

Economics - ICom Part 2 Principles of Economics Full Book Short Questions Preparation

Q1. Write the method to remove deficit in balance of payment of Pakistan.

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

Ans 2: 5- Quality of exports should be improved.

Q2. What is essential to remove deficit in the balance of payment of Pakistan.

Ans 1: Increase in exports and decrease in imports.

Q3. Which are invisible items of balance of payments.

Ans 1: 1- Rewards of the services of foreign companies.

Ans 2: 2- Expenditure on education in foreign countries.

Ans 3: 3- Expenditure on treatment in foreign countries.

Ans 4: 4- Expenditure on tourism

Ans 5: 5- Expenditure on political, cultural and trade delegates.

Q4. Define Public Finance in the words of Prof. Dalton.

Ans 1: Public Finance deals with government's revenue and expenditure and it studies how government maintains balance between its revenue and revenue and expenditure.

Q5. 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.

Q6. Write five advantages of means of transport and communication.

Ans 1: 1- Expansion in trade and commerce 2- Expansion of markets

Ans 2: 3- stabilization of prices 4- Mobility of labour

Ans 3: 5- Utilization of natural resources.

Q7. Define good ness.

Ans 1: Good ness means dealing with kindness, bounty etc and give others more than their rights and take less for himself

Q8. Write the sources of public tax revenue.

Ans 1: 1- Custom duties 2- Centrla excise duty 2- Sales tax

Ans 2: 4- Wealth tax 5- Income tax and corporate tax

Q9. Defeine money in the words of Prof. Crowther.

Ans 1: Anything whihc is generally accepted as a medium of exchange and also performs functions of a standard of value and a store of value is money

Q10. Defien Goss National product.

Ans 1: Goss National induct of a country is the totla market value of all final goods and services produced during a period of one year. All agricultural goods, industries goods, mineral goods and services of individuals, government and semi government institutions are included in it.

Q11. Write a few disadvantages of international trade.

Ans 1: 1- Dependence on productionof limited goods.

Ans 2: 2- Dependence on other countries.

Ans 3: 3- International effects of inflation and deflation on the economy

Ans 4: 4- Loss to backward countries.

Ans 5: 5- Monopoly of developed countries on international market

Q12. Define bank in the word of Prof Crowther.

Ans 1: "Bank is aninstitution which gets loans to lend and in this way creates credit money."

Q13. Write four disadvantages of WTO.

Ans 1: 1- Unfavourable economic condition

Ans 2: 2- Provision of commodities injurious to health

Ans 3: 3- Decrease in Reserves of foreign exchange

Ans 4: 4- Obstacles in the way of set up of new industries.

Q14. Write salient features of socialism.

Ans 1: 1- State ownership of resources 2- Control of planning board on economic

Ans 2: 3- Fair distribution of income 4- Classless society 5- Economic stability

Ans 3: 6- Community welfare 7- Provision of equal opportunities.

Q15. What is meant by Horizontal mobility.

Ans 1: When a labourer moves from one profession to another having similar salary and status, it will be his horizontal mobility, for example a clerk becomes a primary school teacher or a labourer shifts from sugar factory to cement factory on the same salary and facilities..

Q16. Write main sources of supply of money.

Ans 1: 1- Individual savings 2- Public savings 3- Corporate savings

Ans 2: 4- Insurance companies

Q17. What is meant by domestic trade.

Ans 1: The trade that takes place between the individuals living in the same country is called domestic or national or internal trade.

Q18. Write four main sources of public revenue.

Ans 1: 1- Taxes 2- Fee 3- Price 4- Special assessment

Q19. Which are important departments of state bank of Pakistan.

Ans 1: 1- Issuing department 2- Banking department 3- Exchange control

Ans 2: 4- Research department

Q20. Write stage of evolution of money.

Ans 1: 1- Commodity money 2- Metallic money 3- Paper money
4- Credit money
