

## Economics - ICom Part 2 Principles of Economics Chapter 12 Short Questions Preparation

Q1. Write teh method remove deficit in balance of payment of Pakistan.

**Ans 1:** 1- Exports should be increased 2- Imoports should be decreased  
3- Domestic currency should be devalued  
4- Expenditures on import of services should be reduced.

**Ans 2:** 5-Quality of exports shoul dbe improved.

Q2. What is essential to remove deficit int he balance of payment of Pakistan.

**Ans 1:** Increase in exports and decrease in imports.

Q3. Write about SAARC.

**Ans 1:** SAARC came into existence in 1983. The basic objective of this orgqnisation is to extend mutual cooperation beween the membebr countries. This organization consists of Eight members.

**Ans 2:** 1- Pakistan 2- Bangladesh 3- India 4- Sri Lanka 5- Nepal

**Ans 3:** 6- Bhutan 7- Maldives 8- Aghanistan

Q4. Which system of excate in prevailing in Pakistan now a days.

**Ans 1:** Now a days floating exchang is prevailing in Pakistna.

Q5. How many export processing zones has govt established to promote exports.

**Ans 1:** Government has established two export processing zones in Karachi and Lahore.

Q6. What is exchange rate.

**Ans 1:** Exchange rate is the rate at which one country's currency is exchange for another In othe words we can say that it is the price of one cureency i terms of other currencites for example if exchange rate between dollar and rupee is Rs.80 = one dollar

Q7. Which are main buyer of cotton yarn of Pakistan.

**Ans 1:** China, Japan, and Hong kong

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Q8. From which countries does Pakistan import most of its goods.

**Ans 1:** USA, Japan, Kuwait, Saudi Arabia, Germany and U.K

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Q9. Write basic objectives of economic cooperation organization.

**Ans 1:** 1- Development of transport and communication infrastructure.

**Ans 2:** 2- Facilitation of trade and investment

**Ans 3:** 3- Effective use of the vast energy resources.

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Q10. What step government has taken to search markets in foreign countries for Pakistan's goods.

**Ans 1:** Government has established export market development funds to search market in foreign countries for Pakistan's goods.

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