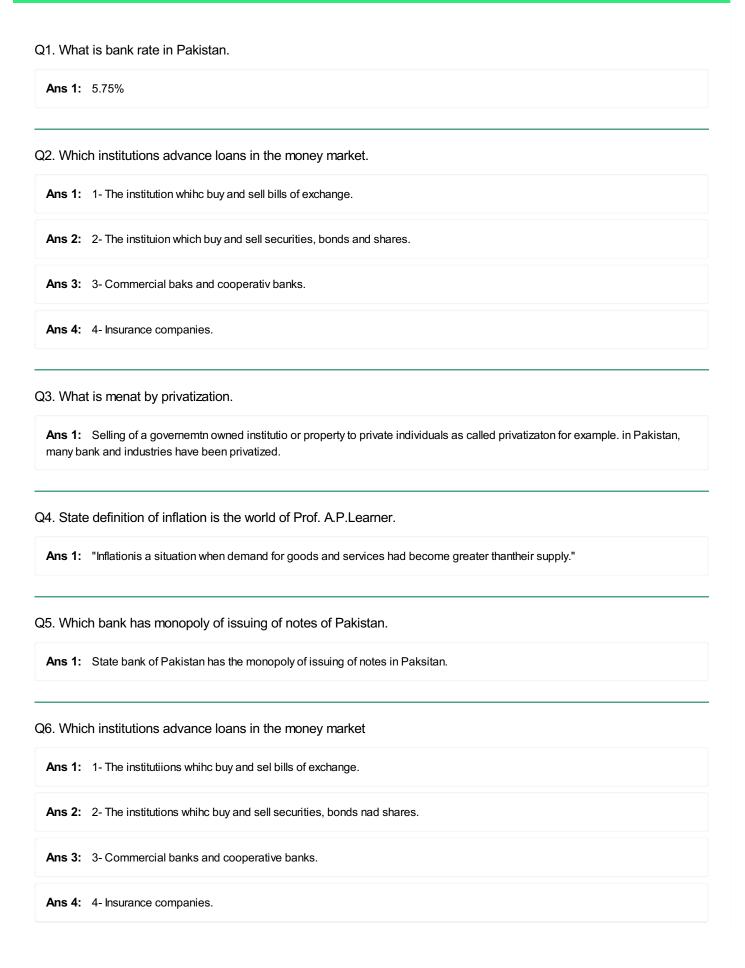


Economics - ICS Part 2 Economics English Medium Chapter 10 Online Short Questions Test



Q7. Write formula to measure inflation.

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

Q8. Under Which principle state bank of Pakistan issues notes.

Ans 1: State bank of Pakistan issues notes under proportional reserve system or banking principle.

Q9. What is meant by Money Market.

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

Q10. At what rate central bank advance loan to commercial banks under export finance scheme.

Ans 1: At the rate of zero %