

SECTION 'A' MULTIPLE CHOICE QUESTIONS (15 Marks)

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

- i. Technically, micro means:
 - One million
 - Ten million
 - **One millionth**
 - Ten millionth
- ii. For substitute, cross elasticity of demand is:
 - **Positive**
 - Zero
 - Negative
 - Infinite
- iii. When quantity demanded becomes equal to quantity supplied, it is known as the equilibrium of:
 - Supply
 - Demand
 - **Price**
 - Cost
- iv. Velocity of money refers to:
 - Quantity of money
 - Supply of money
 - **Circulation of money**
 - Value of money
- v. Adam Smith introduced the canons of:
 - Income
 - **Taxation**
 - Prices
 - Wealth
- vi. I.B.R.D is commonly known as the:
 - **World Bank**
 - Asian Development Bank
 - Islamic Development Bank
 - International Monetary Fund
- vii. Total fixed cost curve is shaped:
 - Vertical
 - Upwards
 - Downwards
 - **Horizontal**
- viii. Budget is a tool of:
 - Labor Policy
 - Trade Policy
 - Monetary Policy

- **Fiscal Policy**
- ix. If face value and real value are not equal, it is called:
- **Token Money**
 - Standard Money
 - Credit Money
 - Metallic Money
- x. The major portion of direct taxes is collected from:
- **Businessmen**
 - Film stars
 - government Servants
 - Feudal
- xi. Short run total cost depends upon:
- **Fixed cost**
 - Variable cost
 - Average Cost
 - Marginal cost
- xii. Economics is a branch of:
- **Social science**
 - Physical science
 - Natural science
 - Spiritual science
- xiii. In perfect competition, AR and MR curves are:
- Sloped upwards
 - Sloped downwards
 - Shaped vertically
 - **Shaped horizontally**
- xiv. These are not included in National Income:
- **Transfer payments**
 - Subsidies
 - Interest
 - Taxes
- xv. For measuring elasticity of demand between two points on a demand curve, this method is used:
- **Point elasticity**
 - Arc elasticity
 - Income elasticity
 - Cross elasticity

SECTION 'B' SHORT ANSWER QUESTIONS (Marks 40)

MICROECONOMICS (20 Marks)

Q.2 Attempt any FIVE of the following part questions. All questions carry equal marks.

- i. Explain Cross Elasticity of demand.
- ii. In the imperfectly competitive market, why are Average Revenue & Marginal Revenue curves negatively sloped?
- iii. Describe the relationship between Marginal Utility (MU) and Total Utility(TU) with the help of a diagram.
- iv. Explain the relation between Average Cost and Marginal Cost.
- v. Explain the rise and fall in demand.

- vi. Difference between Monopoly & Monopolistic competition.
- vii. Describe the relation between total revenue, average revenue & marginal revenue in perfect competition.

MACROECONOMICS (20 Marks)

Q. 3 Attempt any Five of the following parts questions. All questions carry equal marks.

- i. Why is the study of National Income essential for us?
- ii. National income is the -same whether it is calculated by total product method or total income method. Explain.
- iii. Describe the canons of taxation.
- iv. If the gross national product of a country is Rs. 700 billion; foreign remittances Rs- 50 billion and depreciation cost is Rs. 75 billion, calculate the gross domestic product and net national product.
- v. Describe the types of paper money.
- vi. Name the different phases of Trade Cycle and describe any one.
- vii. Distinguish between Local trade and International trade.

SECTION 'C DETAILED ANSWER QUESTIONS (Marks 20) **MICROECONOMICS (Marks 20)**

Q.4 Attempt any ONE of the Following parts

- i. Define Market Price. Determine market price with the help of schedule and diagram.
- ii. How can a firm achieve equilibrium in the perfect competition during short run? .

MACROECONOMICS 10 Marks)

Q.5 Attempt any ONE of the following parts:

- i. Distinguish between 'Balance of Trade' and 'Balance of Payments'. How can unfavorable balance of payments become favorable.
- ii. Differentiate between Direct tax and Indirect tax. Describe the advantages and disadvantages of Indirect.

PRINCIPLES OF ECONOMICS

2018

Time: 3 Hours

(Regular Private)

Max, Marks: 75

SECTION 'A' MULTIPLE CHOICE QUESTIONS (15 Marks)

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

- i. All factors of production become variable in the:
 - **Long run**
 - Market period
 - Short run
 - Middle term
- ii. Quantity theory of Money is given by:
 - Adam Smit
 - **Irving Fisher**
 - Robbins
 - Marshall
- iii. The other name of Trade Cycle is:
 - Investment Cycle
 - Expenditure Cycle
 - **Business Cycle**
 - Income Cycle
- iv. The Total Cost (TC) is equal to:
 - $VC+ATC$
 - $AC+MC$
 - **$TFC+TVCS$**
 - $AFC+AVC$
- v. Reward without any service is termed as:
 - Wages
 - **Interest**
 - Transfer payments
 - Rent
- vi. The Law of Equi-Marginal utility is also known as the:
 - **Law of Substitution**
 - Law of Demand
 - Law of Supply
 - Law of Diminishing Marginal
- vii. Macro Economics is also known as:
 - Price theory
 - **Income theory**
 - Game theory
 - Productivity theory
- viii. Equilibrium price is determined by:
 - Demand

- Supply
 - **Demand and-Supply**
 - Stock
- ix. Homogeneous products are sold under:
- Monopoly
 - **Perfect Competition**
 - Oligopoly
 - Duopoly
- x. During inflation, the value of money:
- Increases
 - **Decreases**
 - remains Constant
 - becomes Zero
- xi. To calculate per Capita income, national income is divided
- **Total population**
 - Expenditure
 - Labor
 - Total production
- xii. The N.N.P. Is equal tot
- GNP + Depreciation
 - **GNP – Depreciation**
 - GNP + Subsidies
 - GNP- Subsidies
- xiii. Fiscal policy means:
- Industrial Policy
 - Agricultural Policy
 - Commercial Policy
 - **Govt. Revenue and Expenditure policy**
- xiv. The theory of comparative cost was presented by:
- Adam Smith
 - **David Ricardo**
 - Marshall
 - Keynes

SECTION 'B' SHORT ANSWER QUESTIONS (Marks 40)

MICROECONOMICS (20 Marks)

Q.2 Attempt any FIVE of the following part questions. All questions carry equal marks.

- i. State the four main points of Marshall's definition of Economics.
- ii. State the Law of Equi-Marginal utility.
- iii. State the Laws of Returns and Laws of Costs.
- iv. Explain the expansion and contraction in quantity and demanded.
- v. Describe the practical advantages of the study of Economics.
- vi. State the Law of Diminishing Marginal Return.
- vii. Distinguish between Fixed cost and Variable cost.

MACROECONOMICS (20 Marks)

- Q.3 Attempt any Five of the following parts questions. All questions carry equal marks.
- i. How is the national income of country measured under total production method?
 - ii. Enlist the characteristics of Good money.
 - iii. Distinguish between Private finance and Public finance.
 - iv. Examine the effects of rising prices on:
 - v. Distinguish between Personal Income and Personal Disposable Income.
 - vi. What is meant by Business Cycle? Name its Phases and explain any one.
 - vii. Define budget and write the types of Budget.

SECTION 'C DETAILED ANSWER QUESTIONS (Marks 20) . MICROECONOMICS (Marks 20)

Q.4 Attempt any ONE of the Following parts

- i. State the definitions of Economics as stated by Prof. Marshall and Prof. Robbins and compare which of the two is better and why.
- ii. State the law of Demand and explain it with the help of schedule and diagram. Also write its assumptions.

MACROECONOMICS 10 Marks)

Q.5 Attempt any ONE of the following parts:

- i. Define National Income and explain its various concepts.
- ii. Define the term Money. Explain the functions of money.

PRINCIPLES OF ECONOMICS

2017

Time: 20 minutes

(Regular & Private)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS)- (M.C.Qs.)

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

i) Large number of buyers and sellers is the essential characteristics of:

- * Monopoly * Perfect Competition
- * Oligopoly * Monopolistic competition

ii) Microeconomics is also known as the:

- * Theory of National income
- * Price Theory
- * Theory of Distribution of Wealth
- * Theory of International Trade

iii) Comparative cost theory was given by:

- * David Ricardo * Adam Smith
- * Marshall * Robbins

iv) The factor which organizes all the factors of production is termed as:

- * Land * Labor
- * Capital * Entrepreneur

v) This is not a function of Money:

- * Medium of Exchange
- * Measure of Value
- * General Acceptability
- * Standard of Deferred Payments

vi) Zakat is paid by:

- * All Muslims * non - Muslims
- * Citizens * Sahib-e-Nisaab Muslims

vii) According to Adam Smith, Economics is the science of:

- * Material Welfare
- * Scarcity and choice
- * Wealth
- * none of these

viii) The quantity of a good which is offered for sale at a given price is called:

- * Demand
- * Supply
- * Stock
- * Production

ix) National Income does not include

- * Profit & Rent
- * Wages
- * Interest
- * Transfer Payments

x) This is not a direct tax

- * Income tax
- * Sales tax
- * Property tax
- * Wealth tax

xi) All factors of production are variable in the

- * Market period
- * Short Run
- * Long Run
- * none of these

xii) Reward of land is

- * Profit
- * Wage
- * Rent
- * Interest

xiii) If a point is located at the mid of Demand curve, then Elasticity of Demand is:

- * Equal to unity
- * Less than unity
- * More than unit
- * infinity

xiv) According to the law of demand, if price rises, the quantity demanded:

- * Contracts
- * Expands
- * Rises
- * Falls

xv) The law of Equi-marginal utility is also known as the:

- * Law of Substitution
- * Law of Demand
- * Law of Diminishing Returns
- * Law of Supply

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks: 40)

MICRO ECONOMICS (20 Marks)

Attempt any FIVE of the following part questions. All questions carry equal marks.

- i. Write the characteristics of Perfect Competition?
- ii. State the Salient features of Robbins definition of Economics?
- iii. Define Production. State the relative importance of the factors to production?
- iv. State the Law of Diminishing Marginal Utility?
- v. Differentiate between Microeconomics and Macroeconomics?
- vi. Differentiate between 'A change in Demand and A change in Quantity Demanded'?
- vii. State the Law of Demand?

MACRO ECONOMICS (20 Marks)

Attempt any FIVE of the following part questions. All questions carry equal marks.

- i. Distinguish between Gross National Product and Net National Product.
- ii. State the Quantity Theory of Money.
- iii. Name the different phases of Business cycle and describe any one of them.
- iv. Describe the advantages of International Trade.
- v. Differentiate between Public finance and Private finance.
- vi. State the functions of Money.
- vii. State the difficulties of Barter System.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks: 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following part questions:

- i. State Marshall's definition of Economics. Discuss its merits and demerits.
- ii. Explain the Laws of Diminishing Marginal Returns with the help of a schedule and diagram.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following part questions:

- i) Define National Income and explain the various concepts of National income.
- ii) Critically examine the Comparative Cost theory of International Trade.

OR

- ii) Explain the difference between Balance of Trade and Balance of Payments. How can unfavorable balance of Payments be improved?

PRINCIPLES OF ECONOMICS

2016

Time: 20 minutes

(Regular & Private)

Max. Marks: 15

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) The Quantity theory of money was presented by:

- * Adam Smith * Riccardo
- * Robbins * Irving Fisher

ii) Under the law of Demand, if price increases the quantity demanded:

- * Contracts * Rises
- * Expands * Falls

4 iii) According to the Neo-classical school of thought, Economics is the study of:

- * Material Welfare * Wealth
- * Economic development * Scarcity and choice

iv) The founder of classical school of Economics is:

- * Marshall * Robbins
- * Adam Smith * Keynes

v) Micro-Economics is also known as the:

- * Theory of National income
- * Theory of Price
- * Theory of Distribution of Wealth
- * Theory of International Trade

vi) Supply of Land is:

- * Unlimited * Limited
- * Highly Elastic * Perfectly Elastic

vii) When Total Utility is maximum, Marginal Utility is:

* Maximum * Positive

* Negative * Zero

viii) The ability of a good to satisfy human wants is called:

* Productivity * Utility

* Usefulness * Scarcity

ix) The demand Curve usually slopes from:

* Left to Right * Right to Left

* Left to Right downward * Right to Left upward

x) The quantity of a good which is offered for sale at a given price is called:

* Demand * Supply

* Stock * Production

xi) Under perfect competition, goods are:

* Differentiated * Homogeneous

* Sub-standard * none of these

xii) During inflation, the value of Money:

* Increases * Decreases

* Remains constant * Becomes zero

xiii) This is not a direct Tax:

* Income Tax * Sales Tax

* Wealth Tax * Property Tax

xiv) The Canons of Taxation were given by:

* Ricardo * Robbins

* Marshall * Adam Smith

xv) To calculate per capita income, national income is divided by:

* Total population * Total labour force

* Total expenditure * Total income

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks: 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following parts.

- i) Distinguish between Stock and Supply.
- ii) What is meant by fixed cost and Variable cost?
- iii) Define Production. Name the factors of Production.
- iv) Differentiate between Change in Demand and Change in Quantity demand.
- v) Differentiate between Micro Economics and Macro Economics.
- vi) What are the advantages of Large- scale Production?
- vii) Explain the character of Monopoly.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following parts.

- i) State the main causes of Inflation.
- ii) Differentiate between Domestic Trade and International Trade.
- iii) Differentiate between Zakat and Tax.
- iv) State the difficulties of Barter System.
- v) Distinguish between Balance of Trade and Balance of Payment.
- vi) Define Money. List the characteristics of good Money.
- vii) Mention the difficulties in the measurement of National Income.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks: 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following part questions:

- i) Compare Marshall's and Robbin's definition of Economics.
- ii) Explain the Law of Demand with the help of schedule and diagram and describe its assumptions?

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following part questions:

- i) Explain Quantity Theory of Money and write its assumptions?
- ii) What are the advantages and disadvantages of International Trade?

CBSE

PRINCIPLES OF ECONOMICS

2015

Time: 20 minutes

(Regular & Private)

Max. Marks: 15

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) Price Elasticity of Demand for necessities is:

* Less than unity * Greater than unity

* Equal to unity * Zero

ii) The Law of Diminishing Marginal Returns specially applies on the:

* Mining sector * Agriculture sector

* Industrial sector * Services sector

iii) The Theory of Comparative Costs was presented by:

* Adam Smith * David Ricardo

* Marshall * Robbins

iv) All the factors of production become variable in:

* The short run * The long run

* The market period * The middle term

v) The numerical measurement for 'inelastic' demand is:

Ed = 0 * Ed < 1

Ed = 1 * Ed > 1

vi) In Monopolistic competition, products are:

* Similar * Homogeneous

* Differentiated * Substitutes

vii) This is the only factor of production whose supply remains fixed:

* Labor * Capital * Land * Organization

viii) Under perfect competition, the demand curve is:

* Horizontal * Vertical * Upward sloping * Downward sloping

ix) When price and total outlay are directly related, then Elasticity of a Demand is:

* Unity * More than unity

* Less than unity * Zero

x) The average share of National Income is called:

* Personal income

* Disposable personal income

* Per capita income

* Real income

xi) When economic activities are at their lowest level, it is called:

* Boom * Recession * Depression * Recovery

xii) During inflation, the value of money:

* Decreases * Increases

* Remains constant * Becomes zero

xiii) National income does not include:

* Profit * Wages * Interest * Transfer payments

xiv) The Canons of Taxation were presented by:

* Adam Smith * Marshall

* Robbins * David Ricardo

xv) This is not a Direct Tax:

* Income Tax * Sales Tax * Wealth Tax * Property Tax

Time: 2 Hours 40 Mins

PRINCIPLE OF ECONOMICS

Max. Marks: 60

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks: 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following part questions.

- i) Differentiate between Microeconomics and Macroeconomics.
- ii) State the Law of Diminishing Marginal Returns.
- iii) Define Production. Name the factors of Production.
- iv) Differentiate between Arc Elasticity of Demand and Point Elasticity of Demand.
- v) State any four points of Prof. Marshall's definition of Economics.
- vi) What are the main functions an Entrepreneur?
- vii) Differentiate between 'Change in Demand' and 'Change in Quantity Demand'.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following part questions.

- i) Differentiate between Gross National Product and Gross Domestic Product.
- ii) How is the National Income of a country measured under Product Method?
- iii) State the main causes of Inflation.
- iv) Name the different phases of a Trade cycle and describe any one of them.
- v) Write the difficulties of Barter System.
- vi) Differentiate between Nominal Wages and Real Wages.
- vii) What are the characteristics of Good Money?

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks : 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following part questions:

- i) Explain the Law of Diminishing Marginal Utility with the help of a schedule and a diagram.
- ii) Explain the Law of Supply with the help of a schedule and a diagram. Also describe the assumptions of the Law.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following part questions:

- i) What are the causes of unfavorable Balance of Payments?

Suggest measures to correct the unfavorable Balance of Payments.

- ii) Differentiate between Domestic Trade and International Trade.

Write the advantages and disadvantages of International Trade.

PRINCIPLES OF ECONOMICS

2014

Time: 20 minutes

(Regular)

Max. Marks: 15

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) The supply of land is limited:

* Yes

* No

* To some extent

* none of these

ii) Total Revenue increases at a constant rate under this market:

* Monopoly

* Perfect competition

* Stock Market

* Imperfect competition

iii) The burden of indirect taxes:

* Can be shifted

* cannot be shifted

* Remains constant

* does not remains constant

iv) During inflation, the value of money:

- * increases * decreases
- * remains constant * none of these

v) To calculate per capita income, National Income is divided by:

- * Total population * total expenditures
- * Total labor force * total revenue

vi) NNP does not include:

- * Wages * Investment
- * Depreciation allowance * Agricultural product

vii) If a point is located at the mid of demand curve then elasticity of demand is:

- * Unit * less than unit
- * More than unit * unlimited

viii) The measures of Elasticity of Demand are:

- * three * two * one * four

ix) The most important condition of Monopoly is:

- * Perfect mobility * No close substitute
- * Homogeneous goods * Non-homogeneous goods

x) Human wants are:

- * Limited * unlimited * few * zero

xi) The short run average cost curve is:

- * L-shaped * U-shaped
- * Bowl-shaped * Vertical

xii) Under the Law of Demand, if price rises, the quantity demanded:

- * Contracts * expands * rises * falls

xiii) According to Classical School of Thought. Economics is the study of:

- * Welfare * Wealth
- * Economic development * Scarce resources

xiv) In Monopoly. MR curve is:

* Above the AR curve * below the AR curve

* Equal AR curve * none of these

xv) In perfect competition, price and MR have the relation:

* P = MR * P > MR

* P < MR * P: MR

(SHORT - ANSWER QUESTIONS) (Marks: 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following part questions.

i) Compare the features of perfect Competition and Monopoly.

ii) Distinguish between Micro and Macro Economics.

iii) Explain the Internal and External Economies of Scale.

iv) Mention the degrees of Elasticity of Demand.

OR Explain the relation between Average cost and Marginal cost.

v) Explain the characteristics of Monopoly.

vi) What are the assumptions and exceptions of the Law of Demand? OR Differentiate between Stock and Supply.

vii) With the help of a schedule draw TFC, TVC and STC curves.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following part questions.

i) Enlist the characteristics of good Money.

ii) Differentiate between Public Finance and Private Finance.

iii) Explain the difficulties in the measurement of National income in Pakistan.

iv) What is the difference between Zakat and Tax?

v) What is meant by the value of Money? What effect does its change have on the Debtor and Creditor classes?

OR Explain National Income at market price and National income at factor cost.

vi) How did Money remove the problems of Barter System?

vii) What is meant by Comparative superiority and Comparative inferiority methods of international trade?

OR Write the types of Taxes.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks: 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following parts:

- i) Which definition of Economics is the best in your opinion? Give arguments in support of your answer.
- ii) Explain with the aid of diagrams, equilibrium of a firm in perfect competition during short run.

OR Explain the Laws of Returns and Laws of Cost with the help of schedule and diagram.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following parts.

- i) Define National income and explain its different concepts.
- ii) Define Trade Cycle and explain all its stages with the help of sketch.

PRINCIPLES OF ECONOMICS

2014

Time: 20 minutes

(Private)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) The demand curve will not shift if:

* Income of consumer changes

* Price of commodity changes

* Price of its substitute changes * Weather changes

ii) Change in supply due to rise in price is termed as:

* Contraction of Supply * Fall in Supply

* Expansion of Supply * none of these

iii) Supply curve is:

* Sloped upward * sloped downward

* Horizontal * vertical

iv) Reward without any service is termed as:

* Wages * Interest

* Transfer payments * none of these

v) The other name of Trade cycle is:

* Investment cycle * Expenditure cycle

* Business cycle * Income cycle

vi) Face value is equal to intrinsic value in:

* Token money * Paper money

* Standard money * Credit money

vii) These laws are conditional:

* Public Laws * Scientific Laws

* Economic Laws * Moral Laws

viii) Initial utility of a consumption is:

* Highest * Lowest * Zero * Negative

ix) A cost which a firm pays to produce an additional unit is termed as:

* Total cost * Variable cost

* Fixed cost * Marginal cost

x) The Marginal productivity theory was first presented by:

* Robbins * Ricardo * sir Marshall * Keynes

xi) Economics is a:

* Social science * Natural science

* Physical science * Political science

xii) Under perfect competition, goods are:

* Expensive * Cheaper

* Identical * higher quality

xiii) If demand of a commodity is elastic and price decreases, then total expenditure will:

* remain constant * decrease

* Increase * none of these

xiv) Cross elasticity of demand for substitute is:

* Positive * Negative

* Zero * Always one

xv) When average cost (AC) is minimum then

* MC is minimum * $MC > AC$

* $TC = AC$ * $MC = AC$

Time: 2 Hours 40 Mins

PRINCIPLE OF COMMERCE

Max. Marks: 60

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks: 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following part questions.

- i) Write the definitions of Economics as given by Adam Smith, Marshall and Robbins.
- ii) Write the assumptions and exceptions of the Law of Diminishing Marginal Utility.
- iii) Distinguish between Fixed Costs and Variable costs.
- iv) Explain the relation between T.R., AR, and M.R. in perfect competition.
- v) State the Law of Substitute.
- vi) Name the Laws of Returns and laws of Costs.
- vii) Describe the relative importance of the Factors of production.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following part questions.

- i) Define National Income. Write the mathematical equations of different concepts of national income.
- ii) Describe Expenditure method to measure national income.
- iii) What are the economic benefits of Zakat?
- iv) State the drawbacks of Barter System.

- v) Distinguish between Private finance and Public finance.
- vi) Describe the characteristics of Good Money.
- vii) Why National Income calculated?

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks : 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following parts:

- i) Economic is the "Study of Material Welfare". Explain. Give practical importance of the study of Economics.
- ii) Differentiate between Monopoly and Monopolistic competition. Describe the equilibrium of a firm in monopolistic competition during short run.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following parts.

- i) Describe the main functions of Money? How does the decreasing value of money affect the different segments of society?
- ii) Explain the Comparative cost theory of international trade with the help of suitable example. What weaknesses have been highlighted in this theory?

OR Explain the advantages and disadvantages if international trade.

PRINCIPLES OF ECONOMICS

2013

Time: 20 minutes

(Regular)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) A consumer gets maximum satisfaction when:

* $\frac{MU_x}{P_x} = \frac{MU_y}{P_y}$

* $MR = MC$

* $MC = Price$

* none of these

ii) The Demand Curve will not shift if:

* Income of Consumer Changes

* Price of a good changes

* Price of its substitute good changes

* Weather and climatic conditions change

iii) In the long run, all the factors of production are:

* Fixed * Variable * Expensive * none of these

iv) When Average Cost (AC) is minimum then:

* $MC = AC$ * $MC > AC$

* $MC < AC$ * MC is minimum

v) Personal Disposable Income (PDI) is equal to:

* $PI - \text{Direct taxes}$ * $PI - \text{indirect taxes}$

* $NI - \text{Direct taxes}$ * $NI - \text{indirect taxes}$

vi) The Theory of comparative costs was presented by:

* Adam Smith * David Ricardo

* Alfred Marshal * Lionel Robbins

vii) This is not an economic activity:

* A Lawyer Practices * A Taxi Driver drives a taxi

* A manger manages business * A boy collects stamps

viii) When total utility is maximum, marginal utility is:

* Zero * Negative * Maximum * none of these

ix) Cross elasticity of demand for complementary goods is:

* Negative * Positive

* Zero * none of these

x) Salary of permanent staff is part of:

* Fixed costs * Variable costs

* Marginal cost * none of these

xi) This is not a factor of production:

* Land * Labor * Capital * Rent

xii) Another name for the Law of Equi-marginal Utility is:

* The Law of Maximum satisfaction

* The Law of Substitution

* The Law of indifference * All of the above

xiii) The boom phase of a trade cycle is also known as:

* Crisis * Prosperity

* Improvement * Recovery

xiv) The Laws of Returns are the converse of the Law of:

* Demand * Supply

* Diminishing Marginal Utility * Cost

xv) The short run average cost curve is:

* L-shaped * Bowl-shaped

* U-shaped * none of these

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks : 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following.

- i) Discuss the main points of Marshall's definition of Economics.
- ii) Differentiate between 'A change in Demand' and 'A change in Quantity Demand'
- iii) Write the characteristics of a Perfectly competitive market structure.
- iv) Why does the Law of Diminishing Marginal Returns apply specially on agriculture?
- v) Distinguish between Micro and Macro-Economics.
- vi) What do you mean by Fixed costs and variable costs?
- vii) State the main points of criticism on the Marginal Productivity Theory.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following part questions.

- i) Distinguish between Gross National Product and Gross Domestic Product.
- ii) Differentiate Balance of trade and Balance of payments.
- iii) Describe the Canons of Taxation given by Adam Smith.
- iv) Write the main sources of Public Revenue.

- v) What are the main functions of Money?
- vi) Define Business cycle. Name the different phases of a business cycle.
- vii) Differentiate between Domestic and International trade.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks : 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following parts:

- i) State Marshall's definition of Economics. How is it different from Robbins definition?
- ii) State and explain the law of Diminishing Returns with the help of a schedule and a diagram.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following parts.

- i) Define National income. Explain any one method of measuring National income.
- ii) What are the Advantages and Disadvantages of International Trade?

PRINCIPLES OF ECONOMICS

2013

Time: 20 minutes

(Private)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) Laws of returns are combination of:

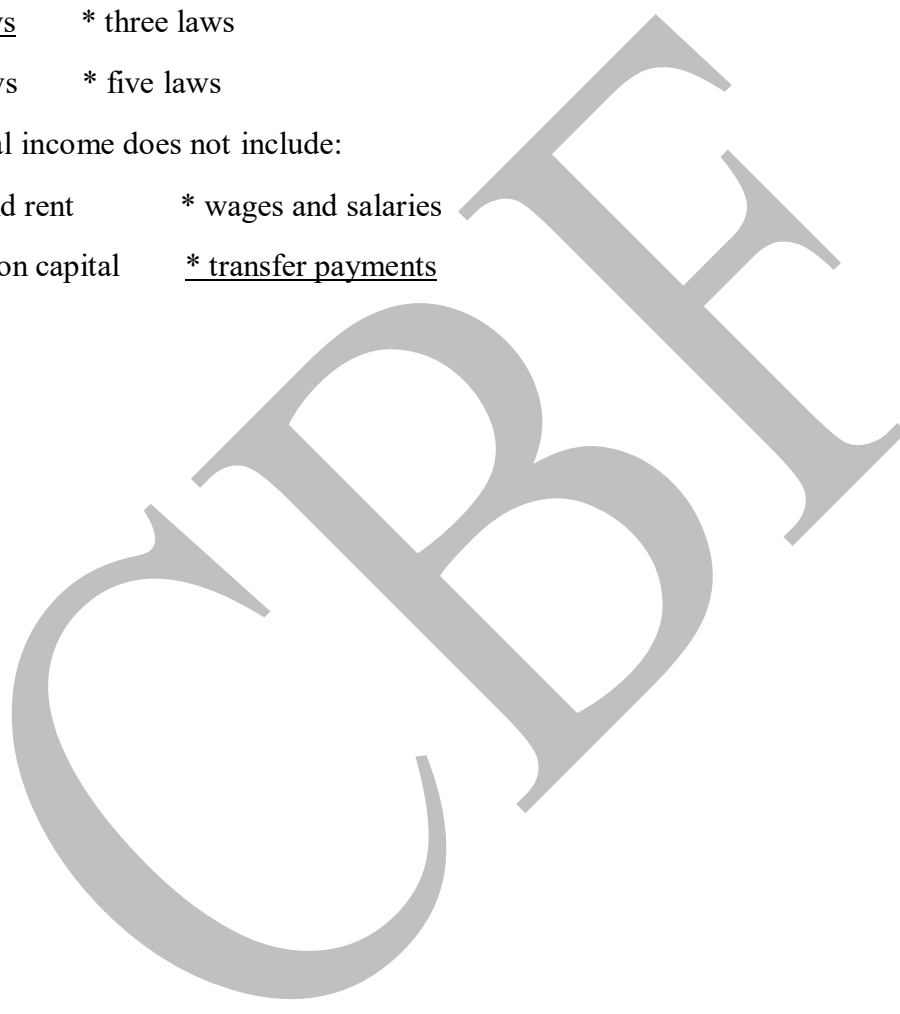
* Two laws * three laws

* Four laws * five laws

ii) National income does not include:

* Profit and rent * wages and salaries

* Interest on capital * transfer payments



iii) Under perfect competition goods are:

* Differentiated * sub standard

* Homogeneous * none of these

iv) This is not an economic good:

* Television * radio * computer * rainfall

v) In disposable personal income this tax is not included:

* Indirect * direct

* Progressive * proportionate

vi) Due to increase in quantity of money, value of money:

* Decreases * increases

* remains constant * none of these

vii) Number of phases of the trade cycle is:

* One * two * three * four

viii) The factor which organizes all the other factors of production is termed as:

* Land * labor * capital * entrepreneurship

ix) The Quantity theory of money was presented by:

* Adam Smith * David Ricardo * Robbins * Irving Fisher

x) Balance of payment includes:

* Physical goods * none physical goods

* Both of these * none of these

xi) Canons of taxation was introduced by:

* Robbins * Marshal * Keynes * Adam Smith

xii) The theory of Comparative cost was given by:

* David Ricardo * Adam Smith

* Marshal * Robbins

xiii) This method is better for Economic analysis:

* Deductive * Inductive

* Deductive and Inductive both * none of these

xiv) When total utility is maximum, the marginal utility is:

* Positive * negative * zero * none of these

xv) All factors of production becomes variable in:

* Short run * market period

* Long run * all of these

Time: 2 Hours 40 Mins

PRINCIPLE OF ECONOMICS

Max. Marks: 60

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks: 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following.

- i) Distinguish between Microeconomics and Macroeconomics.
- ii) What do you understand by Price elasticity of demand?
- iii) Write the main features of Perfect competition.
- iv) Distinguish between Stock and Supply.
- v) Differentiate between Change in demand and Change in quantity demanded.
- vi) Define Explicit costs and Implicit costs.
- vii) Differentiate between Perfect competition and Monopoly.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following part questions.

- i) Write any one method of measuring the National Income.
- ii) State the Sources of revenue and heads of expenditures of Government.
- iii) Differentiate between Domestic trade and International trade.
- iv) Differentiate between Zakat and Tax.
- v) Name the different phases of Business cycle and describe any one of them.
- vi) Distinguish between Balance of Trade and Balance of Payments.
- vii) State Adam Smith's Canons of Taxation.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks : 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following parts:

- i) Mention and compare the definitions of Economics stated by Prof. Robins and Prof. Marshal.
- ii) Explain the law of demand with the help of schedule and diagram and also describe the assumptions of the law.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following parts.

- i) What is the significance of National Income? Describe the difficulties in measuring the National Income.
- ii) Explain the Quantity theory of money and also describe its assumptions.

PRINCIPLES OF ECONOMICS

2012

Time: 20 minutes

(Regular)

Max. Marks: 15

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 * Wage * Interest * Transfer payments

ii) Personal disposable income is equal to:

* PI - Direct taxes * PI - Indirect taxes

* PI + Direct taxes * PI + Indirect taxes

iii) According to Quantity Theory of Money. if money supply will be doubled, price level will:

* be halved * be doubled

* remain constant * none of these

iv) A demand curve usually slopes from

* Left to right * right to left

* Left to right upward * left to right downward

v) Human wants are:

* Limited * unlimited * few it none of these

vi) Price Elasticity of demand for necessities is:

* Less than Unity * greater than Unity

* Equal to Unity * equal to Zero

vii) All costs are variable in:

* Market period * Short period

* Long period * None of these

viii) According to Prof. Robbins, Economics is the science of:

* Scarcity and Choice * Wealth

* Material Welfare * None of these

ix) Homogenous goods are sold under:

* Monopoly * Perfect competition

* Oligopoly * Duopoly

x) Under the law of demand if price rises, the quantity demanded:

* Contracts * expands * rises * falls

xi) During Inflation, the value of money:

* Decreases * increases

* remains constant * none of these

xii) Under perfect competition:

* Price=AR=MR * Price=TC=MR

* Price = MC = TC * Price = AVC = AFC

xiii) Balance of Trade includes:

* Invisible items only * Visible items only

* Visible and invisible items both * none of these

xiv) This not a direct tax:

* Sales tax * income tax

* Property tax * Wealth tax

xv) The reward of capital is:

* Wage * Rent * interest * Profit

Time: 2 Hours 40 Mins

PRINCIPLE OF ECONOMICS

Max. Marks: 60

(SHORT - ANSWER QUESTIONS) (Marks: 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following.

- i) State the law of Diminishing Marginal Utility.
- ii) Draw a Demand Curve with the help of a schedule.
- iv) Describe the phases of a Trade Cycle.
- v) What are the main sources of Federal Government's Revenue?
- vi) Distinguish between Private Finance and Public Finance.
- vii) Differentiate Zakat and Tax.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks: 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following parts.

- i) State and explain Robbins' definition of Economics.
- ii) Explain with the help of diagrams how a firm achieves Equilibrium under perfect competition in the short run.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following parts.

- i) Define National Income and explain the various methods of its measurement.
- ii) Explain the principles of Taxation.

PRINCIPLES OF ECONOMICS

2012

Time: 20 minutes

(Private)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) According to Marshall. Economics is the science of:

* Reality * Welfare * Choice * Wealth

ii) Law of Equi Marginal Utility is also known as:

* Law of Supply * Law of Demand

* Law of Substitution * none of these

iii) Demand Curve has a:

* Horizontal Slope * Negative Slope

* Positive Slope * Vertical Slope

iv) The Law of Increasing Returns is generally applicable to:

* Agriculture * Industry

* Trade * none of these

v) NNP does not include:

* Wages * Agricultural product

* Investment * Depreciation Allowance

vi) This is not a direct tax:

* Income Tax * Sale Tax

* Wealth Tax * Property Tax

vii) Fiscal Policy Means:

* Industrial Policy * Agricultural Policy

* Govt. Revenue and Expenditure Policy

* Commercial Policy

viii) The Short run average cost curve is:

* L-Shaped * Bowled-Shaped

* U- Shaped * None of these

ix) He criticized economics as a dismal science:

* Alfred Marshal * Robbins

* Carlyle * J.M Keynes

x) Land means are natural resources which are available:

* On the surface of earth

* Above the surface of earth

* Under the surface of earth

* All of these

xi) The elasticity of demand for luxurious is :

* $E_d < 1$ * $E_d > 1$

* $E_d = \infty$ * $E_d = 1$

xii) The Law of diminishing returns applies specially to:

* Industry * agriculture * mining * Construction

xiii) The numbers of firm under perfect competition is:

* One * Two * Three * Large

xiv) When Economics activities are at their lowest level, it is called:

* Boom * recession * depression * Recovery

xv) During Inflation :

* Price rise * value of Money decrease

* Poor become Poorer * All of these

Time: 2 Hours 40 Mins

PRINCIPLE OF ECONOMICS

Max. Marks: 60

SECTION 'B'

(Short- Answer Question)

(Marks. 40)

2. attempt any five of the following part question:

i) What are the main function of entrepreneurship?

ii) State the key feature of monopoly?

- iii) Write the main feature of marshal's definition of economics?
- iv) mention the degrees of elasticity of demand?
- v) Give the assumption and exception of the law diminishing marginal utility?
- vi) Describe the factors of Production?
- vii) State and briefly explain the law of increasing returns?

(MACRO ECONOMICS)

3. Attempt any five of the following:

- 1) Distinguish between GDP and GNP ?
- 2) Give the various assumption quantity theory of money?
- 3) Briefly explain the function of money?
- 4) Describe the phases of a Trade Cycle?
- 5) What are the main source of federal government Revenue?
- 6) Distinguish Between private finance and public finance ?
- 7) Differentiate between ZAKAT and Tax?

SECTION 'C'

(DETAILED - ANSWER QUESTION)

(MICRO ECNOMOICS) (10 Marks)

4). Attempt any one of the following:

- i) States and explain Robbins Definition of economics?
- ii) Explain with the helps of diagrams how a firm achieve equilibrium under perfect competition in short run?

(MACRO-ECONOMICS)

5). Attempt any one of the following:

- i) Define national income and explain the various methods of its measurements?
- ii) Explain the principle of taxation?

PRINCIPLES OF ECONOMICS

2011

Time: 20 minutes

(Regular & Private)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) Want becomes a demand when it is backed up by:

- * Supply
- * Production
- * Purchasing power
- * None of these

ii) Under perfect competition, goods sold are:

- * Differentiated
- * Sub-standard
- * Homogeneous
- * None of these

iii) Macroeconomics is also known as:

- * Theory of Income and Employment
- * Price Theory
- * Game Theory
- * All of these

iv) The Quantity Theory of Money was given by:

- * Adam Smith
- * David Ricardo
- * I.R. Fisher
- * Maynard Keynes

v) The Law of Diminishing Marginal Returns applies especially to:

- * Industry
- * Agriculture
- * Mining
- * None of these

vi) During inflation, the value of money:

- * Decreases
- * Increases
- * Remains constant
- * None of these

vii) This method is better for economic analysis:

- * Deductive
- * Inductive
- * Deductive and Inductive both
- * None of these

viii) When total utility is maximum, the marginal utility is:

* Positive * Negative

* Zero * None of these

ix) According to Prof. Robins, Economics is a/an:

* Positive science * Normative science

* Applied science * None of these

x) The number of the phases of Business cycle is:

* 2 * 3 * 4 * 5

xi) National income does not Include:

* Profit and Rent * Wages and Salaries

* Transfer of payments * Interest on capital

xii) Balance of payments include:

* Invisible items * Visible items

* Both visible and invisible items * None of these

xiii) This is not the function of money:

* Medium of Exchange * Measurement of value

* General acceptability * Standard of deferred payment

xiv) A supply curve usually slopes from:

* Left to right * Right to left

* Left to right upward * Left to right downward

xv) This is not an indirect tax:

* Excise duty * Custom duty

* General sales tax * Income tax

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks : 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following.

i) Distinguish between Demand and Supply.

ii) Explain the characteristics of perfect competition.

- iii) Define Marginal Productivity Theory.
- iv) Explain internal economies and external economies.
- v) State the Law of Diminishing Marginal Utility.
- vi) Describe the relative importance of the factors of production.
- vii) Differentiate between Fixed Cost and Variable Cost.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following part questions.

- i) Distinguish between Private Finance and Public Finance.
- ii) Highlight the effects of changes in the value of money on different sections of the society.
- iii) Distinguish between Direct tax and Indirect tax.
- iv) Differentiate Nominal Wages and Real Wages.
- v) Explain the Ricardian Theory of Rent.
- vi) Explain the kinds of paper money.
- vii) State the difficulties of Barter System.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks : 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following parts:

- a) Compare Robin's and Marshall's definitions of Economics. Which of the two Is better and why?
- b) Explain the law of diminishing marginal Returns with a help of a schedule and a diagram?

MACRO ECONOMICS

5. Attempt any one of the following parts.

- a) Explain the quantity theory of money with the equation of exchange in word of Prof. Irving Fisher?
- b) Define Money and explain in detail the characteristics of money?

PRINCIPLES OF ECONOMICS

2010

Time: 20 minutes

(Regular & Private)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) The total cost is equal to:

* AFC+AUC * FC+VC * AC+MC * VC+ATC

ii) The Net National Product (N.N.P.) is equal to:

* G.N.P. + Depreciation * G.N.P. – Depreciation

* P.I. - Direct taxes * G.N.P. - Subsidies

iii) The Elasticity of Demand for luxuries is always:

* More than one * less than one

* Equal to one * Perfect elastic

iv) Law of Equi-marginal utility is also called:

* Law of Constant returns * Law of substitution

* Law of constant cost

* Law of diminishing marginal utility

v) All factors of production are variable in:

* Market period * Short period

* Long period * None of these

vi) The reward of capital is called:

* Wage * Interest * Rent * Profit

vii) The ability of a good to satisfy the human wants is termed as:

* Utility * Usefulness

* Productivity * None of these

viii) The factor which organizes all the factors of production is known as:

* Land * Labor * Capital * Organization

ix) The Balance of Trade includes:

- * Visible items * Invisible items
- * Visible and invisible items both * None of these

x) During inflation the value of money:

- * Increases * decreases
- * remains constant * None of these

xi) When the economic activities are at their peak, it is called:

- * Boom * Recession * Depression * Recovery

xii) According to Prof. Marshall, Economics is the science of:

- * Material welfare * Wealth
- * Scarcity * None of these

xiii) The equilibrium of a firm is obtained when: p

- * MC = MR * AC = AR
- * MC cuts MR curve from below
- * MC = MR and MC cuts MR curve from below

xiv) The essential condition of Monopoly is:

- * Perfect mobility * No close substitute
- * Homogenous products * None of these

xv) The cost which a firm pays to produce an additional units is termed as:

- * Total Cost * Variable Cost
- * Fixed Cost * Marginal Cost

SECTION 'B'

(SHORT - ANSWER QUESTIONS) (Marks : 40)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following. All questions carry equal marks.

- i) Distinguish between Microeconomics and Macroeconomics.
- ii) State the Law of Supply.
- iii) Explain the relative importance of the factors of Production.

- iv) Mention the factors that determine the scale of Production.
- v) Describe the salient features of Perfect competition.
- vi) State Law of Diminishing Marginal Utility.
- vii) Define Price Elasticity of Demand.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following part questions. All questions carry equal marks.

- i) Differentiate between PI. and D.P.I.
- ii) State Quantity Theory of Money.
- iii) Differentiate between Balance of Trade and Balance of Payments.
- iv) Explain the Canons of Taxation.
- v) Explain the advantages and disadvantages of International Trade.
- vi) Write down the functions of Money.
- vii) Name the different phases of Trade Cycle and describe any one of them.

SECTION 'C'

(DETAILED - ANSWER QUESTIONS) (Marks : 20)

MICRO ECONOMICS (10 Marks)

4. Attempt any ONE of the following parts.

- i) State and explain Robbin's definition of Economics and state the importance of the study of Economics.
- ii) Explain with the help of a schedule and diagram the Law of Diminishing Marginal Returns.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following parts.

- i) Define National Income and explain the various concepts of National Income.
- ii) Distinguish between Direct Tax and Indirect Tax. Also describe the advantages and disadvantages of Direct Taxes.

PRINCIPLES OF ECONOMICS

2009

Time: 20 minutes

(Regular & Private)

Max. Marks: 15

SECTION 'A'

(MULTIPLE CHOICE QUESTIONS) - (M.C.Qs.)

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

i) Which one is not a direct tax?

* Income Tax * Sales Tax

* Property Tax * Wealth Tax

ii) When the economic activities are at their peak, it is called:

* Boom * Recession * Depression * Recovery

iii) Money performs the functions as:

* Medium of Exchange * Store of Value

* Standard of Deferred Payments * All of these

iv) 'An Enquiry into the Nature and Causes of the Wealth of Nations' was written by:

* J.S. Mill * Adam Smith!

* Robert Malthus * L. Robbins

v) According to Prof. Robbins. Economics is the science of:

* Human Welfare * Wealth

* Scarcity and Choice * None of these

vi) The ability of a good to satisfy human wants is known as:

* Productivity * Durability * Utility * Scarcity

vii) National Income does not include:

* Profit and Rent * Wages and Salaries

* Interest and Capital * Transfer Payments

viii) The Canons of Taxation were presented by:

* Adam Smith * Prof. Marshall

* Prof. Robbins * David Ricardo

ix) When total utility is maximum; the marginal utility is:

* Positive * Negative * Zero * Hundred

x) Demand is a function of:

* Income * Price * Money * All of these

xi) The Demand Curve always slopes from:

* Left to Right * Right to Left

* Right to Left upward * Left to Right downward/

xii) The Law of Diminishing Returns is generally applicable to:

* Industry * Trade

* Agriculture * All fields of Production

xiii) In inflation:

* Price rises * Purchasing power decreases

* Poor becomes poorer * All of these

xiv) Balance of Payments include:

* Visible items only * Invisible items only

* Visible and invisible items both

* None of these

xv) The Law of Increasing Returns is also known as:

* Law of Increasing Costs

* Law of Diminishing Costs

* Law of Diminishing Returns

* Law of Constant Returns

Time: 2 Hours 40 Minutes

PRINCIPLE OF ECONOMICS

Max. Marks: 60

SECTION 'B'

(SHORT - ANSWER QUESTIONS)

MICRO ECONOMICS (20 Marks)

2. Attempt any Five of the following.

- i) Distinguish between Microeconomics and Macroeconomics.
- ii) Define Production. Name the Factors of Production.
- iii) Differentiate between Change in Demand and Change in Quantity Demand.
- iv) List the characteristics of Perfect Competition.
- v) Name the Laws of Returns and the Laws of Costs.
- vi) Differentiate between Fixed Cost and Variable Cost
- vii) Distinguish between Stock and Supply.

MACRO ECONOMICS (20 Marks)

3. Attempt any Five of the following. All questions carry equal marks.

- i) Differentiate between Gross National Product and Net National Product.
- ii) What are the characteristics of good money?
- iii) Explain the difference between Balance of Trade and Balance of Payments.
- iv) Write down the Canons of Taxation.
- v) Distinguish between Private Finance and Public Finance.
- vi) Define 3 Trade Cycle and name the phases of a trade cycle.
- vii) What are the difficulties of the Barter System?

SECTION 'C'

(DETAILED - ANSWER QUESTIONS)

MICRO ECONOMICS (10 Marks)

Attempt any ONE of the following parts.

- 1; 'Economics is the science of scarcity and choice.' Elucidate the importance of the study of Economics.
- ii) Explain with the help of a schedule and a diagram the Law of Diminishing Marginal Utility and mention its assumptions.

MACRO ECONOMICS (10 Marks)

5. Attempt any ONE of the following parts.

- i) Explain the various concepts of National Income and explain in detail any one method of measuring National Income.
- ii) Define Money. Describe the functions of money in detail.

PRINCIPLES OF ECONOMICS

2008

Time: 20 minutes

(Regular & Private)

Max. Marks: 15

NOTE: Attempt Five questions in all including the compulsory

Question No1. select Two questions from each of the Sections 'A' and 'B'. Ensure sequence and continuity while answering the parts of a questions.

COMPULSORY

1.a) Fill in the following blanks with the correct answers: (10)

- i) The Law of Equi marginal Utility is also called Law of consumer's satisfaction.
- ii) Land, Labor, Capital and organization are the factors of production of wealth.
- iii) According to the Law of Demand when price increases, the demand decrease.
- iv) All free gifts of nature called land.
- v) There are a large number of sellers and buyer under perfect Competition.
- vi) In inflation prices increase.
- vii) The Marginal Cost curve cuts Average Cost curve at its minimum point.
- viii) Marginal utility is the utility of the last unit of consumption.
- ix) Comparative Costs Theory was given by David Ricardo.
- x) During the boom period the economic activities achieve their maximum level.

b) Write 'True' or 'False' for the following statements:

- i) According to Prof. Robbins Economics is the science of material welfare. (F)
- ii) Wealth is the part of capital which produces more capital. (T)
- iii) There is no difference between utility and usefulness. (F)
- iv) All desires are not demand. (T)
- v) Money acts as medium of exchange
- vi) Interest is the reward of capital. (T)
- vii) The equation $P = \frac{MV - I}{M}$ is given by Ricardo. (F)
- viii) The burden of direct tax is transferable. (F)
- ix) There are three phases of a business cycle. (F)

PART 'A' (MICRO ECONOMICS)

- 2.3) Compare Marshall's and Robbin's definitions of Economics.
- b) Describe importance of the study of Economics.
- 3.a) Explain the Law of Demand with the help of a schedule and diagram.
- b) Mention the assumptions of the Law of Demand.
- 4) Name the Law of Returns and explain the Law of Diminishing marginal Return with the help of a schedule and a diagram.
- 5) Write notes on any two of the following:
- i) Internal Economies and External Economies
 - ii) Law of Supply
 - iii) Characteristics of Perfect Competition
 - iv) Price Elasticity of Demand

PART 'B' (MACRO ECONOMICS)

- 6.a) Define National Income. Explain any one method of measuring National Income.
- b) State the difficulties in the measurement of national income.
- 7.a) Define Money.
- (ii) Cases of Inflation
 - (iii) Balance of Trade and balance of Payments
 - (iv) Economic Significance of Zakat