PRINCIPLES OF ECONOMICS  
HSSC-I
SECTION - A (Marks 15)

Time allowed: 20 Minutes

NOTE:- Section-A is compulsory. All parts of this section are to be answered on the question paper itself. It should be completed in the first 20 minutes and handed over to the Centre Superintendent. Deleting/overwriting is not allowed. Do not use lead pencil.

Q. 1 Circle the correct option i.e. A / B / C / D. Each part carries one mark.

(i) According to whom Economics studies the problems arising from multiplicity of wants and scarcity of resources?
   A. Adam Smith  B. Alfred Marshall  C. Prof. Robbins  D. J. M. Keynes

(ii) If the cross elasticity between goods "A" and goods "B" is zero then the goods are
   A. Complementary  B. Substitute for each other  C. Independent  D. None of these

(iii) The income elasticity of demand of inferior goods is
   A. Positive  B. Negative  C. Unitary  D. Zero

(iv) Which of the following would normally cause the demand curve to shift to the right?
   A. A fall in the price of complements  B. An increase in income tax
   C. A fall in the price of the goods  D. An increase in the cost of production

(v) A profit maximizing level of output will always be where
   A. AC = MR  B. MR = MC  C. AC = AR  D. MC = AR

(vi) In a perfectly competitive market, all the producers charge the same price because
   A. They all are profit maximisers  B. They all have the same cost
   C. The product is homogeneous  D. All firms are small

(vii) The marginal productivity theory is based on the assumption of
   A. Law of Increasing Return  B. Law of Diminishing Return
   C. Law of Constant Return  D. None of these

(viii) A firm earns normal economic profit at the output level, where
   A. Price = AVC  B. MC = AVC  C. Price = AC  D. MR = MC

(ix) If the marginal cost curves of a Cell Phone producing firm is falling then its AVC Curve will
   A. Fall  B. Rise  C. Parallel to X-axis  D. Parallel to Y-axis

(x) Which of the following curves shows a typical marginal product curve of labour?
   A.  
   B.  
   C.  
   D.  

(x) The NNP of a country can be found by which of the following formulae?
   A. GNP - Population  B. GNP - Depreciation allowance
   C. GNP - Indirect tax  D. GNP - GDP

(xii) If the face value and intrinsic value of money are equal then it is called
   A. Token money  B. Near Money  C. Legal money  D. Standard money

(xiii) If the burden of a tax can be shifted towards consumers the tax is called
   A. Proportional tax  B. Progressive tax  C. Indirect tax  D. Direct tax

(xiv) The comparative cost theory explains the base for ________ theory.
   A. Consumption  B. Distribution  C. Cost  D. International trade

(xv) What type of transactions are included in the balance of trade?
   A. Invisible goods  B. Visible goods  C. Capital goods  D. Both A and B

For Examiner's use only:

Total Marks: 15

Marks Obtained: 15

—HA-111—
اسلام معاشرت - ایچ ایس ایس سی-1

حیال (کل بر: 15)

سوال 1:

(1)

سوال 2:

(2)

سوال 3:

(3)

سوال 4:

(4)

سوال 5:

(5)

سوال 6:

(6)

سوال 7:

(7)

سوال 8:

(8)

سوال 9:

(9)

سوال 10:

(10)

سوال 11:

(11)

سوال 12:

(12)

سوال 13:

(13)

سوال 14:

(14)

سوال 15:

(15)
PRINCIPLES OF ECONOMICS  HSSC–I

Time allowed: 2:40 Hours  Total Marks Sections B and C: 60

NOTE: Answer any nine parts from Section ‘B’ and any two questions from Section ‘C’ on the separately provided answer book. Use supplementary answer sheet i.e. Sheet-B if required. Write your answers neatly and legibly.

SECTION – B (Marks 36)

Q. 2 Attempt any NINE parts. The answer to each part should not exceed 5 to 6 lines. (9 x 4 = 36)

(i) Define Deductive and inductive methods of economic analysis.
(ii) What is meant by the term “Change in demand”? Also show the following with the help of a diagram only:
   (a) Rise in demand  (b) Fall in demand
(iii) Define Cross Elasticity. Also write down its formula.
(iv) Find the price elasticity of demand if:

<table>
<thead>
<tr>
<th>Quantity demand</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000</td>
<td>50</td>
</tr>
<tr>
<td>800</td>
<td>55</td>
</tr>
</tbody>
</table>

(v) Write down four assumptions/conditions of Perfect Competition.
(vi) Define Balance of payment and Balance of trade.
(vii) The table gives data about the total cost of production at different levels of output. Reproduce the table on your answer book and fill in the total variable cost (TVC) Column:

<table>
<thead>
<tr>
<th>Output</th>
<th>TC</th>
<th>TVC</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2,200</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2,350</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2,750</td>
<td></td>
</tr>
</tbody>
</table>

(viii) Differentiate between GNP and GDP.
(ix) Define Direct and Indirect taxes. Give one example of each.
(x) Write down any four functions of money
(xi) Write down Adam Smith’s four canons of taxation.
(xii) What is the rate of Ushr on irrigated and unirrigated land. Also give any two differences between Zakat and Tax?

SECTION – C (Marks 24)

Note: Attempt any TWO questions. All questions carry equal marks. (2 x 12 = 24)

Q. 3 What is meant by Consumer Equilibrium? Explain with the help of table, diagram and equation.

Q. 4 What is meant by Monopoly? Show the different situations that a monopolist can face in the short-run with the help of diagrams.

Q. 5 Define quantity theory of Money. Explain it with the help of Fisher’s equation. Critically evaluate the theory.

--- 1HA-1116 ---
职员یت اخلاقیت ایچ ایس ایس-1

(9×4=36)

سوالات ۹ گزینه‌ای است. انتخاب کنید.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td></td>
</tr>
<tr>
<td>(iv)</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>1000</td>
</tr>
<tr>
<td>55</td>
<td>800</td>
</tr>
</tbody>
</table>

(6×3=18)

<table>
<thead>
<tr>
<th>کلمه</th>
<th>کلمه</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>2000</td>
</tr>
<tr>
<td>1</td>
<td>2000</td>
</tr>
<tr>
<td>2</td>
<td>2350</td>
</tr>
<tr>
<td>3</td>
<td>2750</td>
</tr>
</tbody>
</table>

(2×12=24)