

AGA KHAN UNIVERSITY EXAMINATION BOARD

SECONDARY SCHOOL CERTIFICATE

CLASS X

MODEL EXAMINATION PAPER 2020

Economics Paper II

Time: 2 hours 20 minutes Marks: 50

INSTRUCTIONS

Please read the following instructions carefully.

1. Check your name and school information. Sign if it is accurate.

**I agree that this is my name and school.
Candidate's Signature**

RUBRIC

2. There are TEN questions. Answer ALL questions. Questions 9 & 10 each offers TWO choices. Attempt any ONE choice from each.
3. When answering the questions:

Read each question carefully.
Use a black pointer to write your answers. DO NOT write your answers in pencil.
Use a black pencil for diagrams. DO NOT use coloured pencils.
DO NOT use staples, paper clips, glue, correcting fluid or ink erasers.
Complete your answer in the allocated space only. DO NOT write outside the answer box.
4. The marks for the questions are shown in brackets ().
5. You may use a simple calculator if you wish.

Q.1. (Total 5 Marks)

- a. Differentiate between gross domestic production (GDP) and gross national production (GNP). (2 Marks)

- b. List THREE methods of measuring GDP. (3 Marks)

Q.2. (Total 6 Marks)

- a. Describe 'purchasing power of money' and 'inflation' with the help of an example. (4 Marks)

- b. What is the relationship between the two terms mentioned in part a? (2 Marks)

Q.3.

(Total 4 Marks)

The government of country X is planning to increase the interest rate to control money supply in its country.

Explain the effect of the increase in interest rate on the savings and investment of the citizens of country X.

Q.4.

(Total 3 Marks)

Explain THREE advantages of international trade for the economy.

PLEASE TURN OVER THE PAGE

Q.5. (Total 3 Marks)

The balance of payment (BoP) is a statistical accounting record of a country's international trade transaction.

Explain THREE accounts that are included in the balance of payment of a country.

Q.6. (Total 5 Marks)

A city's municipal corporation is planning to establish public health care centres in each town of the city. For that, the city government is looking for possible public and private sources of finance.

List any FIVE sources that the city's municipal corporation can use.

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Q.7.

(Total 5 Marks)

Differentiate between economic growth and economic development on the basis of the given criteria.

Criteria for Difference	Economic Growth	Economic Development
Meaning		
Scope		
Area of study		
Duration (i.e. short term or long term)		
Expected changes (i.e. qualitative or quantitative)		

Q.8.

(Total 3 Marks)

Zakat and *Ushr* are two important tools of Islamic economic system.

Explain any THREE impacts of these tools on the national economy of a country like Pakistan.

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Q.9.

(Total 8 Marks)

EITHER

- a. What does an increase in the real Gross Domestic Product (GDP) mean? Explain THREE benefits of increased GDP in an economy.

OR

- b. Our agriculture sector has been the backbone of our economy since independence. What is the role of Zarai Tarqati Bank Limited (ZTBL) in the rural economic development of Pakistan?

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Q.10.

(Total 8 Marks)

EITHER

- a. Measuring economic welfare is not an exact science. Often in economics, we focus on gross domestic product (GDP) statistics (measuring national output). However, quality of life depends on many other factors apart from just GDP.

Elaborate any FOUR factors (other than GDP growth) which affect the quality of life of an individual due to economic development in an economy.

OR

- b. *Zakat* has been mentioned in the Holy Quran in more than 30 verses. It is one of the four pillars of Islam and it is compulsory on every Muslim who has financial means.

Explain in FOUR points the role of *Zakat* in improving the standard of living of a society.

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END OF PAPER

Please use this page for rough work

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