

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

Date: 07.05.2016
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-13
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 Quantity theory of money was presented by:
* Adam Smith * Ricardo * Bobbins * **Irving Fisher**
- ii) Under the law of Demand, if price increases the quantity demanded:
* **Contracts** * Rises * Expands * Falls
- iii) According to the Neo-classical school of thought, Economics is the study of:
* **Material Welfare** * Wealth
* Economic development * Scarcity and choice
- iv) The founder of classical school of Economics is:
* Marshall * Robbins * **Adam Smith** * Keynes
- v) Micro-Economics is also known as the:
* Theory of National Income * **Theory of Price**
* Theory of Distribution of Wealth * Theory of International Trade
- vi) Supply of Land is:
* Unlimited * **Limited** * Highly Elastic * Perfectly Elastic
- vii) When Total Utility is maximum, Marginal Utility is:
* Maximum * Positive * Negative * **Zero**
- viii) The ability of a good to satisfy human wants is called:
* Productivity * **Utility** * Usefulness * Scarcity
- ix) The Demand Curve usually slopes from
* Left to Right * Right to Left
* **Left to Right downward** * Right to Left upward
- x) The quantity of a good which is offered for sale at a given price is called:
* Demand * **Supply** * Stock * Production
- xi) Under perfect competition, goods are:
* Differentiated * **Homogeneous** * Sub-standard * none of these
- xii) During Inflation, the value of Money:
* Increases * **Decreases** * Remains constant * Becomes zero
- xiii) This is not a direct Tax:
* Income Tax * **Sales Tax** * Wealth Tax * Property Tax
- xiv) The Canons of Taxation were given by:
* Ricardo * Robbins * Marshall * **Adam Smith**
- xv) To calculate per capita income, national income is divided by:
* **Total population** * Total labour force
* Total expenditure * Total income

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