

**BOARD OF INTERMEDIATE EDUCATION, KARACHI**  
**INTERMEDIATE EXAMINATION, 2016 (ANNUAL)**

Date: 16.05.2016  
2:30 p.m. to 2:50 p.m.

**PRINCIPLES OF ECONOMICS PAPER – I**  
**(Commerce Group – Regular & Private)**

Max. Marks: 15  
Time: 20 minutes

The correct answers are  
highlighted in red colour.

**SECTION 'A'**  
**(MULTIPLE CHOICE QUESTIONS) – (M.C.Qs.)**

Code No: POE-10

Write this Code No. in the Answerscript.

**NOTE:**

- i) This section consists of 15 part questions and all are to be answered. Each question carries one mark.
- ii) Do not copy the part questions in your answerbook. Write only the answer in full against the proper number of the question and its part.
- iii) The code of your question paper is to be written in bold letters in the beginning of the answerscript.

1. Choose the correct answer for each from the given options:

- i) The demand curve usually slopes from:  
\* Left to right \* Right to left  
\* Left to right upward \* **Left to right downward**
- ii) The major share of government revenue is:  
\* Fee \* **Tax** \* Price \* Foreign aid
- iii) Stages of Business cycle are:  
\* 2 \* 3 \* **4** \* 5
- iv) Value of money is related with price:  
\* Directly \* **Inversely** \* Positively \* Closely
- v) There is direct relation between price and:  
\* Value of Money \* **Quantity of Money**  
\* Demand of Money \* Functions of Money
- vi) Through devaluation policy, exports become:  
\* Expensive \* Precious \* **Cheap** \* Short
- vii) According to Prof. Robbins, Economics is the science of:  
\* Material welfare \* Wealth  
\* **Scarcity and choice** \* Economic development
- viii) Marginal cost curve is:  
\* Vertical \* Horizontal \* **U-shaped** \* L-shaped
- ix) All the factors of production become variable in the:  
\* **long run** \* market period \* short run \* middle term
- x) Only visible goods are included in the:  
\* Balance of payments \* **Balance of Trade** \* Terms of Trade \* Terms of Services
- xi) This factor organizes all the factors of production:  
\* **Organization** \* Capital \* Land \* Labour
- xii) The money, whose face and real value are the same, is called:  
\* **Standard money** \* Token money \* Demand money \* Paper momey
- xiii) The burden of Indirect Taxes:  
\* cannot be shifted \* **can be shifted**  
\* remains constant \* does not remain constant
- xiv) Reward without any service is termed as:  
\* Interest \* Wages \* **Transfer payments** \* Profit
- xv) Disposable personal income is equal to:  
\* Personal income + Direct taxes \* Personal income – Indirect taxes  
\* **Personal income – Direct taxes** \* Personal income + Indirect taxes