

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

Date: 04.05.2016  
9:30 a.m. to 9:50 a.m.

**ECONOMICS PAPER – II**  
**(Science General Group)**

Max. Marks: 20  
Time: 20 minutes

The correct answers are highlighted in red colour.

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

Code No: EC-01

Write this Code No. in the Answerscript.

**NOTE:**

- i) This section consists of 20 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) National Income does not include:  
\* Profit and Rent \* Wages and Salaries  
\* Interest and Capital \* **Transfer payments**
- ii) Reward of capital is/are:  
\* Profit \* Rent \* Wages \* **Interest**
- iii) Reward of this factor of production is not pre-determined:  
\* Labour \* Capital \* Land \* **Entrepreneur**
- iv) The Geographical mobility of this factor of production is not possible:  
\* Labour \* **Land** \* Capital \* Organization
- v) The Theory of Rent was presented by:  
\* Adam Smith \* Prof. Marshall \* Prof. Robbins \* **Ricardo**
- vi) During inflation:  
\* **Prices are increased** \* Poverty is decreased  
\* Purchasing power is increased \* Production is increased
- vii) The law of Increasing returns is also called the Law of:  
\* Increasing cost \* **Decreasing cost** \* Marginal cost \* Constant cost
- viii) This is not the function of a commercial bank:  
\* Accepting deposits \* Advancing loans  
\* Services of agencies \* **Issuing of currency**
- ix) This is not an indirect tax:  
\* Excise duty \* General sales tax \* Custom duty \* **Income tax**
- x) The central bank follows this policy for the stabilization of general price level in the country:  
\* Fiscal policy \* **Monetary policy**  
\* Commercial policy \* Administrative policy
- xi) The maximum ratio of non-developmental expenditure of federal government is on:  
\* Defence \* Education \* **Debt service** \* Law and order
- xii) The State Bank of Pakistan was established in:  
\* 1947 \* **1948** \* 1949 \* 1950
- xiii) The income which indicates the living standard of the people of a country is known as:  
\* Personal income \* **Per capita income**  
\* Disposable personal income \* Net national income
- xiv) Banking activities in Pakistan are controlled by the:  
\* National Bank of Pakistan \* Finance Ministry  
\* Secretary of Finance \* **State Bank of Pakistan**
- xv) In Pakistan, Commercial Banks were nationalized on:  
\* 1<sup>st</sup> Jan. 1972 \* **1st Jan. 1974** \* 1<sup>st</sup> Jan. 1976 \* 1<sup>st</sup> Jan. 1978
- xvi) The payment of Zakat is compulsory for every:  
\* Rich person \* Muslim \* Citizen \* **Sahib-e-Nisab Muslim**
- xvii) If estimated revenue of a budget is greater than the expenditure, it is a:  
\* Balanced budget \* **Surplus budget** \* Deficit budget \* Unbalanced budget
- xviii) The Agricultural Development Bank of Pakistan was established in:  
\* 1954 \* **1961** \* 1973 \* 1981
- xix) The rate of Zakat is:  
\* 1.5% \* **2.5%** \* 3.5% \* 4.5%
- xx) The fiscal year of Pakistan starts from:  
\* 1<sup>st</sup> January \* 1<sup>st</sup> June \* **1st July** \* 1<sup>st</sup> December

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