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Version No.				
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ROLL NUMBER						

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②	②	②	●	②
③	③	③	③	③
●	④	④	④	④
⑤	⑤	⑤	⑤	⑤
⑥	⑥	●	⑥	⑥
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PRINCIPLES OF ECONOMICS HSSC-II

(Pre-Home Economics Group)

SECTION – A (Marks 15)

Time allowed: 20 Minutes

Section – A is compulsory. All parts of this section are to be answered on this page and handed over to the Centre Superintendent. Deleting/overwriting is not allowed.

Do not use lead pencil.

حصہ اول لازمی ہے۔ اس کے جوابات اسی صفحہ پر دے کر نظم مرکز کے حوالے کریں۔ کاٹ کر دوبارہ لکھنے کی اجازت نہیں ہے۔ لیڈ پنسل کا استعمال منوع ہے۔

Answer Sheet No. _____

ہر سوال کے سامنے دیے گئے، کریکولم کے مطابق درست دائرہ کو پر کریں۔ **Invigilator Sign.** _____

Fill the relevant bubble against each question according to curriculum: **Candidate Sign.** _____

	Question	A	B	C	D	A	B	C	D
1.	Who was the founder of Neo–school of thoughts?	Adam Smith	Marshall	Keynes	Robbins	○	○	○	○
2.	If other things do not change, an increase in price results in an increase in quantity supplied. This is known as:	Law of increasing return	Law of supply	Law of diminishing return	Law of demand	○	○	○	○
3.	Under monopoly:	*AR=MR*	*AR<MR*	*AR>MR*	*AR–MR=0*	○	○	○	○
4.	The power of a product which is used to satisfy human wants is called:	Satisfaction	Utility	Usefulness	Profit	○	○	○	○
5.	The demand curve is **NOT** negatively sloped due to:	Income effect	Substitution effect	Price effect	Cross effect	○	○	○	○
6.	Total utility is maximized when:	MU=0	Marginal utility falls	Marginal utility rises	MU is positive	○	○	○	○
7.	When total product reaches to its maximum, marginal product (MP) is:	Zero	Positive	Negative	Rising	○	○	○	○
8.	Which of the following is **NOT** considered a factor of production?	Land	Labour	Capital	Technology	○	○	○	○
9.	The law of diminishing returns applies more in:	Industry	Agriculture	Mining	Construction	○	○	○	○
10.	If fixed cost is deducted from total cost, we get:	Marginal cost	Average cost	Variable cost	Profit	○	○	○	○
11.	The difference between total revenue (TR) and total cost (TC) is called:	Gross profit	Profit	Revenue	Utility	○	○	○	○
12.	Marginal productivity theory was presented by:	Adam smith and Malthus	Marshall and J.B Clark	Pigou and Canon	Robbins and Keynes	○	○	○	○
13.	How many methods are there to measure the National Income?	One	Two	Three	Four	○	○	○	○
14.	What is deducted from GNP to get NNP?	Depreciation allowances	Saving	Subsidies	Direct tax	○	○	○	○
15.	What is the relationship between the quantity of money and the value of money?	No relation	Direct	Indirect	Inverse	○	○	○	○

PRINCIPLES OF ECONOMICS HSSC–II
(Pre-Home Economics Group)

Time allowed: 2:40 Hours **Total Marks Sections B and C: 60**

SECTION – B (Marks 36)

Q. 2 Write brief answers of any NINE parts. **(9 x 4 = 36)**

(i) Write the difference between 'Micro Economics' and 'Macro Economics'.

(ii) Differentiate between the 'inductive' and 'deductive' method.

(iii) Why is the demand curve negatively sloped?

(iv) What is meant by extension and contraction of supply?

(v) Write any four characteristics of land.

(vi) Describe the law of diminishing return.

(vii) Write down the relationship between average cost and marginal cost.

(viii) Describe the marginal productivity theory.

(ix) Differentiate between Gross National Product and Gross Domestic Product.

(x) What is Public Finance?

(xi) Differentiate between 'zakat' and 'ushar'.

(xii) Differentiate between 'inflation' and 'deflation'.

(xiii) What is money? Write any two functions of money.

SECTION – C (Marks 24)

Note: Attempt any THREE questions. **(3 x 8 = 24)**

Q. 3 Explain the law of diminishing marginal utility with the help of schedule and diagram.

Q. 4 Explain the Quantity theory of money with the help of formula.

Q. 5 Explain the canons of taxation.

Q. 6 What is perfect competition? Explain the equilibrium of firms under perfect competition in the short run.

Q. 7 Explain the law of increasing returns with the help of schedule and diagram.