

MODEL PAPER ‘ECONOMICS’
Intermediate Part-II Examination, 2008 & Onward

Roll No. _____
In Figures _____
In Words _____

OBJECTIVE

Time: 30Minutes

Marks: 20

Note: Write your Roll No. in space provided. Over-writing, Cutting, Erasing, Using lead pencil will result in loss of marks.

Q.No.7. Each question has four possible answers. Choose the correct answer and encircle it. 20

- (i) Subtracting direct tax from personal income, is attained.
(a) Gross National Product (b) Net National Product
(c) National Income (d) Disposable Personal Income
- (ii) Saving function is called.
(a) Relationship of income and investment
(b) Relationship of income and consumption
(c) Relationship of income and consumption (d) None of three
- (iii) value of money has relationship with quantity of money.
(a) Direct (b) Indirect (c) Inverse (d) None of three
- (iv) If rate of tax increases with the increase in income, it is called.
(a) Progressive tax (b) Proportional tax
(c) Regressive tax (d) Value added tax
- (v) In items of balance of payment is invisible.
(a) Import of cars (b) Export of cotton
(c) Expenditures of passengers traveling by car
(d) Private investment in foreign country
- (vi) In which income transfer payments are included.
(a) Gross domestic income (b) National income
(c) Disposable personal income (d) Personal income
- (vii) Equilibrium level of national income means that point whose:
(a) consumption= saving (b) consumption= investment
(c) income=saving+ investment (d) saving = investment
- (viii) Money whose face value is more than its intrinsic value, is called:
(a) Token money (b) Standard money
(c) Paper money (d) Credit money
- (ix) If new deposit is 100 rupees and cash ratio is 20% then creation of credit will be:
(a) 200 Rupees (b) 300 Rupees
(c) 500 Rupees (d) 1000 Rupees
- (x) At last sales tax is paid by the:
(a) Shopkeeper (b) Entrepreneur
(c) Customer (d) Whole seller

- (xi) Per capital income of Pakistan is more than that of the following countries, except:
(a) Bangladesh (b) India (c) Nepal (d) Sri lanka
- (xii) Which one of the following is per capita income:
(a) Income per worker (b) Income per industrial unit
(c) Income per person (d) Income per family
- (xiii) Which one is not included in the characteristics of developing countries:
(a) Over population (b) Dependence on agriculture
(c) Abundance of capital (d) Export of raw material
- (xiv) Super Indus high way N-55 is long:
(a) 1260 Km (b) 1265 Km (c) 1270 Km (d) 1275 Km
- (xv) In which city head office of State Bank of Pakistan is:
(a) Karachi (b) Quetta (c) Lahore (d) Islamabad
- (xvi) Which one is included in sources of revenue of provincial government:
(a) Custom (b) Property tax (c) Sales tax (d) Income tax
- (xvii) When did Pakistan devalue its currency for the second time?
(a) 1955 (b) 1960 (c) 1972 (d) 1975
- (xviii) Propounder of capitalism is:
(a) Adam Smith (b) Marshall (c) Karl Mar (d) Lenin
- (xix) Which economic system is based on interest:
(a) Economic system of Islam (b) Capitalism
(c) Socialism (d) Of all the three
- (xx) On which of the following heads Government of Pakistan spends the major part of its annual budget?
(a) Defence (b) Interest on loans
(c) General administration (d) Welfare departments

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SUBJECTIVE

Time: 2:30Hours

Marks: 80

Note: - Attempt any TWENTY FIVE (25) questions from Section -I and any THREE questions form Section-II.

SECTION -I

Q.No.1. Attempt any TWENTY FIVE (25) questions.

(25x2)=50

- (i) What is subsidy?
- (ii) What are transfer payments?
- (iii) What is Gross Domestic Product?
- (iv) What is Depreciation allowance?
- (v) What is inconvertible paper money?
- (vi) What is near money?
- (vii) Differentiate between fee and tax.
- (viii) What are demand deposits?
- (ix) What is progressive tax?
- (x) Write four advantages of multinational corporations.
- (xi) What is paper money?
- (xii) What is rate of interest?
- (xiii) What are main exports of Pakistan?
- (xiv) Differentiate between balance of trade and balance of payment.
- (xv) What is tax culture?
- (xvi) Write about Stock Exchanges in Pakistan.
- (xvii) Write definition of Economic planning in the words of Arthur Lewis.
- (xviii) Write five objectives of Economic planning.
- (xix) Define central bank.
- (xx) What is per capita income?
- (xxi) What is surplus budget?
- (xxii) What is unemployment?
- (xxiii) What is cost push inflation?
- (xxiv) What is charity?
- (xxv) What is Economic Cooperation Organization?
- (xxvi) What is Exchange rate?
- (xxvii) What is Equality in Islam?
- (xxviii) What is ostentation?

- (xxix) What is an indirect tax?
(xxx) Define public finance.
(xxxi) What is globalization?
(xxxii) What is E-Commerce?
(xxxiii) Which are main industries of Pakistan?
(xxxiv) Write formula of import export ratio.
(xxxv) What is bank rate policy?
(xxxvi) What is goodness?
(xxxvii) What are time deposits?

SECTION -II

Note: - Attempt any THREE questions.

(10x3)=30

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| Q.No2. Explain circular flow of national income. | 10 |
| Q.No3. Describe functions of central bank. | 10 |
| Q.No4. State Ricardian comparative cost theory. | 10 |
| Q.No5. State causes of low per capita income in Pakistan. | 10 |
| Q.No6. State effects of high growth rate of population in Pakistan. | 10 |