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

Q1. Which institutions advance loans in the money market.

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

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

Ans 3: 3- Commercial baks and cooperativ banks.

Ans 4: 4- Insurance companies.

Q2. When was state bank of Pakistan established and where is its head office.

Ans 1: The bank was estblished on 1st July 1948 and its head office is in Karachi.

Q3. At what rate central bank advance loan to commercial banks under export finance scheme.

Ans 1: At the rate of zero %

Q4. What is bank rate in Pakistan.

Ans 1: 5.75%

Q5. Which institutions advance loans in the money market

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Q6. Whihc is meant by E-Commerce.

Ans 1: E-Commerce is the buying and selling of goods and services o the internet, especially the world wide web

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Q7. Define inflation.

Ans 1: Generally inflation means rise in price,. If value of money falls due to rise in prices, it si calledinflation, In economics inflationis an economics situtions when the value of money is faillig and prices, are rising.

Q8. Write five methods to control inflation.

Ans 1: 1- Quatntity of money shouldbe controlled.

Ans 2: 2- PRoduction of goods should be increased

Ans 3: 2- Social evils should be controlled.

Ans 4: 4- Growth rate of population shuld be reduced

Ans 5: 5- Growth rate of population should be reduced

Q9. What is proportion of reserves to issue notes in Pakistan.

Ans 1: 33%

Q10. Write formula to measure inflation.

Ans 1: Inflation Rate = $P^1 - P^0 / P^0 X 100$
