ECONOMICS HSSC-II
SECTION – A (Marks 20)

Time allowed: 25 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 26 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) Saving is a function of __________
A. Income B. Consumption C. Investment D. None of these

(ii) Disposable Personal Income is equal to __________
A. G.N.P – Depreciation allowance B. Personal income – Direct tax
C. N.I / Population D. Rent + Wages + Interest rate + Profit

(iii) Which of the following is NOT a function of money?
A. Medium of Exchange B. Advancing loans
C. Store of value D. Measure of value

(iv) Commercial banks discount and advance loans.
A. Pay order B. Cheque C. Draft D. Bill of exchange

(v) What is a Cheque?
A. Credit money B. Metallic money C. Paper money D. Legal money

(vi) During inflation __________
A. Lenders and Borrowers both lose B. Lenders lose and Borrowers gain
C. Lenders gain and Borrowers lose D. Lenders and Borrowers both gain

(vii) Taxes on commodities are called __________
A. Progressive tax B. Regressive tax C. Indirect tax D. Direct tax

(viii) Government presents its budget __________
A. Monthly B. Weekly C. Daily D. Annually

(ix) Which tax conforms to the canon of equality in taxation?
A. Progressive tax B. Regressive tax C. Proportional tax D. None of these

(x) Who presented the theory of comparative cost?
A. Adam Smith B. David Ricardo C. Irving Fisher D. None of these

(xi) The country that does not trade with other countries is called __________
A. Open Economy B. Trading Economy C. Closed Economy D. Independent Economy

(xii) Due to increase in tariffs, volume of trade __________
A. Decreases B. Increases C. Does not change D. Becomes zero

(xiii) Government policy about change in taxes is called __________
A. Fiscal policy B. Monetary policy C. Trading policy D. Finance policy

(xiv) The balance of trade of a country means __________
A. Balance in saving and investment B. Balance in monetary value of visible imports and exports
C. Balance in demand and supply of money D. Balance in income and expenditure of government

(xv) Justice means __________
A. Prosperity B. Due share in rights C. Both A and B D. None of these

(xvi) Which of the following is NOT a characteristic of Pakistan?
A. Low growth rate of G.D.P B. Low saving rate C. Low population growth rate D. High per capita income

(xvii) Who presents Federal budget in the Parliament?
A. Finance Minister B. Information Minister C. Prime Minister D. President

(xviii) Which year was the State Bank of Pakistan established?
A. 1947 AD B. 1948 AD C. 1949 AD D. 1950 AD

(xix) Pakistan’s imports normally consist of __________
A. Petroleum B. Electronic goods C. Capital goods D. All of these

(xx) The rate of Zakat is __________
A. 40 % B. 20 % C. 2.5 % D. 10 %

For Examiner’s use only:

Total Marks: 20
Marks Obtained:
SECTION – B (Marks 50)

Q. 2 a. Attempt any FIFTEEN parts. The answer to each part should not exceed 3 to 5 lines. (15 x 3 = 45)
   (i) Define GNP (Gross National Product).
   (ii) What is meant by Depreciation allowance?
   (iii) Define Saving.
   (iv) Define Money.
   (v) Write briefly about any three instruments of credit money.
   (vi) Define Quantity theory of Money.
   (vii) Define Commercial bank.
   (viii) Define Per capita Income.
   (ix) Define Inflation.
   (x) Name any three means of communication.
   (xi) Define Indirect tax and give one example.
   (xii) Write any three canons of taxation.
   (xiii) What is the difference between Tax and Zakat?
   (xiv) Differentiate between Price and Fee.
   (xv) Write any three problems of the agricultural sector in Pakistan.
   (xvi) Define Economic development.
   (xvii) Write any three characteristics of Capitalism.
   (xviii) Define Socialism.
   (xix) What is meant by Barter system?
   (xx) Write any three functions of the Central bank.
   (xxi) Write down any three characteristics of the good money.

b. Attempt any ONE part. (1 x 5 = 5)
   (i) Differentiate between Domestic and Foreign trade.
   (ii) Differentiate between Public and Private Finance.

SECTION – C (Marks 30)

Note: Attempt any THREE questions. All questions carry equal marks. (3 x 10 = 30)

Q. 3 Explain the circular flow of National Income with the help of a diagram.
Q. 4 How do Commercial banks create credit money and what are their limitations?
Q. 5 Define "Zakat". Who are the beneficiaries of Zakat? Explain in detail.
Q. 6 Explain the problems of underdeveloped economy.
معاشیات - آیپس ایس سی - II

(15x3=45)

(1x5=5)

(3x10=30)

---DHA 1214---