

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

Q1. What is meant by Public Finance.

Ans 1: Public Finance is that branch of economics, which deals with the revenue and expenditures of the government . it studies the resources of government's revenue adn its expenditures.

Q2. Write investment rate of Pakistan.

Ans 1: 15.21%

Q3. What is Barter.

Ans 1: Barter means direct exchange of one good with another when money is not used as a medium of exchange.

Q4. Write four main functions of WTO.

Ans 1: 1- It cooperates with different international organizations on matters related to trade.

Ans 2: 2- It is responsible to settle down trade disputes which may arise between the countries.

Ans 3: 3- It arranges training and provides technicla assistance to developing countries.

Ans 4: 4- It supervises the trade policies of its memembr counties.

Q5. Write five factors of national income.

Ans 1: 1 National resoruces

Ans 2: 2- Man made resources

Ans 3: 3- Human resoruces

Ans 4: 4- Capital goods

Ans 5: 5- Technicla known how

Q6. What is mixed Economy.

Ans 1: it is an economic system which consists of characteristics of both capitalism and socialism. In other word, in this system same institutions are owned by the government and the people also have freedom to keep private ownership and any business within the legal bounds of the country.

Q7. Write definition economic development stated by Prof. Kindleberger.

Ans 1: "Economic development implies both more output and changes in the technical and institutional arrangements by which it is produced and distributed."

Q8. What is foreign bill of exchange.

Ans 1: This type of bill is written by an exporter of a country to an importer of another country and gets it verified by him. The time period of this bill is generally ninety days.

Q9. Write high type roads of Pakistan.

Ans 1: 1- GT Road 2- Karachi ----- Chaman Highway
3- Quetta ----- D.I.Khan Highway 4- Super Indus Highway

Ans 2: 5- Sukkur ----- Quetta Highway 6- Larkana Taftan Highway

Ans 3: 7- Karakoram Highway 8- Makran Coastal Highway

Q10. From which countries does Pakistan import most of its goods.

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

Q11. 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.

Q12. Define Excise Duty.

Ans 1: The tax which is imposed on domestically manufactured goods is called Excise duty.

Q13. Write characteristics of good money.

Ans 1: 1- General acceptability 2- Durability 3- Homogeneity

Ans 2: 4- Divisibility 5- Convertibility 6- Recognizability

Ans 3: 7- Reasonable quantity 8- Stability in value

Ans 4: 9- Should not be forged

Q14. Write four main sources of public revenue.

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

Q15. Write five causes of unemployment and disguised unemployment.

Ans 1: 1- Population pressure 2- Underutilization of natural resources

Ans 2: 3- Shortage of capital 4- Industrial backwardness

Ans 3: 5- Shortage of skilled persons.

Q16. Define money the work of Prof. Keynes.

Ans 1: Money is a thing by which payments of agreement of borrowing and pricing are made and general purchasing power is stored in it.

Q17. Define demand for money according to Prof. Keynes

Ans 1: Quantity of money which people prefer to hold in the form of cash is called demand for money.

Q18. What are demand deposits.

Ans 1: These are the deposits which can be demanded back at any time. Generally business people deposit their amounts in the account of demand deposits so that they may draw money whenever they are in need of it for business affairs, Bank cannot use these deposits for advancing loans. So, bank does not pay interest on these deposits.

Q19. What is meant by inconvertible paper money.

Ans 1: These are the notes that cannot be converted in gold or silver or foreign exchange. In other words Govt of the country does not take the responsibility for converting them in gold, silver, or foreign exchange.

Q20. Write about SAARC.

Ans 1: SAARC came into existence in 1983. The basic objective of this organisation is to extend mutual cooperation between the

membr 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
