

Economics - ICom Part 2 Principles of Economics Chapter 10 Short Questions Preparation

Q1. How many are department of state bank of Pakistan.

Ans 1: There are 23 department of state bank of Pakistan.

Q2. What is meant by Money Market.

Ans 1: Money market consists of all those institutions which raise short term funds The short term borrowers consists of businessmen, whole sellers, investors, and firms thus money market is a market of short term transactions of loans. In the short run, funds are attained in exchange of commercial papers, bills of exchange and short term securities.

Q3. What is meant by cost push inflation.

Ans 1: If prices rise continuously due to rise in cost of production of goods then it is called cost push inflation.

Q4. At what rate central bank advance loan to commercial banks under export finance scheme.

Ans 1: At the rate of zero %

Q5. State definition of inflation is the word of Prof. A.P.Lerner.

Ans 1: "Inflation is a situation when demand for goods and services has become greater than their supply."

Q6. Which institutions advance loans in the money market.

Ans 1: 1- The institution which buy and sell bills of exchange.

Ans 2: 2- The institution which buy and sell securities, bonds and shares.

Ans 3: 3- Commercial banks and cooperative banks.

Ans 4: 4- Insurance companies.

Q7. What is meant by privatization.

Ans 1: Selling of a government owned institution or property to private individuals as called privatization for example, in Pakistan, many banks and industries have been privatized.

Q8. What is bank rate in Pakistan.

Ans 1: 5.75%

Q9. Which institutions advance loans in the money market

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Ans 2: 2- The institutions whihc buy and sell securities, bonds nad shares.

Ans 3: 3- Commercial banks and cooperative banks.

Ans 4: 4- Insurance companies.

Q10. What portion of demand deposits and time deposits, commercial bank deposit with centrla bank.

Ans 1: 5%
