** Pakistan School, Kingdom of Bahrain**

**HSSC Pre Board Examination, June 2021**

**Class: 12th Sec\_\_\_\_ Total Marks: 20**

**Subject:** **Economics-II**  **Time Allowed: 25 MIN**

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| --- | --- | --- | --- |
| **3** | **5** | **2** | **8** |

**Student’s Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Version No:**

**NOTE:: Section A is compulsory. All parts of this section to be answered on the separately provided OMR Sheet which should be completed in the first 20 minutes and handed over to the Centre Superintendent. Deleting/overwriting is not allowed. Do not use lead pencil.**

**SECTION – A ( Marks:20)**

1. Consumption is a function of:

1. Prices (b) investment (c) income (d) Taxes

2. Banks gives no interest rate on the amount in ---------------Account.

 (A) Saving (b) Fixed (c)$ $ Current (d) All of these

3. After adding the direct taxes in personal income we get ------------------

 (a) NNP (b) GDP (c) PI (d) DPI

4. Which of the following is NOT a function of money?

 (a) Medium of exchange (b) store of value (c) measure of value (d) advancing loans

5. Taxes on average amount of income are called --------------

 (a) Progressive tax (b) regressive tax (c) indirect tax (d) direct tax

6. Economic development is measured on the basis of:

1. Increase in personal income (b) increase in real GNP (c) increase in nominal income (d) None of these

7. Per capita income can be measure by dividing the total income of a country by its

 (a) Total Worker (b) Total Income (c) Total population (d) none of these

8. Which of following get advantage by a fall in value of money?

 (a) Industrialist (b) debtors (c) $lenders $ (d) none of these

9. The main source of government revenue is

 (a) Prices (b) Tax (c) Fines$ $ (d) fee

10. Which of the following is a legal tender?

 (a) Cheque (b) Credit card (c) Prize bond (d) Currency

11. Government policy about imports and exports is called--------------

 (a) Fiscal policy (b) monetary policy (c)$ $ tax policy (D) commercial policy

12. Quota is a --------restriction.

1. qualitative (b) quantitative (c) Not a restriction (d) A and B both

13. Commercial banks create:

 (a) Credit money (b) legal money (c) metallic money (d) Paper money

14. How many factors are there on which saving depends upon?

(a) One (b) Two (c) Three (d) issuing currency

15. Which of the following criteria is the best to measure the economic development of a country?

(a) Per capita income (b) national income (c) social welfare (d) Human development index

16. To bring equal distribution of national income, taxes should be:

(a) Direct (b) Indirect (c) Proportional (d) progressive

17. How much proportion of natural land’s output is paid as usher?

 (a) 10 % (b) 8% (c) 6% (d) 12%

18. Unemployment takes place because of ------------:

 (a) High demand for labor (b) more exports (c) high population growth rate (d) increase in literacy

19. How many stock exchanges exist in Pakistan?

 (a) 3 (b) 4 (c) 5 (d) 6

20. Income from the Employer on predetermined terms and conditions is known as

(a) Profit (b) Salary (c) Expenditures (d) Capital

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 **Pakistan School, Kingdom of Bahrain**

**HSSC Pre Board Examination, June 2021**

**Class:12th Sec\_\_\_\_\_ Total Marks: 80**

**Subject:** **Economics -II Time Allowed: 2:35HRS**

**Student’s Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**NOTE: Section B & C comprises 1-2 pages. Answer all the questions from section B-C** **on a separate sheet. Write your answers neatly and legibly.**

**SECTION – B (Marks: 50)**

**Q2. Attempt any fifteen questions each question carries equal marks. (15×3=45).**

1. What is meant by subsidy? Explain in four lines
2. What do you meant by schedule banks?
3. Differentiate between tariff and quota.
4. Differentiate between marginal propensity to save and marginal propensity to consume.
5. Why state Bank of Pakistan is known as banker’s to Government?
6. Why do people demand for money according to Keynes?
7. Differentiate between autonomous and induced investment.
8. Write any three problems of agriculture in Pakistan & how we can solve these problems?
9. What are the main heads of public expenditures?
10. Define deficit and surplus budget.
11. What is meant by terms of trade?
12. What do you know about protection policy?
13. Why transfer payments are not included in the measurement of national income?
14. Differentiate between currency and money.
15. What is meant by economic system?
16. Differentiate between proportional and progressive tax.
17. Write down the kinds of bank accounts.
18. Write any three features of mixed economy.
19. Reproduce and complete the following table on your answer sheet? By using this equation Y= C+S

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| income | 200 | 300 |  | 500 |
| consumption |  | 200 | 360 |  |
| saving | -20 |  | 40 | 60 |

1. Differentiate between GNP and GDP.
2. Attempt any ONE part. ( 5 ×1= 5)
3. Describe circular flow of national income.
4. Write down the impacts of inflation on any four sections of the society?

**SECTION –C (SUBJECTIVE)**

**Attempt any three questions each question carries equal marks. (10×3=30).**

Q3. What is the tax culture in Pakistan?

Q4**.** What is meant by commercial banks? Explain different functions of commercial banks.

Q5. Explain, why Pakistan is not self sufficient in food in spite of being agriculture country?

Q6. Explain quantity theory of money with the help of Fisher equation.