Economics - ICS Part 2 Economics English Medium Full Book Short Questions Test

Q1. Write four casues of deficit balance of payments.

Ans 1: 1- Decrease in exports 2- Increase in imports

Ans 2: 3- Unfavorable terms of trade 4- Inflation

Q2. When is balanc eof payment surplus.

Ans 1: Balance of payment is surplus when current account is surplus

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Q3. What is meant by money of account.

Ans 1: It means the unit of money by which the value of goods and services is expressed money of account of Paksitna is rupee because all people count their money in rupees. In the same way, price of all goods and servicces is also expressed in rupees.

Q4. On behalf of whom development board framed development program of six year Colombo plan in 1951

Ans 1: On behalf of Britain common wealth for south east asian countries.

Q5. State definition of inflation is the world of Prof. A.P.Learner.

Ans 1: "Inflationis a situation when demand for goods and services had become greater thantheir supply."

Q6. What is cross cheque.

Ans 1: Whenon the left hand upper corner of an order cheque two parallel lines are drawn in which the words "Payee account only are written, that order cheque becomes crossed cheque. The amount written on this cheque is deposited in the account of a person in whose name the cheque is issued.

Q7. What is Mortagage bank

Ans 1: These bank mortagage people's property e.g. land. house and other precious goods and advance loans. Bank goes on receivng the income of the propety until the borrower retrun the amout of loan. In Pakistan.

Q8. Define balance of payment in the word of Prof. Kindle Berger.

Ans 1: It is the systematic record of all economic transactions of a country with the rest of the world.

Q9. Write five disadvantages fo credit money.

Ans 1: 1- Arising of inflation 2- Unnecessary consumption of wealth

Ans 2: 3- Arising of inequality in incomes 4- Trend of speculation

Ans 3: 5- Esatablishment of monopolies

Q10. What is meant by visible goods.

Ans 1: Visile goods are the goods which can be seen and felt. For example table, chair wheat, cotton, refrigerator etc.

Q11. Write kinds of unemployment.

Ans 1: 1- Technical unemployment 2- Structural unemployment

Ans 2: 3- Frictional unemployment 4- Voluntary unemployment

Ans 3: 5- Disguised unemployment 6- Cyclical unemployment

Q12. Different betwene Fee and Tax.

Ans 1: Fee is the reward of the government's services from which the people are benefited, while the tax payer can not demand for direct personal benefit from the goverenment in return for payment of tax.

Q13. Write Fisher equation of exchange.

Ans 1: P= MV+ M'V'/T

Q14. Whihc are major imports of Pakistan.

Ans 1: Petroleum and its products, machinery , chemicals, transport goods, edible oil,iron and steel, fertilizer , tea.

Q15. Which bank has monopoly of issuing of notes of Pakistan.

Ans 1: State bank of Pakistan has the monopoly of issuing of notes in Paksitan.

Q16. Write five advantages of means of transport and communication.

Ans 1: 1- Expansionin trade and commerce 2- Expansion of markets

Ans 2: 3- stabilization of prices 4- Mobility of labour

Ans 3: 5- Utilization of natural resources.

Q17. Write five factors which bring chang in the vlaue of money.

Ans 1: 1- Change in the quantity of money 2- Chang ein the production

Ans 2: 3- Change in the veloicty of circulation of money
4- Chang int he growth rate of population

Ans 3: 5- Nature of the govt. budget

Q18. What is meant by Regressive tax.

Ans 1: Regressive tax is opposite to progressive tax. The lower income level is the more rate of tax will be and the higher income level is the less rate of tax willbe it means the rate of tax ddecreases witht he increase in income and vice versa.

Q19. Write kinds of banks.

Ans 1: 1- Central bank 2- Commercial Bank 3- Agricultrual bank

Ans 2: 4- Industrial bank 5- Cooperative bank

Ans 3: 6- Saving bank 7- Mortgage bank 8- Foreign exchang bank

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Q20. Write the sources of public tax revenue.

Ans 1: 1- Custom duties 2- Centrla excise duty 2- Sales tax

Ans 2: 4- Wealth tax 5- Income tax and corporate tax
