

**MODEL PAPER “ECONOMICS”**  
**Intermediate Part-I Examination**

**OBJECTIVE**

**Time: 30Minutes**

**Marks: 20**

**Note: Write answers to the questions on the objective answer sheet provided. You have four choices for each objective type question as A, B, C, and D. The choice which you think is correct; fill the circle in front of that question number. Use marker or pen to fill the circles. Cutting or filling to or more circles will result in zero mark in that question. Attempt as many question as given in objective-type question paper and leave others blank.**

- (i) Who is known / called as the founder of Economics?  
(a) Recardo                      (b) J.S. Mill                      (c) Robbins                      (d) Adam Smith
- (ii) When the total utility of a commodity is maximum the marginal utility is  
(a) Negative                      (b) Zero                      (c) Positive                      (d) Maximum
- (iii) The Elasticity of demand of durable goods is:  
(a) Less than unity              (b) Greater than unity              (c) Equal to unity              (d) Zero
- (iv) The Elasticity of Demand of substitutes is:  
(a) More Elastic              (b) Less Elastic              (c) Zero Elastic              (d) Infinite Elastic
- (v) When the supply of a commodity increases without change in price it is called:  
(a) Fall in supply              (b) Expansion in supply  
(c) Contraction in supply              (d) Rise in supply
- (vi) Due to the Equal decrease in Demand & Supply the price:  
(a) Increases              (b) Decreases              (c) In the same              (d) None of these
- (vii) Reward of which factor of production is not pre-determined?  
(a) Labour              (b) Land              (c) Entrepreneur              (d) Capital
- (viii) The Law of increasing return is also called as the Law of:  
(a) Increasing Costs              (b) Decreasing Costs              (c) Equal Costs              (d) None of these
- (ix) In general the Law of Diminishing return applies to:  
(a) Trade              (b) Industry              (c) Agriculture              (d) None of these
- (x) The increase in total cost due to the production of an extra unit is known as:  
(a) Average Cost              (b) Variable Cost              (c) Marginal Cost              (d) Fixed Cost
- (xi) The demand curve for Monopolist is also called as:  
(a) Total Revenue              (b) Average Revenue              (c) Marginal Revenue              (d) None of these
- (xii) Kinds of Market according to time-period are  
(a) 02                      (b) 03                      (c) 04                      (d) 06
- (xiii) The concept of Quasi-Rent was introduced by:  
(a) Marshall              (b) Ricardo              (c) Keynes              (d) Malthus
- (xiv) Under Marginal Productivity Theory the reward for labour is determined by:  
(a) Owner              (b) Government              (c) Labour              (d) Marginal Product.

- (xv) The rent on Marginal-Land is:  
(a) Maximum (b) Minimum (c) Zero (d) None of these
- (xvi) With decrease in rate of Interest, the price of Bonds:  
(a) Decreases (b) Increases (c) Does not change (d) None of these
- (xvii) How many stages are there in the Law of Variable-Proportions?  
(a) 02 (b) 03 (c) 04 (d) 05
- (xviii) The geographical mobility is not possible:  
(a) Labour (b) Capital (c) Land (d) Organization
- (xix) When marginal revenue is zero, total revenue is:  
(a) Minimum (b) Maximum (c) Zero (d) Decreasing
- (xx) Which organization can sell the shares in the open market?  
(a) Partnership (b) Pvt Ltd Company  
(c) Public Limited Company (d) Co-op-Society

**MODEL PAPER "ECONOMICS"**  
**Intermediate Part-I Examination**

**SUBJECTIVE**

**Time: 2:30Hours**

**Marks: 80**

**SECTION -I**

**Note: Out of Questions Nos.12,3, and 4 write any 25(Twenty five) short answers. While writing answer write question No. carefully.**

**Q.No.1. Write short answers.**

**(25x2)=50**

- (i) What is Economic problem?
- (ii) Define Normative Science.
- (iii) What is Micro Economic?
- (iv) What is consumption?
- (v) What is Negative utility?
- (vi) Define indifference curve.
- (vii) What is classification?
- (viii) What is the difference between Equation and Identical Equation?
- (ix) Define parameters.

**Q.No.2. Write short answers.**

- (i) What is meant by change in demand?
- (ii) Define cross Elasticity of demand.
- (iii) Why the more Elastic commodities are not taxed?
- (iv) Differentiate between supply and stock..
- (v) What is "zero elasticity of supply".
- (vi) Define Law of supply.
- (vii) What is equilibrium price?
- (viii) What is meant by change in equilibrium?
- (ix) Define perishable commodities.

**Q.No.3. Write short answers.**

- (i) Define production function.
- (ii) What is bargaining power of labor?
- (iii) What is meant by the mobility of capital?
- (iv) Define scale of production.
- (v) What is meant "by Product"?
- (vi) What is the relationship between Law of return with laws of costs?
- (vii) Define short run costs.
- (viii) What is the relationship between Average and Marginal cost.
- (ix) What is the difference between short runperiod and long runperiod?

**Q.No.4. Write short answers.**

- (i) Describe the characteristics of perfect competition.
- (ii) What is meant by the equilibrium of a firm?
- (iii) What is the relationship between average revenue and marginal under revenue Monopoly?
- (iv) What is meant by market?
- (v) Define local Market?
- (vi) Describe the essentials of a market.
- (vii) What is meant by "marginal land"?
- (viii) What is zero rate of interest?
- (ix) What is meant by the marginal revenue product?
- (x) Write down any four causes of low wages in Pakistan.

**SECTION -II**

**Note: - Attempt any THREE questions.**

**(10x3)=30**

- Q.No5.** Critically evaluate the definition of Economics given by Alfred Marshall. 10
- Q.No6.** Analyses the characteristics of indifference curves. 10
- Q.No7.** Solve the Equations given below: 10  
(i)  $8x + 2 = 18$  (ii)  $2(x+5) = 2(x-2)$
- Q.No8.** Describe the practical importance of elasticity of demand. 10
- Q.No9.** Compare and contrast the Equilibrium of a firm under perfect competition and monopoly 10