 1st July • 1st August
- (xvi) This is a Direct tax:
- Sales tax • Income tax • Excise duty • Custom duty
- (xvii) The most important source of government revenue is:
- Fees • Price • Taxes • Fines
- (xviii) World bank was established in the year:
- 1949 • 1947 • 1945 • 1942
- (xix) The present Finance Minister of Pakistan is:
- Shaikh Rasheed • Choudhary Nisar
 - Ishaq Dar • Peryaiz Rasheed
- (xx) The Federal budget is generally announced in the month of:
- Jan. • June • July • Dec.

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2016**Time : 2:40 hours (Regular & Private) Marks : 80****SECTION "B"(SHORT-ANSWER QUESTIONS)(50)****MICRO ECONOMICS****(30)****2. Attempt any Six of the following part questions.**

- 2.(i) Explain Ricardian Theory of Rent.
- (ii) Distinguish between Nominal Wages and Real Wages.
- (iii) List the various problems of Barter system.
- (iv) State the functions of Commercial Bank.
- (v) Distinguish between Personal Income and Disposable Personal Income.
- (vi) Explain the Quantity Theory of Money.
- (vii) Write the advantages of International Trade.
- (viii) Explain the Canons of Taxation given by Adam Smith.
- (ix) State the functions of a Trade Union.

PAKISTAN ECONOMICS**(20)****3. Attempt Four of the following part questions.**

- 2.(i) State the significance of Motorways in Pakistan.
- (ii) Highlight the role of the State Bank of Pakistan in the Economic development of the country.
- (iii) Distinguish between Developmental expenditure and non-Developmental expenditure.
- (iv) Write the causes of Inflation in Pakistan.
- (v) Distinguish between Zakat and Tax.
- (vi) Write the causes of Budget deficit of Pakistan.

SECTION 'C' (DETAILED-ANSWER QUESTIONS)(30)**MICRO ECONOMICS****(20)****4. Attempt Two of the following part questions.**

- (i) Define National Income & describe the various concepts
- (ii) Explain the comparative cost theory of International Trade.
- (iii) How does Commercial Bank create credit? Explain.

PAKISTAN ECONOMICS**(10)****5. Attempt any One of the following part questions.**

- (i) Describe the importance of Railway in the Economic development of Pakistan.
- (ii) What are the causes of unfavourable Balance of payments if Pak.? Give suggestions to improve these.