

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

Q1. What is fixed exchange rate.

Ans 1: Under this system the monetary authorities of the country fix the rate of domestic currency against foreign currencies. All foreign transactions take place at that rate, Under fixex exchange rate system, once a rate is fixed, It is not changed day by day. A memembr country can change exchagn rate up to 10% only without the permission of international monetary funds.

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

Ans 1: Increse in exports and decrease in imports.

Q3. Write basic objectivers of economic cooperation organization.

Ans 1: 1- Development of transport and communciation infractructure.

Ans 2: 2- Facilitation of trade and investment

Ans 3: 3- Effective use of the vast energy resoruces.

Q4. 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.

Q5. How many custom duty is imposed ont he product being exported from export processing zones.

Ans 1: Product being exported from export processing zones are free from custom duty.

Q6. Which are main importers of Pakistani goods.

Ans 1: America, Germany, U.K, HongKong and U.A.E

Q7. From which countries does Pakistan import most of its goods.

Ans 1: USA, Japan, Kuwiat, SaudiArabia, Germany and U.K

Q8. What are major exports of Pakistan.

Ans 1: Rice, cotton, cotton yarn, cotton cloth, carpets, sports goods, leather, surgical instruments.

Q9. Which system of exchange is prevailing in Pakistan now a days.

Ans 1: Now a days floating exchange is prevailing in Pakistan.

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.
