PAPER: Principles of Micro Economics
Course Code: ECON-101

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

(Objective Part)

Q. No. 1	Encircle the correct answer.	(5 x 2=10)
I	The demand of basic necessities is:	
	a) More Elastic	
	b) Less elastic	
	c) Infinite elastic	
	d) Zero elastic	
II	When marginal utility is zero, the total utility is:	
	a) Negative	
	b) Positive	
	c) Maximum	
	d) Zero	
III	Which is not included in natural resources:	
	a) Minerals	
	b) Climate	
	c) Money	
	d) Forests	
IV	The method of calculating total revenue is:	
	a) P x AC	
	b) P x Q	
	c) AC x Q	
	d) MC x Q	
V	The entry of firms in market under perfect competition is:	
	a) Prohibited	
	b) Free	
	c) Conditional	
	d) By the permission of Govt.	

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Attempt this Paper on Separate Answer Sheet provided.

Q. No. 2	Differentiate the following with examples	(5 x 4=20)
	i. Marginal Utility.	
	ii. Difference between inferior and normal commodity.	
	iii. Scale of production.	
	iv. Difference between Total Fixed and Total Variable Cost.	
	v. Normal profit.	
	SUBJECTIVE QUESTIONS	
	Note: **Attempt all questions.**	(10 x3=30)
Q. No. 3	What is meant by Indifference curve? Explain its properties.	
Q. No. 4	Explain the law of supply with the help of schedule and diagram.	
Q. No. 5	Explain how price and output is determined under monopoly.	

UNIVERSITY OF THE PUNJAB

Roll No. ....

First Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Fundamentals of Economics
Course Code: ECON-111

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Part I (Objective)

Q: 1 Choose correct answer from four possible answers.   1x10=10

i.   How many factors of production are
   a. 3
   b. 4
   c. 5
   d. 6

ii. Reward of Labour is
   a. Rent
   b. Interest
   c. Wages
   d. Profit

iii. The ability and willingness to purchase a good is
   a. Law of supply
   b. Demand
   c. Supply
   d. Elasticity

iv. Human wants are
   a) Few
   b) finite
   c) Unlimited
   d) One Thousand

v.   Milk is a commodity
   a) Perishable
   b) Durable
   c) Expensive
   d) Not for sale

vi. Father of Economics is
   a. Smith
   b. Robins
   c. Marshall
   d. Malthus

vii. The level of output for a perfectly competitive firm is determined where
   a. MR = AC
   b. MR=MC where slope of MC is greater than MR
   c. MR exceed MC by the greatest amount
   d. MR=MC and MC is rising

viii. Fiscal policy is made by
   a) State Bank
   b) Government
   c) Businessmen
   d) Households

ix. Elasticity of inferior goods is
   a. $E > 1$
   b. $E < 1$
   c. $E = 1$
   d. $E = \infty$

x.   Monetary policy is made by
   a) State Bank
   b) Government
   c) Businessmen
   d) Commercial banks

UNIVERSITY OF THE PUNJAB

First Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Fundamentals of Economics   **TIME ALLOWED: 2 hrs. & 30 mins.**
Course Code: ECON-111   **MAX. MARKS: 50**

Attempt this Paper on Separate Answer Sheet provided.

Part II (Subjective)
Attempt any four questions

Q: 2   briefly explain the following concepts   (20)

   i.   Law of diminishing Marginal utility
   ii.   Production possibility Frontier
   iii.   List the determinants of Demand
   iv.   What are measures of inflation
   v.   Business Cycle
   vi.   Cross elasticity of demand
   vii. Characteristics of Monopoly
   viii. What is GDP
   ix.   Fiscal Policy
   x.   Flexible Exchange Rate

Q: 3

  a. Define perfect competition. List its assumptions   (04)
  b. Discuss the equilibrium of a firm under perfect competition position   (06)

Q: 4   Explain of the following

  a. Price elasticity of Demand   (05)
  b. Cross elasticity of demand   (05)

Q: 5

  a. What is Fiscal policy?   (02)
  b. Discuss the tool of Fisal policy briefly.   (08)

Part II (Subjective)

سوال نمبر3:

الف) مکمل مقابلے سے کیا مراد ہے اس کے مفروضات کیا ہیں؟

ب) مکمل مقابلے کے تحت فرم کا توازن پر بحث کریں۔

سوال نمبر 4: درجہ ذیل کی وضاحت کریں۔

الف) طلب کی قیمت لچک

ب) طلب کی متقاطع لچک

سوال نمبر 5:

الف) مالیاتی پالیسی کی تعریف کریں۔

ب) مالیاتی پالیسی کے الات (Tools) پر بحث کریں۔

UNIVERSITY OF THE PUNJAB

Roll No. ....

First Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Basic Economics-I
Course Code: ECON-121

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

PART-I (10 MARKS)

Encircle the Right Answer:

1-Economics was considered as a science of material welfare by:

(a) Adam Smith (b)Marshall (c)Keynes (d) Robins

د-رابنز   ج-کینز   ب- مارشل   الف- آدم سمتھ   1-معاشیات کو مادی خوشحالی کا علم قرار دیا:

2-The economic laws are: (a) Exact   (b) Permanent   (c) Conditional   (d) Quantitative

د-مقداری   ج-مشروط   ب-اٹل   الف- قطعی   2-معاشی قوانین ہوتے ہیں:

3-Which is not study in Macro –economics: (a) National Income (b) Price Theory (c)Employment (d)Inflation

د-افراطِ زر کا   ج-روزگار کا   ب- نظریہ قیمت کا   الف- قومی آمدنی کا   3-کلی معاشیات میں مطالعہ نہیں کیا جاتا:

4-The rate of change in total utility is:(a) Initial utility (b) Zero utility (c) Negative utility (d) Marginal utility

د-مختتم افادہ   ج-منفی افادہ   ب- زیرو افادہ   الف- ابتدائی افادہ   4-کُل افادہ میں تبدیلی کی شرح کو کہتے ہیں

5-The consumer is in equilibrium when marginal utility of all goods is:

(a) Declining (b) Equal (c) Rising (d) Zero

د-صفر ہو   ج-بڑھ رہا ہو   ب-برابر رہے   الف- کم ہو رہا ہو   5-صارف اُس وقت توازن میں ہوتا ہے جب مختلف اشیاء سے حاصل ہونے والا افادہ:

6-The slope of the indifference curve is: (a) Positive   (b) Negative   (c) Horizontal   (d) Vertical

د-عمودی   ج-متوازی   ب- منفی   الف- مثبت   6-خطِ عدم ترجیح کا جھکاؤ ہوتا ہے

7- Due to rise in demand, the demand curve shifts to: (a) Left   (b) Right   (c) Downwards (d) Both sides

د-دونوں طرف   ج-نیچے   ب-دائیں   الف- بائیں   7-طلب کے بڑھنے سے خطِ طلب منتقل ہوتا ہے:

8-The demand of luxuries is: (a) More elastic   (b) Less elastic   (c) Zero elastic   (d) Infinite

د- لامحدود لچکدار   ج-صفر لچک   ب- کم لچکدار   الف- زیادہ لچکدار   8-تعیشات کی طلب ہوتی ہے :

9-Decrease in supply due to cost of production is called:

(a) Rise in supply (b) Fall in supply (c) Extension of supply (d) Contraction of supply

د-رسد کا سکڑنا   ج-رسد کا پھیلنا   ب-رسد کا گرنا   الف- رسد کا بڑھنا   9-لاگتِ پیدائش کی وجہ سے مقدارِ رسد میں کمی کہلاتی ہے:

10-Quickly destroyable goods are called:

(a) Normal goods (b) Inferior goods (c) Giffen goods (d) Perishable goods

د-ضیاع پذیر اشیاء   ج-گفن اشیاء   ب- گھٹیا اشیاء   الف-عام اشیاء   10-جلد ضائع ہونے والی اشیاء کہلاتی ہیں:

UNIVERSITY OF THE PUNJAB

First Semester   2018
Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Basic Economics-I
Course Code: ECON-121

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Part – II Questions with short Answers (4x5=20 Marks)

1-Define human wants. Write at least two characteristics of human wants.

١- اِنسانی حاجات کی تعریف کریں۔ اِنسانی حاجات کی کوئی سے دو خصوصیات لکھیں۔

2-Explain the point elasticity of demand.

٢- طلب کی نقطی لچک کی وضاحت کریں۔

3-Differentiate between the extension and contraction of demand.

٣- طلب کے پھیلنے اور سکڑنے میں فرق بیان کریں۔

4-Define Macro economics. Write any two issues of Macro economics.

٤- کلی معاشیات کی تعریف کریں۔ کلی معاشیات کے کوئی سے دو امور لکھیں۔

5-What is the difference between supply and stock?

٥- رسد اور ذخیرہ میں کیا فرق ہے؟

Part – III Questions with brief answers (10x3=30 Marks)

1-Define economic laws and describe their characteristics.

١- معاشی قوانین کی تعریف کریں اور اُن کی خصوصیات بیان کریں۔

2-Define elasticity of supply. How is it measured? Explain with the help of schedule and diagram.

٢- رسد کی لچک کی تعریف کریں۔ اس کی پیمائش کیسے کی جاتی ہے؟ گوشوارے اور ڈائیگرام کی مدد سے وضاحت کریں۔

3- Explain the law of Equi-Marginal utility with the help of schedule diagram.

٣- قانون مساوی افادہ مختتم کی وضاحت گوشوارے اور ڈائیگرام کی مدد سے کریں۔

UNIVERSITY OF THE PUNJAB

Second Semester - 2018
Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Principles of Macro Economics
Course Code: ECON-102 / ECO-12318   Part – I (Compulsory)

TIME ALLOWED: 15 Mints.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Encircle the Right Answer: **(10x1=10)**

i-A temporary unemployment which exists during the period of transfer of labour from one occupation to another is called:

(a)Voluntary Unemployment   (b)Involuntary Unemployment

(c)Cyclical Unemployment   (d)Frictional Unemployment

1-عارضی بے روزگاری جو کہ محنت کے ایک پیشے سے دوسرے پیشے کو اختیار کرنے کی وجہ سے پیدا ہوتی ہے۔ کہلاتی ہے:

(الف) اختیاری بیروزگاری   (ب) بے اختیارانہ بے روزگاری   (ج) دوری بے روزگاری   (د) عارضی بے روزگاری

2-The investment which undertaken independently of the level of income is known as:

(a)Autonomous Investment   (b)Induced Investment   (c)Public Investment   (d)Private Investment

2-سرمایہ کاری جو کہ آمدنی کی کسی بھی سطح پر آزادانہ طور پر کی جائے کہلاتی ہے:

(الف) خود اختیار سرمایہ کاری   (ب) ترغیب یافتہ سرمایہ کاری   (ج) سرکاری سرمایہ کاری   (د) نجی سرمایہ کاری

3-The consumption expenditure shows the relationship between consumption and:

(a)Interest Rate   (b)Saving   (c)Price Level Changes   (d)Disposable Income

3-تفاعل صرف، صرف اور درج ذیل کے درمیان تعلق کو ظاہر کرتا ہے:

(الف) شرح سود   (ب) بچت   (ج) قیمتوں کی سطح میں تبدیلی   (د) قابل تصرف آمدنی

4-The ratio between consumption and income is called:

(a)Average Propensity to Consume   (b)Marginal Propensity to Consume

(c)Consumption Function   (d)Saving Function

4-صرف اور آمدنی کے درمیان نسبت کہلاتی ہے:

(الف) اوسط میلانِ صرف   (ب) مختتم میلانِ صرف   (ج) تفاعل صرف   (د) تفاعل بچت

5-Macro Economics does not discuss:

(a)Unemployment   (b)Price Theory   (c)Inflation   (d)Banking

5-کلی معاشیات زیر بحث نہیں لاتی:

(الف) بے روزگاری   (ب) نظریہ قیمت   (ج) بیکاری   (د) افراطِ زر

(P.T.O.)

6-The basic function of the central bank is:

(a)To control credit   (b) To Earn Profit   (c)To Collect Deposits   (d) To Create Credit

6- مرکزی بینک بنیادی فرض ہوتا ہے:

(الف)زر کو کنٹرول کرنا   (ب) منافع کمانا   (ج)امانتیں جمع کرنا   (د)اعتباری زر کی تخلیق کرنا

7-The policy adopted by the central bank to control credit is called:

(a)Fiscal Policy   (b)Industrial Policy   (c)Monetary Policy   (d)Commercial Policy

7- اعتباری زر کو کنٹرول کرنے کے لیئے مرکزی بینک جو پالیسی اختیار کرتا ہے ۔ کہلاتی ہے:

(الف)مالیاتی پالیسی   (ب)صنعتی پالیسی   (ج)زری پالیسی   (د)تجارتی پالیسی

8-When general price level increases due to increase in aggregate demand, it is known as:

(a)Stagflation   (b)Hyper Inflation   (c)Demand Pull Inflation   (d)Cost Push Inflation

8- جب قیمتوں میں اضافہ مجموعی طلب میں اضافے کی وجہ سے ہو، تو یہ کہلاتا ہے:

(الف)افراطی جمود   (ب)بے قابو افراطِ زر   (ج) طلب کے دباؤ کا افراطِ زر   (د)لاگت کے دباؤ کا افراطِ زر

9-The relation between quantity of money and price is:

(a)Positive   (b)Negative   (c)Direct   (d)Inverse

9- مقدارِ زر اور قیمت کے درمیان تعلق ہوتا ہے:

(الف)مثبت   (ب)منفی   (ج)براہِ راست   (د) معکوس

10-One is not the cause of adverse balance of payments:

(a)Increase in imports   (b)Decrease in exports   (c) Population Control   (d)Inflation

10- توازنِ ادائیگی کے خرابی کے اسباب میں شامل نہیں ہے:

(الف)درآمدات میں اضافہ   (ب)برآمدات میں کمی   (ج)آبادی پر کنٹرول   (د)افراطِ زر

UNIVERSITY OF THE PUNJAB

Second Semester - 2018
Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Principles of Macro Economics
Course Code: ECON-102 / ECO-12318 Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q-2 Explain the following with examples: (10x2=20)

سوال نمبر۔2۔درج ذیل کی وضاحت مثالوں کی مدد سے کریں۔

i-Boom

1۔گرم بازاری

ii-Seasonal Unemployment

2۔موسمی بے روزگاری

iii-Gross Domestic Product

3۔خام ملکی پیداوار

iv-Per Capita Income

4۔فی کس آمدنی

v-Marginal Propensity to Consume

5۔مختتم میلان صرف

vi-Token Money

6۔علامتی زر

vii-Stagflation

7۔افراطی جمود

viii-Direct Tax

8۔براہِ راست ٹیکس

ix-Current Account

9۔حساب رواں

x-Protection

10۔تامین

Q-3- Explain the total product method of measuring national income and write precautions. (10 marks)

سوال نمبر۔3۔ قومی آمدنی کی پیمائش کے کل پیداوار کے طریقے کی وضاحت کریں۔ (10 نمبر)

Q-4-Define money. What are the important functions of money?(10 marks)

سوال نمبر۔4۔زر کی تعریف کریں۔زر کے اہم فرائض کون سے ہیں؟ (10 نمبر)

Q-5-Describe the sources of public revenue. (10 marks)

سوال نمبر۔5۔سرکاری آمدنی کے ذرائع بیان کریں۔ (10 نمبر)

UNIVERSITY OF THE PUNJAB

Second Semester - 2018
Examination: B.S. 4 Years Programme

PAPER: Fundamentals of Economics
Course Code: ECON-111 / ECO-12109   Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q:2 Briefly explain the following concept.   (10x2=20)

   I.   Write the Robbin's definition of Economics.
   II. What is opportunity cost?
   III. Differentiate between supply and stock.
   IV. Write any four causes of shifting of supply curve.
   V.   Write consumer equilibrium equation under Law of Equi-Marginal Utility.
   VI. Write the names of factors of production and their rewards.
   VII. Define the total Product, Marginal Product and Average Product.
   VIII. Write short-run equilibrium of a firm under Prefect Competition.
   IX. Differentiate between GDP and GNP.
   X.   Explain the phase of business cycles.

Q:3 (a) Define the law of Diminishing Marginal Utility.   (02)
    (b) Explain the law of Diminishing Marginal Utility with help of table and diagram.   (04)
    (c) Write the assumptions of law of Diminishing Marginal Utility.   (04)
Q: 4 (a) Define the laws of return.   (02)
    (b) Explain the Law of Diminishing Returns with the help of Table and Diagram.   (04)
    (c) To which sector of economy, it is more applicable and why?   (04)
Q:5 (a) What is monetary policy   (02)
    (b) Explain in detail the instruments of monetary policy.   (08)

(2)   قانون تقلیل افادہ مختتم کی تعریف بیان کریں۔   سوال نمبر3: (الف)

(4)   گوشوارہ اور ڈائیگرام کی مدد سے قانون تقلیل افادہ مختتم کی وضاحت کریں۔   (ب)

(4)   قانون تقلیل افادہ مختتم کے مفروضات تحریر کریں۔   (ج)

(2)   قوانین حاصل کی تعریف بیان کریں۔   سوال نمبر4: (الف)

(4)   قانون تقلیل حاصل کی وضاحت گوشوارہ اور ڈائیگرام کی مدد سے کریں۔   (ب)

       اس قانون کا اطلاق زیادہ تر، معیشت کے کس شعبہ پر ہوتا ہے۔   (ج)

(4)   نیز اس کی وجہ تحریر کریں۔

(2)   زری پالیسی سے کیا مراد ہے؟   سوال نمبر5: (الف)

(8)   زری پالیسی کے آلات کار کو تفصیل سے بیان کریں۔   (ب)

PAPER: Fundamentals of Economics   TIME ALLOWED: 15 Mints.
Course Code: ECON-111 / ECO-12109 Part – I (Compulsory)   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q: 1 Encircle the correct answer   **(10x1=10)**

i: Which one of the following is the subject matter of Economics?

a) Deal with economics problems of the LDCs
b) Optimum use of limited resources for the satisfaction of unlimited human wants
c) Labor economics problem
d) Balances of payment problems

ii: The negative relationship between price and quantity may be affected due to;

a) Bandwagon effects
b) Snob effects
c) Veblen effects
d) All of the above

iii: Perfectly Inelastic Supply curve is;

a) Parallel to vertical axis
b) Parallel to horizontal axis
c) Rises upward to the right
d) Falls downward to the right

iv: Formula of the measurement of Arc elasticity of demand is;

a) $\dfrac{Q_1 - Q_2}{Q_1 + Q_2} \div \dfrac{P_1 - P_2}{P_1 + P_2}$

b) $\dfrac{Q_2 - Q_1}{Q_2 + Q_1} \div \dfrac{P_2 - P_1}{P_2 + P_1}$

c) $\dfrac{P_2 - P_1}{P_2 + P_1} \div \dfrac{Q_2 - Q_1}{Q_2 + Q_1}$ d) none of the three

(P.T.O.)

v: Law of equi-marginal utility is also called;

a) Law of maximum social benefit
b) Law of substitution
c) Law of economy
d) Law of maximum satisfaction

vi: In market equilibrium;

a) Price = Demand curve
b) Demand curve = Supply curve
c) Price = Supply curve
d) None of the three

vii: Normal Profit is attained where;

a) TR = TC
b) TR > TC
c) AR > MR
d) AR < MR

viii: What will be expected result if the value of rupee falls against dollar;

a) Price of Pakistani goods in USA will fall
b) Price of Pakistani goods in Pakistan will fall
c) Price of American goods in USA will fall
d) Price of American goods in Pakistan will rise

ix: Inflation is a situation when;

a) Prices of some goods rises
b) General Price level rises continuously
c) Prices rise and fall alternately
d) Prices double every year

x: The GNP is;

a) total sales in the economy
b) total monetary transactions in an economy
c) sum of market values of all goods and services produced in an economy
d) total spending in an economy

UNIVERSITY OF THE PUNJAB

Second Semester - 2018
Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Economics (Micro) for Commerce
Course Code: ECON-131 / ECO-12320 Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

(2) Provide short answers (maximum 10 sentences per answer). *(MARKS: 20)*

 i. What is a production function?

 ii. What is meant by a free market?

 iii. Why is the demand curve downward sloping?

 iv. Give an example each of Substitutes and complementary goods.

 v. What is the difference in the long run and the short run with reference to Cost theory?

 vi. How is Monopoly maintained?

 vii. What is the difference in 'Extension in Demand' and 'Contraction in Demand'?

 viii. What is a shortage situation with reference to Market mechanism?

 ix. Differentiate between Microeconomics and Macroeconomics.

 x. Define Price Elasticity of Demand.

(3) Answer the following briefly.   **(3x10=30)**

 a. Discuss the Law of Demand with the help of schedules and diagrams.

 b. What are the properties of Indifference Curve? Prove them.

 c. Differentiate between Perfect Competition and Monopolistic Competition.

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

(1)   **(10x1=10)**

i.   An Indifference Curve shows
   a) Equal Prices
   b) Same Income
   c) Same Satisfaction
   d) Budget
   e) Demand of goods

ii. One of the topics in Microeconomics is
   a) National Income
   b) Aggregate Demand
   c) Local Trade
   d) The theory of the firm
   e) International Trade

iii. Laws of production are also called
   a) Market demand theory
   b) Market Supply theory
   c) Input pricing
   d) Laws of Return
   e) Laws of Market

iv. Firms entry in the market is restricted in
   a) Perfect Competition
   b) Free Market
   c) Pakistan
   d) Monopoly
   e) Monopolistic Competition

v.   MR = MC = AR = AC in which type of market?
   a) Perfect Competition
   b) Monopoly
   c) Duopoly
   d) Monopolistic Competition
   e) Imperfect Market

vi. We may observe an extension in demand due to
   a) increase in taxes
   b) decrease in Price
   c) War
   d) Increase in price
   e) More substitutes

vii. Cross Price Elasticity of Demand for substitutes is
   a) zero
   b) Positive
   c) negative
   d) Unity
   e) None of the options

viii. Cost is a function of
   a) Price
   b) Factor inputs
   c) Income
   d) Supply
   e) Output

ix. MC = MR is also called
   a) Cost condition
   b) Firm's Closure
   c) Identity
   d) Revenue condition
   e) Firm's Equilibrium condition

x.   David Ricardo is known mainly for the theory of
   a) Profit
   b) Rent
   c) Interest
   d) Demand
   e) Supply

UNIVERSITY OF THE PUNJAB

Second Semester - 2018
Examination: B.S. 4 Years Programme

PAPER: Basic Economics-II
Course Code: ECON-123 / ECO-12449 Part – I (Compulsory)

TIME ALLOWED: 15 Mints.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q1. Choose the correct answer listed below against each part.   **(10x1=10)**

1. The cost of one thing in terms of the alternative given up is called:

   a) real cost

   b) opportunity cost

   c) production cost

   d) physical cost

2. The short run is

   a) less than a year.

   b) three years.

   c) however long it takes to produce the planned output.

   d) a time period in which at least one input is fixed.

3. The function which shows combinations of inputs that yield the same output is called a(n)

   a) isocost curve.

   b) production function.

   c) production possibilities frontier.

   d) isoquant curve.

4. The difference between the economic and accounting costs of a firm are

   a) the accountant's fees.

   b) the corporate taxes on profits .

   c) the sunk costs incurred by the firm.

   d) the opportunity costs of the factors of production that the firm owns.

5. Which of the following costs always declines as output increases?

   a) Average cost

   b) Marginal cost

   c) Average fixed cost

   d) Fixed cost

(P.T.O.)

6. The total cost (TC) of producing computer software diskettes (Q) is given as: TC = 200 + 5Q. What is the fixed cost?

   a) 5Q

   b) 5

   c) 200

   d) 5 + (200/Q)

7. The total cost (TC) of producing computer software diskettes (Q) is given as: TC = 200 + 5Q. What is the marginal cost?

   a) 200

   b) 5Q

   c) 5

   d) 5 + (200/Q)

8. Demand for factors of production is:

   a) Joint demand

   b) Composite demand

   c) Derived demand

   d) None of the above

9. For which of the following market structures is it assumed that there are barriers to entry?

   a) Perfect competition

   b) Monopoly

   c) Monopolistic competition

   d) all of the above

10. The supply curve for a competitive firm is

   a) its entire MC curve.

   b) its MC curve above the minimum point of the AVC curve.

   c) the upward-sloping portion of its MC curve.

   d) its MC curve above the minimum point of the ATC curve.

UNIVERSITY OF THE PUNJAB

Second Semester - 2018

Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Basic Economics-II

Course Code: ECON-123 / ECO-12449 Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q2. Explain the following briefly. (Not more than three lines)   5X4=20

   I.   Opportunity cost

   II.   Imperfect competition

   III. Small scale production

   IV. TR-TC approach of profit maximization

Q3. What are the dis advantages of producing at small scale?   **10**

Q4. Explain the short run equilibrium of the industry under perfect competition.   **10**

Q5. Explain the equilibrium of the firm with the help of TC-TR approach and MC-MR approach.

10

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Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE PART

Q. No. 2 Briefly answer the following questions (4x5=20)

i.   Downward sloping demand curve under monopoly

ii. Multiplant monopoly

iii. Shut down situation under perfect competition

iv. Abnormal profit under monopolistic competition

v.   Price discrimination

Q. No. 3 Explain the concept of consumer's equilibrium through indifference curve approach. (10)

Q. No. 4 What are the points of differences between perfect competition and monopolistic competition? (10)

Q. No. 5 Explain the major properties of Cobb Douglas Production function. (10)

PAPER: Intermediate Micro Economics   **TIME ALLOWED: 30 mins.**
Course Code: ECON-201/ECO-21318   **MAX. MARKS: 10**

Attempt this Paper on this Question Sheet only.

OBJECTIVE PART

Q. No. 1   Choose the correct option   **(1x10=10)**

I. Apples and Oranges are substitute goods; a freeze in Florida destroyed a good portion of the orange crop. Ceteris peribus
    a) The price of both apples and oranges will increase

    b) The price of both apples and oranges will fall

    c) The price of oranges will increase and the prices of apples will decrease

    d) The price of oranges will decrease and the prices of apples will increase

II. When the decrease in the price of one good causes the demand for another good   to decrease, the goods are
    a) Normal
    b) Inferior
    c) Substitutes
    d) complements

III. Which one will not cause a shift in supply curve?

    a) Improvement in technology

    b) Wage rate

    c) Price of the product .

    d) Interest rate

IV. Sunk costs are

    a) Costs that cannot be avoided, because they have already been incurred

    b) The costs of what we give up when we make a choice or a decision

    c) The additional costs of producing an additional unit of a product

    d) The additional costs of consuming an additional unit of a product

V. Accounting profit is defined as:

    a) Total Revenue – Implicit Cost

    b) Total Revenue – Total Opportunity Cost

    c) Total Revenue – Explicit Cost

    d) None of the above

P.T.O.

VI. Which of the following is not characteristic of perfect competition?

    a) Large number of sellers

    b) Differentiated product

    c) Easy entry

    d) No advertising

VII. For a monopolist to sell more units of output

    a) The price of the output must be increased

    b) The price of the output must be decreased

    c) Demand must become more elastic

    d) The other competing firms must sell fewer units

VIII. The feature that distinguishes monopolistic competition from perfect competition is that monopolistically competitive firms are

    a) Large relative to the market

    b) Price takers

    c) Able to block the entry of other firms

    d) Able to differentiate their product

IX. Monopolist's supply curve is

    a) The marginal cost curve above minimum average variable cost

    b) The marginal cost curve above minimum average total cost

    c) The marginal cost curve below marginal variable cost

    d) Nonexistent

X. If a firm has some degree of market power, then output price

    a) Is guaranteed to be above a firm's average cost

    b) Is determined by the actions of other firms in the industry

    c) No longer influences the amount demanded of the firm's product

    d) Becomes a decision variable for the firm

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Third Semester   2018

Examination: B.S. 4 Years Programme

PAPER: Development Economics
Course Code: ECON-202/ECO-21324

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE

Q.#2: Write short answer to the following.   **(5x4=20)**
      I.   Demographic Transition
      II.   Two Gap Model
      III.   Debt Rescheduling
      IV.   Terms of Trade
      V.   Domestic Resource Mobilization

Q.#3: How a country can achieve higher level of growth by unbalancing the economy. Some economists objected the idea of unbalance, explain their views in detail.   **(10)**

Q.#4: How Fei and Rain (F-R) has overcame with the problems of Lewis model of dual economy. Discuss in detail.   **(10)**

Q.#5: What were the benefits gain by Pakistan by Green revolution and how it has impacted the economy?.   **(10)**

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Roll No. ....

Third Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Development Economics
Course Code: ECON-202/ECO-21324

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

NOTE: *Attempt all questions.*

OBJECTIVE

Q.#1: Select the correct answer.   **(1x10=10)**

I.   Value of Human Development Index (HDI) lies between:
        (a) 0 and 1   (b) 1 and 10   (c) 1 and 100   (d)-1 and 1

II.   Green Revolution started in Pakistan in:
        (a)   Early 1960's (b) Early 1970's   (c) Early 1980's   (d)None of the given

III.   Pakistan has been a WTO member since:
        (a)   1947   (b) 1971   (c) 1995   (d) 2005

IV.   Balance growth theory was presented by :
        (a) Ragnar Nurkse   (b) Rosentine   (c) Mankiv   (d) None of the given

V.   Pakistan is considered as ------- economy.
        (a)   (b) Developed   (c) Developing   (d) Both a and b

VI.   Asian financial crises started in
        (a)1990   (b)1993   (c) 1997   (d) 1999

VII.   Most of the exports of Pakistan consist of:
        (a)Industrial Products (b) Sports Goods (c) Cotton Products   (d) a and b

VIII.   The largest item of our imports is:
        (a)Petroleum   (b) Computers   (c) Cotton Cloth   (d) a and b

IX.   The unemployment rate in Pakistan is:
        (a) 3%   (b) 4%   (c) 5.9%   (d) 7 %

X.   General Agreement on Tariff and Trade (GATT) came into being in :
        (a) 1940   (b) 1947   (c) 1950   (d) 1955

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ATTEMPT THIS PAPER ON SEPARATE ANSWER SHEET PROVIDED.

SUBJECTIVE

Q. # 2: Write short answer to the following.   (5x4=20)

    I- Public saving and corporate saving

    II- GDP and GNP

    III- Barter System

    IV- Inflationary Gap

    V- Unemployment

Q. # 3: What is meant by equilibrium of national income? Explain with the help   **(10)**
of a diagram.

Q. # 4: Critically analyze classical theory of full employment.   **(10)**

Q. # 5: What are the objectives of Monetary Policy? Discuss.   **(10)**

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Roll No. ....

Third Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Basic Economics-III   TIME ALLOWED: 30 mins.
Course Code: ECON-221/ECO-21449   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

OBJECTIVE
NOTE: ATTEMPT ALL QUESTIONS.

Q. # 1:   Select the correct answer.   **(10)**

I- Macroeconomics is concerned with:

    a) The level of out-put of goods and services   b) The general level of prices
    c). The growth of real output   d). All the above.

II- Personal income equals disposable income plus:

    a) Personal income taxes   b) Personal savings
    c) Dividend payments   d) Government expenditure

III- Transfer payments do not include:

    a) The purchase of new motor truck by a firm
    b) The investment of new machinery in a factory
    c) The addition of a new wing to a factory
    d) The purchase of a factory previously used for another purchase

IV- Ceteris paribus means that:

    a) Other factors are held constant
    b) No other variable affects the dependent variable
    c) No other model can explain the dependent variable.
    d) The model is logical

V- When planned saving is greater than planned investment:

    a) Output should increase   b) Output should decrease
    c) Output should not change   d) All of above

VI- Equilibrium occurs in two sector economy model when:

    a) Saving equals investment
    b) Consumption plus investment equal the value of output.
    c) Planned saving equals investment
    d) Aggregate spending equals the revenues of business sector

VII- By definition the marginal propensity to consume:

    a) Equals $\frac{\Delta C}{\Delta Y}$
    b) Is the behavioral coefficient c in equation $c = \bar{c} + cyd$
    c) Is the slope of the consumption function
    d) All of the above.

VIII- the value of expenditure multiplies relates:

    a) The change in income to the change in autonomous spending
    b) The change in autonomous spending to the change in income
    c) The change in consumption to the change in income
    d) The change in income to the change in consumption

IX- An Expensive monetary and fiscal policy shifts:

    a) Aggregate demand to the right   b). Aggregate demand to the left
    c). Aggregate supply to the right   d). Aggregate supply to the left

X- Inflation is undesirable:

    a) It arbitrarily redistributes real income and wealth
    b) Creeping inflation invariably causes hyperinflation
    c) It always tends to make the distribution of income less equal
    d) It is accompanied by a declining real output

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Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE PART

Questions with Short Answers

Question 2. Answer the following in 5 to 10 sentences each. Unnecessarily long answers will lead to negative marking.

Marks: 20

  i.   What is meant by Net National Product

  ii.   Define Aggregate Supply.

  iii. What is the difference in direct tax and indirect tax?

  iv.   What is Keynesian Psychological Law about.

  v.   Define MPC.

  vi.   What is the main objective of WTO?

  vii. What is meant by deflation?

  viii. What do you understand by autonomous consumption?

  ix.   What is product method of national income measurement?

  x.   What is the difference in 'Absolute Advantage' and 'Comparative Advantage'?

Questions with Brief Answers

Answer the following questions. Avoid unnecessary details. (Marks: 10 Marks per question)

Question 3. Describe the Psychological Law of Consumption.

Question 5. Explain the theory of Comparative Advantages in international trade.

Question 7. Discuss the concept and measurement of National Income.

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Roll No. ....

Third Semester 2018
Examination: B.S. 4 Years Programme

PAPER: Economics (Macro) for Commerce   TIME ALLOWED: 30 mins.
Course Code: ECON-231/ECO-21320   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

OBJECTIVE PART

Question 1. *Encircle the best choice. More than one circle will be considered wrong answer. Cutting and overwriting is not allowed.*

Marks: 10

i) In Progressive Tax System, the rate of tax

    a. decreases with income level   b. Is independent of level of income

    c. Increases with income level   d. Depends on the consumption level

ii) Aggregate demand without a foreign sector is the sum of

    a. C + I   b. C + G

    c. I + G   d. C + I + G

iii) A fall in investment can result from:

    a. higher interest rates   b. lower expected future profits

    c. more expensive capital goods   d. all of the above

iv) Deflation is an/a

    a. increase in the level of economic activity.   b. increase in the overall price level.

    c. decrease in the level of economic activity.   d. decrease in the overall price level.

v) Saving is a direct function of

    a. Consumption   b. Interest rate

    c. Demand   d. Income

vi) Fiscal Policy is related to

    a. Taxes   b. Interest rates

    c. Bank rates   d. Money Supply

vii) Heckscher and Ohlin presented a theory of

    a. Taxes   b. Interest rates

    c. International Trade   d. Money Supply

viii) Intermediate goods are not included to calculate the final output because:

    a. they do not have value   b. they have unknown value

    c. they are exported   d. we need to avoid double counting

ix) Fundamental Psychological Law of Keynes is related to

    a. Consumption   b. Investment

    c. Inflation   d. Supply

x) The old name of WTO was

    a. ECO   b. WTC

    c. GATT   d. WTOC

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Fourth Semester - 2018

Examination: B.S. 4 Years

PAPER: Intermediate Macro Economics   TIME ALLOWED: 15 Min.

Course Code: ECON-203 / ECO-22318   Part – I (Compulsory)   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q.#1:   (1x10=10)

i.   Nominal GDP, when adjusted for price changes (i.e. inflation) gives the _____
 (a) Actual GDP   (b) Potential GDP
 (c) Real GDP   (d) Full Employment GDP

ii.   During inflation, the purchasing power of money _____
 (a) Increases   (b) Decreases
 (c) Remains Constant   (d) None of these

iii.   GDP deflator = _____
 (a) Nominal GDP / Real GDP   (b) Real GDP / Nominal GDP
 (c) Potential GDP / Real GDP   (d) None of these

iv.   A type of unemployment in which workers are in-between jobs or are searching for new and better jobs is called _____ unemployment.
 (a) Frictional   (b) Cyclical
 (c) Structural   (d) Turnover

v.   The Philips curve describes the relationship between _____
 (a) The federal budget deficit and the trade deficit
 (b) Savings and investment
 (c) The unemployment rate and the inflation rate
 (d) Marginal tax rates and tax revenues

vi.   Which of the following would cause the aggregate demand curve to shift to the right?
 (a) An increase in purchases by the federal government
 (b) An increase in real interest rates
 (c) An appreciation of the Pakistani Rupee
 (d) A decrease in the money supply

vii.   The slope of the aggregate supply curve is always _____
 (a) Positively upward   (b) Negatively Downward
 (c) Both (a) and (b)   (d) None of the these

viii.   The IS curve represents negative relationship between interest rate and level of _____
 (a) Prices   (b) Income
 (c) Wages   (d) None of the these

ix.   The LM curve represents a _____ relationship between interest rate and level of income.
 (a) Negative   (b) Downward Sloping
 (c) Positive   (d) Both (a) and (b)

x.   Sticky wage model explains why short run aggregate _____ is upward sloping.
 (a) Supply Curve   (b) Demand Curve
 (c) None of these   (d) Both (a) and (b)

UNIVERSITY OF THE PUNJAB

Fourth Semester - 2018

Examination: B.S. 4 Years

PAPER: Intermediate Macro Economics
Course Code: ECON-203 / ECO-22318   Part – II

TIME ALLOWED: 2 Hrs. & 45 Min.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q.#2: Explain the following briefly.   (5x4=20)

i.   The circular flow of national income?

قومی آمدنی کا دائری بہاؤ   .i

ii.   Automonous and induced investment?

خود اختیار اور ترغیب یافتہ سرمایہ کاری   .ii

iii.   Okun's Law.

اوکن کا قانون   .iii

iv.   IS Curve.

آئی ایس خط   .iv

v.   Types of Inflation.

افراطِ زر کی اقسام   .v

Q.#3: Explain three approaches for measurement of national income.
(10)

سوال نمبر 3:   قومی آمدنی کی پیمائش کے تین مختلف طریقے بیان کریں۔

Q.#4: Explain Permanent income and life-cycle hypothesis of Consumption.   (10)

سوال نمبر 4:   صرف کے بارے میں مستقل آمدنی اور حیات کی گردش کی آمدنی کے نظریے کی وضاحت کریں۔

Q.#5: What is Aggregate Supply Curve? Also discuss imperfect information model.(10)

سوال نمبر 5:   خط مجموعی رسد کیا ہے؟ نا مکمل معلومات کے ماڈل کی وضاحت کریں۔

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q.#1:   (1x10=10)

i. Due to increase in population and inheritance laws landholdings are over and over again.
    (a) Subdivided   (b) Accumulated
    (c) Scattered at different places   (d) None of the above

ii. The most important problem of agriculture is:
    (a) High yield per hectare   (b) Constant yield per hectare
    (c) Low yield per hectare   (d) All of the above

iii. There is a large potential for diversification of agricultural activities in Pakistan, because Pakistan has:
    (a) All types of climates and seasons. (b) Unfavorable climatic conditions
    (c) Rainy pattern of climate   (d) None of the above

iv. Pakistan's agricultural sector's contribution to GDP is:
    (a) 27%   (b) 23%
    (c) 18.9%   (d) 15%

v. Target fer the growth of agricultural sector for 2017 – 2018 was:
    (a) 4.5%   (b) 3.5%
    (c) 2.3%   (d) 6.2%

vi. Pakistan has two cropping seasons.
    (a) Kharif and spring   (b) Kharif and Rabi
    (c) Rabi and spring   (d) All of these

vii. According to Picardian theory of Rent, there applies, law of:
    (a) Increasing returns   (b) Decreasing returns
    (c) Constant returns   (d) None of the above

viii. In agricultural sector there exists.
    (a) Unemployment   (b) Disguised unemployment
    (c) Full employment   (d) All of the above

ix. The facts reveal that the number of mouths to feed on this planet is:
    (a) Decreasing   (b) Increasing
    (c) Remaining the same   (d) All of these

x. Keeping in view the conditions prevailing in the world we find that word's food supply is:
    (a) Satisfactory   (b) Not satisfactory
    (c) Not predictable   (d) None of these

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Fourth Semester - 2018

Examination: B.S. 4 Years

PAPER: Argiculture Economics

Course Code: ECON-204 / ECO-22325 Part – II

TIME ALLOWED: 2 Hrs. & 45 Min.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q.#2: Write Short answers of the following questions.   **(2x10=20)**

    i.   Discuss commercial farming?

    ii.   What is meant by land tenure system?

    iii.   How can we control water logging & salinity?

    iv.   Write note on traditional agricultural farming?

    v.   Define Quasi rent?

    vi.   What is tenancy under uncertainity?

    vii.   What are main principles of farm management?

    viii.   Suggest measures for food safety in Pakistan?

    ix.   What is malthusian Dilema?

    x.   Discuss the relationshnip between agriculture and environment?

Q.#3: "The development of agri-sector and industrial sector is inter–dependant". Explain with reference to Pakistan.   **(10)**

سوال نمبر3:   زرعی شعبہ اور صنعتی شعبہ اقتصادی ترقی کے لۓ تکمیلی شعبہ جات خیال کۓ جاتے ہیں۔
پاکستان کے حوالے سے بحث کریں۔

Q.#4: (a)   What is the concept of Agri-Credit.   **(3)**

    (b)   Enlist the sources of Agri-Credit.   **(3)**

    (c)   Is it helpful to improve the living standard of farmers in Pakistan?   **(4)**

سوال نمبر4:   (الف)   زرعی قرضہ کا تصور کیا ہے؟

(ب)   زرعی قرضہ کے ذرائع تحریر کریں؟

(ج)   کیا زرعی قرضہ، پاکستان میں کسان کے معیارِ زندگی کو بہتر بنانے میں مددگار ثابت ہو سکتا ہے؟

Q.#5: Discuss the Pros. and Cons of WTO and explain its impact for Pakistan's Agriculture sector.   **(5+5=10)**

سوال نمبر5:   عالمی تجارتی تنظیم (WTO) کے فوائد و نقصانات پر بحث کریں اور پاکستان کے زرعی شعبہ پر اس کے اثرات
کی وضاحت کریں۔

PAPER: Basic Economics-IV   **TIME ALLOWED: 15 Min.**
Course Code: ECON-223 / ECO-22449   Part – I (Compulsory)   **MAX. MARKS: 10**

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q.1 Encircle the correct answer   **(10x1=10)**

i.   The ultimate source of long-term growth in already developed countries is
    a. Increased worker productivity
    b. Larger and more powerful government
    c. A workforce that always works harder
    d. Unrestricted immigration

ii.   A country experience trade surplus if
    a. Exports are more than imports
    b. Imports are more than exports
    c. Imports are equal to exports
    d. None of the given option

iii. Balance of payment can be examined as:
    a. Difference between total receipts from and the total payments to the rest of the world
    b. Difference between import and export
    c. Difference between production possibility curve and consumption curve
    d. None of the given

iv.   The intersection of demand curve for imports and supply curve of exports shows:
    a. Partial equilibrium at which trade take place
    b. Partial equilibrium
    c. General equilibrium
    d. General equilibrium at which trade take place

v.   An economist will define the exchange rate between two currencies as the:
    a. Amount of one currency that must be paid in order to obtain one unit of another currency.
    b. Difference between total exports and total imports within a country.
    c. Price at which the sales and purchases of foreign goods take place.
    d. Ratio of imports prices to export prices for a particular country.

(P.T.O.)

vi.   If all international transactions were included and measured accurately, then the statistical discrepancy would be
a. Zero.
b. Short-term capital flows only.
c. Positive only if the central bank intervened to support the currency.
d. Negative if the country were running a trade deficit.

vii.   The balance of trade is given by:
a. income receipts minus income payments on investments
b. the balance of unilateral transfers
c. merchandise exports plus service exports minus the sum of merchandise and service imports
d. merchandise exports minus merchandise imports

viii.   Floating exchange rates refer to:
a. the ability of exchange rates to even out when displaced by shocks to the foreign exchange market
b. new issues of foreign exchange offered on the market
c. an exchange rate determined by the demand for and supply of a nation's currency
d. an excess demand for a nation's currency that causes its devaluation

ix.   The HR plans of any organization does not includes
a. personnel plans
b. production plans
c. compensation plans
d. training and development plans

x.   OPEC is the
a. Organization of Petroleum Exporting Country.
b. Organization of Pre- European Commission.
c. Oil Producing Economies Caucus.
d. Organization of Problematic Economies Committee.

UNIVERSITY OF THE PUNJAB

Fourth Semester - 2018

Examination: B.S. 4 Years

Roll No. ....

PAPER: Basic Economics-IV

Course Code: ECON-223 / ECO-22449   Part – II

TIME ALLOWED: 2 Hrs. & 45 Min.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q.2 Give short answers to the following questions.   (5X4= 20)

   a. Trade deficit

   b. Role of manpower in economic development

   c. Issues in agriculture sector of Pakistan

   d. Differentiate between economic growth and economic development.

Q.3 Give answers to the following questions.   (10x3=30)

   a. How industrial sector can increase economic growth of Pakistan? Discuss in detail.

   b. Economic Planning is considered as road map for economic development. Discuss in detail.

   c. How deficit in balance of payment affect any country.

UNIVERSITY OF THE PUNJAB

Fourth Semester - 2018
Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Economics of Pakistan
Course Code: ECON-232 / ECO-22320 Part – I (Compulsory)

TIME ALLOWED: 15 Mints.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q. 1   (10x1=10)

i)   Pakistan is classified as a
- a.   Developed country
- b.   Underdeveloped country
- c.   Least developed country
- d.   Developing country

ii)   IMF stands for
- a.   Imposing Misery and Famine
- b.   Impossible Mission Force
- c.   International Monetary Fund
- d.   International Monopoly Fund

iii)   Banks were nationalized in Pakistan in
- a.   1988
- b.   1948
- c.   1974
- d.   2012

iv)   Pakistan's major exports include
- a.   Oil
- b.   Gas
- c.   Agricultural Products
- d.   Industrial Products

v)   The fifth five year plan was for
- a.   1973-1978
- a.   1978-1983
- c.   1956-1961
- c.   1961-1966

vi)   Pakistan's largest source of revenue is
- a.   Direct tax
- b.   Indirect tax
- c.   Import tariff
- d.   Excise duties

vii)   Pakistan's Per Capita income in US dollars is below
- a.   1000
- b.   500
- c.   1500
- d.   6000

viii)   USA is a
- a.   Developed country
- b.   Developing Country
- c.   Least developed country
- d.   Transitional economy

ix)   Tacavi loans are source of
- a.   Agricultural Credit
- b.   Housing Finance
- c.   Industrial Loan
- d.   Loan to import oil

x)   Following is a characteristic of a developing country
- a.   Low Population Growth
- b.   Low Industrial Production
- c.   Low Unemployment rate
- d.   Low Infant Mortality Rate

UNIVERSITY OF THE PUNJAB

Fourth Semester - 2018

Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Economics of Pakistan

Course Code: ECON-232 / ECO-22320   Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

(2) Provide short answers (maximum 10 sentences per answer). *(MARKS: 20)*

    i.   Why do we need foreign aid?

    ii.   What is meant by Cottage Industry?

    iii.   What is meant by Agricultural Marketing?

    iv.   List any five imports of Pakistan.

    v.   List at least five sources of Agriculture Finance.

    vi.   How can we improve our education? List at least five suggestions?

    vii.   What are the reasons of adverse BOP? Provide only a list of at least five reasons.

    viii.   How does corruption impact economic development?

    ix.   How do projects like orange train and motorway benefit the economy?

    x.   What is the difference in Fiscal and Monetary Policy?

(3) Answer the following briefly (maximum 20 to 30 sentences per answer). *(MARKS: 30: 10 each)*

    i.   What are the characteristics of less developed countries?

    ii.   What are Pakistan's major exports?

    iii.   Discuss the importance of education in economic development.

UNIVERSITY OF THE PUNJAB

Roll No. ....

Fifth Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Micro Economics
Course Code: ECON-301

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.
SECTION 1 (OBJECTIVE)

Note: Attempt all questions.

Q. No. 1:   Select the Correct Answer.

1. If two goods are substitutes of one another, then the cross elasticity of demand for these goods is:

    a). Positive   b). Negative   c). Zero   d). None of these

2. Slope of an ordinary difference curve is:

    a). Infinite   b). Negative   c). Positive   d). Zero

3. Net change in total revenue due to selling of an extra unit of out-put is called:

    a). Price   b). TR   c). MR   d). AR

4. Compensated demand curve is also known as:

    a). ICC   b). PCC
    c). Hicksian demand curve   d). Marshallion demand curve

5. A combination of inputs which minimizes cost is:

    a). Optimum factor combination   b). Non proportionate combination
    c). a & b   d). None of these

6. In function $Q = L^a K^B$, if $a + B > 1$, there are:

    a). Constant returns to scale   b). Decreasing returns to scale
    c). Increasing returns to scale   d). All of these

7. When LAC is at its minimum point, LMC intersects it:

    a). False   b). True   c). a & b   d). None of these

8. The best or optimum level of out-put for a perfectly competitive firm is given by the point where:

    a). MR equals AC   b). MR equals MC
    c). MR exceeds MC by greatest amount   d). MR equals MC and MC is rising

9. The best or optimum level of output for a pure monopolist occurs at a point where:

    a). STC is minimum   b). TR = STC
    c). TR is maximum   d). The TR and STC curves are parallel

10. In case of price leadership by the dominantfirm, all the firms will produce (in a purely oligopolistic industry) their best level of out-put.

    a). Always   b). Never   c). Some times   d). Often

UNIVERSITY OF THE PUNJAB

Fifth Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Micro Economics
Course Code: ECON-301

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE

Q. No. 2   Write short answer to the following.   (4 x 5 = 20)

    I.   Engel's Curve

    II.   Cross elasticity of demand

    III.   Marginal rate of technical substitution

    IV.   Reserve capacity

    V.   Monopoly

Q. No. 3   Prove that price effect (PE) is sum of substitution effect (SE) and Income   (10)
Effect (IE) when the good is normal and price decreases.

Q. No. 4   Explain long run equilibrium of a firm and industry under perfect   (10)
competition.

Q. No. 5   Discuss determination of price and output under price discrimination by   (10)
monopolist.

UNIVERSITY OF THE PUNJAB

Roll No. ....

Fifth Semester   2018
Examination: B.S. 4 Years Programme

PAPER: Econometrics-I
Course Code: ECON-302

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

	Objective Part: Encircle the Correct Answer.	Max Marks (10)
1.	The first order auto-regressive relationship of residual term is: a) $\varepsilon_t = \rho\varepsilon_{t-1} + \mu_t$ b) $\varepsilon_t = \rho\varepsilon_{t-1} - \mu_t$ c) $\varepsilon_t = \rho\varepsilon_{t-2} + \mu_t$ d) $\varepsilon_t = \rho\varepsilon_{t+1} + \mu_t$	
2.	The variance of the random error term may be seriously underestimated if the errors are: a) Not correlated b) Auto-correlated c) Both (a) & (b) d) None of these	
3.	The reduced form method is a: a) Single equation method b) Multi equation method c) Double equation method d) None of these	
4.	Hetro-skedasticity can also arise as a result of the: a) Presence of outlier b) Absence of outlier c) Both (a) & (b) d) None of these	

P.T.O.

5.	The Method of OLS assumes that independent variables must be:
	   a) Endogenous
	   b) Exogenous
	   c) Partially endogenous
	   d) None of these	

6.	T-stat is used to check:
	   a) Overall significance of the model
	   b) Individual significance of the variables
	   c) Both (a) & (b)
	   d) None of these	

7.	An equation can be:
	   a) Exactly identified
	   b) Over identified
	   c) Under identified
	   d) All of these	

8.	If qualitative data has three attributes and we introduce three dummy variables, it refers to:
	   a) Qualitative classification
	   b) Categorical classification
	   c) Dummy variable trap
	   d) Absence of multi-collinearity	

9.	In Correlation analysis, there is:
	   a) Cause and effect relationship between variables
	   b) No cause and effect relationship between variables
	   c) Both (a) & (b)
	   d) None of the above	

10.	The correlation coefficient ranges from:
	   a) 0 to 1
	   b) -1 to +1
	   c) -1 to $+\infty$
	   d) $-\infty$ to $+\infty$	

UNIVERSITY OF THE PUNJAB

Fifth Semester   2018

Examination: B.S. 4 Years Programme

PAPER: Econometrics-I
Course Code: ECON-302

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

	Subjective Paper: Note: Attempt all Questions	

Q 2.	Explain the following briefly.
	  i. R^2 and Adjusted R^2
	  ii. Instrumental Variables
	  iii. OLS and GLS
	  iv. Use of Z - stat and F - stat
	  v. ILS and 2SLS
		4 * 5
		= 20

Q 3.	Income and Consumption expenditure (X and Y respectively) are given for 20 families. Given the data, estimate consumption function, indicate value of MPC (marginal propensity to consume), indicate consumption level at zero income and give economic interpretations of your regression results. $\sum x = 191,200 \qquad \sum y = 175,300 \qquad \sum x^2 = 2,165,180,000$ $\sum y^2 = 1,813,469,000 \qquad \sum xy = 1,973,670,000 \qquad n = 20$	10
Q 4.	Distinguish between simple correlation and auto-correlation. How to find the presence of auto-correlation? What are the consequences of auto-correlation and its remedies?	10

Q 5.	Consider the following OLS regression model:
	$\ln y_t = \alpha + \beta \ln x_t + \varepsilon_t$
	Where $y_t \rightarrow$ Real food expenditure,
	    $x_t \rightarrow$ Real food advertising expenditure
	The model was estimated using quarterly data and sample size = 40. Seasonal dummies (Seas) were introduced and the following results were obtained.
	$\ln y_t = 8.236 - 0.076 Seas_1 - 0.012 Seas_2 - 0.004 Seas_3 + 0.0175 \ln x_t$
	$R^2 = 0.75$
	  i. Interpret estimated regression coefficients.
	  ii. Explain why there are only three seasonal dummies in a regression.
	  iii. Comment on value of coefficient of determination.
		10

BON COURAGE

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Attempt this Paper on this Question Sheet only.

NOTE: Attempt all questions

OBJECTIVE

Q. #: Select the correct answer.   **(1 X 10 = 10)**

I.   Real number system consist of :
     a. **(a)** Integer   **(b)** Fraction   **(c)** Rational and Irrational number   **(d)** all

II. Slope of the function $y = 3x^2$ at $x = 2$
     a. **(a)** 3   **(b)** 2   **(c)** 12   **(d)** 3x

III. The price elasticity of demand in PQ=200 is
     a. **(a)** 200   **(b)** 0   **(c)** Unity   **(d)** Infinity

IV. The matrix which has zero determinant is called as
     a. **(a)** Singular Matrix   **(b)** Non-Singular matrix **(c)** Identity Matrix   **(d)** None of
        these

V.   Slope of Straight line passing through the points (15, 27) and (20, 10)
     a. **(a)** Positive   **(b)** Negative   **(c)** Zero   **(d)** None of
        these

VI. A minor coupled with prescribed sign is called:
     a. **(a)** Transpose   **(b)** Co-factor   **(c)** Both a and b **(d)** none

VII. Minor with a specific algebraic sign is called as
     a. **(a)** Matrix   **(b)** Identity   **(c)** Co-factor   **(d)** Transpose

VIII. The slope of quadratic function at its maximum point is
     a. **(a)** Positive   **(b)** Zero   **(c)** Negative   **(d)**
        None of These

IX. Under perfect competition, total revenue function is
     a. **(a)** Cubic Function   **(b)** Linear Function   **(c)** Quadratic Function   **(d)** none

X.   If $Qd_1 = 400 - 3P_1 - 4P_2$ and $Qd_2 = 200 - 7P_1 - 4P_2$ then these two goods will be
     a. **(a)** inferior goods   **(b)** complements   **(c)** substitutes   **(d)** griffon
        goods

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PAPER: Mathematical Economics-I   **TIME ALLOWED: 2 hrs. & 30 mins.**
Course Code: ECON-303   **MAX. MARKS: 50**

Attempt this Paper on Separate Answer Sheet provided.
SUBJECTIVE TYPE

NOTE: Attempt all questions

Q.2   Write the short answers   (4 X5 =20)

    (i) Differentiate between exponential and logarithmic function

    (ii) What do you meant by non-singular matrix?

    (iii) State duality theorems?

    (iv) If $TC = Q^3 - 3Q^2 + 100Q + 60$

    (v) If $Q = 70 - 5P$

        Then find the slope of TR (Total Revenue)

Q.3   If $Q_d = 20 - 3p$ $Q_s = -5 + 29$

    $Q_d = Q_s$

    a) Find equilibrium price (p) and equilibrium quantity (Q).   (5)

    b) Find Elasticity of demand and elasticity of supply at P and Q   (5)

Q.4   If $A = \begin{bmatrix} 2 & 3 & 0 \\ 5 & 4 & 1 \\ 1 & 6 & 3 \end{bmatrix}$ Find A^{-1}?   (10)

Q.5   Find $\frac{dy}{dx}$ of

    (i) $Y = (9x^2 - 7)^4$ (5)

    (ii) $Y = \ln\left(\frac{6x}{4-x^2}\right)$ (5)

PAPER: General Equilibrium and Welfare Economics   TIME ALLOWED: 30 mins.
Course Code: ECON-304   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.
OBJECTIVE TYPE

NOTE: Attempt all the questions.

Q1. Encircle the correct answer.   (1*10=10)

I.   The slope of transformation curve is given by

(a) MRT $_{xy}$ (b) MRS $_{xy}$ (c) MRTS $_{LK}$ (d) All of the above

II. Jim is studying the equilibrium of two markets simultaneously, he is said to be using:
(a) general equilibrium analysis
(b) partial equilibrium analysis
(c) comparative statics
(d) marginal theory analysis

III. The only way to increase the output of one good is to reduce the output of another. This allocation of inputs is said to be:
(a) consumption efficient   (b) production efficient   (c) economic efficient   (d) none of the above

IV. Efficient exchange occurs when
(a) every individual starts with the same initial endowment.
(b) every pair of individuals has the same marginal rate of substitution for every pair of goods.
(c) individuals with low initial endowments are compensated through redistribution programs.
(d) All of the above

V.   The allocation of commodities at the point where the indifference curves of individuals are tangent is:
(a) production efficient   (b) consumption efficient   (c) fair   (d) utility-consumption efficient

VI. If social cost is considered in the market then the production will _____
(a) increase   (b) decrease   (c) remain same   (d) none of the above

VII. The First Welfare Theorem states that, in a general equilibrium with perfect competition, the allocation of resources is
(a) fair   (b) Pareto efficient   (c) biased toward the rich   (d) unduly influenced by power relationships

VIII. The marginal rate of transformation is:
(a) the negative slope of the production possibilities curve.
(b) the rate at which an economy can transform one output into another
(c) the rate at which an economy can transform one input into another
(d) A & B

IX. An allocation in which one person can be made better off only by making someone else worse off is
(a) inefficient.   (b) efficient.   (c) a partial equilibrium.   (d) a general equilibrium.

X.   GNP criterion of social welfare is given by _____
(a) Keynes   (b) Adam smith   (c) Hicks   (d) Milton Friedman

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PAPER: General Equilibrium and Welfare Economics   **TIME ALLOWED: 2 hrs. & 30 mins.**
Course Code: ECON-304   **MAX. MARKS: 50**

Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE TYPE

Q2. Briefly answer the following questions   (4*5=20)

i.   What is general equilibrium analysis?

ii.   What is the difference between equity and efficiency?

iii.   Differentiate between public goods and private goods.

iv.   What is product mix efficiency?

v.   What is meant by welfare economics?

Q3. Explain the Bentham's and Bergson criterion of social welfare.   (10)

Q4. Using an Edgeworth box, illustrate and explain the concept of Pareto efficiency.   (10)

Q5. Explain the fundamental theorems of welfare economics and discuss their implications. (10)

UNIVERSITY OF THE PUNJAB

Roll No. ....

Fifth Semester   2018

Examination: B.S. 4 Years Programme

PAPER: Labor Economics   TIME ALLOWED: 30 mins.

Course Code: ECON-305   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

OBJECTIVE TYPE

Q. 1   Choose the appropriate option

1. If the price of the product produced by the labor decreases, the marginal revenue product of labor curve will:

    a). Be unaffected since productivity of labor has not changed
    b). Shift to the left
    c). Shift to the right
    d). Become more inelastic

2. In a competitive labor market, firms will hire labor up to the point where the marginal revenue product of labor equals:

    a). Total labor cost   b). Marginal factor cost
    c). The price of the product   d). The marginal product

3. If the target rate of unemployment falls, potential income will:

    a). First decrease, then increase   b). Increase
    c). Decrease   d). First increase, then decrease

4. Technological improvements will:

    a). Leave the production possibility frontier unchanged.
    b). Shift the production possibility frontier inward.
    c). Shift the production possibility frontier outward.
    d). Necessarily lead to increased unemployment.

5. To increase growth, governments should do all of the following except:

    a). Encourage saving and investment.
    b). Encourage foreigners to investment in their country.
    c). Encourage research and development.
    d). Nationalize major industries.

6. If output price is constant, the marginal revenue product of labor curve will have the same shape as the:

    a). Marginal product of labor curve   b). Marginal cost curve
    c). Total product of labor curve   d). Total variable cost curve

7. Sectoral shifts tend to raise which type of unemployment?

    a). Unemployment due to job search
    b). Unemployment due to minimum wages
    c). Unemployment due to unions
    d). Unemployment due to efficiency wages

8. Surplus labour theories assume that:

    a). Less developed countries are overpopulated.
    b). Labour contributes nothing to output in less developed countries
    c). The marginal product of labour is close to zero in less developed countries
    d). There is too much unemployment in less developed countries.

9. The marginal revenue product curve of labor will always shift to the right if:

    a). The wage rate rises
    b). Product demand decreases and product price decreases
    c). Product demand increases and product price increases
    d). The price of capital rises

10. The unemployment in which workers are unemployed due to the recession is called:

    a). Disguised unemployment   b). Frictional unemployment
    c). Cyclical unemployment   d). Structural Unemployment

UNIVERSITY OF THE PUNJAB

Fifth Semester   2018

Examination: B.S. 4 Years Programme

PAPER: Labor Economics	**TIME ALLOWED: 2 hrs. & 30 mins.**
Course Code: ECON-305	**MAX. MARKS: 50**

Attempt this Paper on Separate Answer Sheet provided.
SUBJECTIVE TYPE

Question No. 2

Write short Answers to the following: (4 x 5 = 20)

1. Tools to analyze labour market and conditions.

2. Supply of labour

3. Types of unemployment

4. Minimum wage law in Pakistan

5. Child Labour in Pakistan.

Question No.3

Explain the role of labour union in Pakistan.   (10)

Question No. 4

Discuss the impact of training on labour productivity.   (10)

Question No. 5

Discrimination in labour market is not acceptable in any country. Discuss   (10)

UNIVERSITY OF THE PUNJAB

Sixth Semester - 2018

Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Macro Economics

Course Code: ECON-306   Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q.2. Briefly explain the following: (20)

    i.   Illustrate the concept of Transaction Demand for money.

    ii.   Describe the Say's law of markets.

    iii.   Enlist the components of A.D.

    iv.   Define Fiscal Policy.

    v.   What are the components of Aggregate demand.

    vi.   Explain the concept of business cycle.

    vii.   Explain steady state equilibrium conditions.

    viii. Define inflation and inflation rate.

    ix.   Explain the Balance Payment.

    x.   List the objective of Fiscal Policy.

Q.3. Explain the determinants of Aggregare supply. **(10)**

Q.4. Briefly discuss inflationary and deflationary gaps. **(10)**

Q.5. Derive the AS curve under classical assumption. **(10)**

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q.1.   Tick or Encircle the most suitable option for each question   (10)

i.   If government increases taxes, private savings will
   a.   Increase
   b.   Decrease
   c.   not change
   d.   Will become zero

ii.   Which of following has the largest figure:
   a.   NNP
   b.   GNP
   c.   DPI
   d.   PI

iii.   MPC is equal to:
   a. C/Y
   b. $\Delta C/\Delta Y$
   c. Y/C
   d. $\Delta Y/\Delta C$

iv.   If MPC = 0.75 and national income is Rs. 400 billion. National consumption will be equal to
   a.   400*0.75
   b.   400+0.75
   c.   400/0.75
   d.   400-0.75

v.   The govt. can control inflation by
   a.   Increasing government expenditures
   b.   Increasing money supply
   c.   Decreasing money supply
   d.   Decreasing interest rate

vi.   The most important feature of money is:
   a.   General acceptability
   b.   Convertibility into gold
   c.   Store of value
   d.   Medium of exchange

vii.   Inflation is a situation when
   a.   Prices of some goods rise
   b.   Price of gold rises
   c.   Stock prices rise
   d.   General price level rises continuously

viii.   During Inflation
   a.   Lenders lose, borrowers gain
   b.   Borrowers lose, lenders gain
   c.   Borrowers and lenders both lose
   d.   All sections of the society gain

ix.   Which is the most widely used tool of monetary policy
   a.   Clearing house
   b.   Open market operations
   c.   Discount rate
   d.   Issuing of notes

x.   Taxes are levied to
   a.   Penalize people
   b.   Provide direct benefits to tax payers
   c.   Provide general benefits for the people
   d.   To accumulate funds

UNIVERSITY OF THE PUNJAB

Sixth Semester - 2018

Examination: B.S. 4 Years

PAPER: Econometrics II

Course Code: ECON-307 Part – II

TIME ALLOWED: 2 Hrs. & 45 Min.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q.2. Explain the following briefly.   (5 x 4 = 20 Marks)
   (i)   Moving Average process
   (ii)   Specification Bias
   (iii)   ARCH models
   (iv)   Unit Root test
   (v)   Restricted Least Square

Q3. (i) Describe the least square estimation procedure in matrix notation.   (5 Marks)
    (ii) Explain the purpose and procedure of Chow test.   (5 Marks)

Q4. (i) You are given the following data:
          RSS1 based on the first 30 observations = 55, df = 25
          RSS2 based on the last 30 observations = 140, df = 25
          Carry out the Goldfeld–Quandt test of heteroscedasticity at the 5 percent level of
          significance.   (4 Marks)
    (ii) Consider the following model
          $Y_i = \alpha_1 + \alpha_2 D_i + \beta X_i + u_i$

    where Y = annual salary of a college professor, X = years of teaching experience

    D = dummy for gender

    Consider three ways of defining the dummy variable.

    a) D = 1 for male, 0 for female.   b) D = 1 for female, 2 for male.

    c) D = 1 for female, –1 for male.

    Interpret the preceding regression model for each dummy assignment. Is one method
    preferable to another? Justify your answer.   (6 Marks)

Q.5. Develop a suitable ARIMA model to forecast the labor force participation rate for females
     and males separately. What considerations would you take into account in developing such a
     model? Show the necessary calculations and explain the various diagnostic tests you use in
     your analysis.   (10 Marks)

PAPER: Econometrics II
Course Code: ECON-307 Part – I (Compulsory)

TIME ALLOWED: 15 Min.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1 Encircle the correct answer. (10 Marks)

(i) In multiple regression, the R^2 increases whenever an explanatory variable is
   a) added unless the coefficient on the added variable is exactly zero.
   b) added unless the adjusted R^2 falls.
   c) added unless there is heteroskedasticity.
   d) added unless the added variable is not statistically significant at the 5%-level.

(ii) Which of the following is an equivalent expression for saying that the explanatory variable is "non-stochastic"?
   a) The explanatory variable is partly random
   b) The explanatory variable is fixed in repeated samples
   c) The explanatory variable is correlated with the errors
   d) The explanatory variable always has a value of one

(iii) The sample average of the OLS residuals is
   a) some positive number since OLS uses squares.
   b) zero.
   c) unobservable since the population regression function is unknown.
   d) dependent on whether the explanatory variable is mostly positive or negative.

(iv) In the regression model $Y_i = \beta_0 + \beta_1 C_i + \beta_2 F_i + \beta_3 (C_i \times F_i) + u_i$, where Y denotes earnings, C a dummy variable for having a college degree and F a gender dummy variable, β_2
   a) is the gender difference in earnings for someone with a college degree.
   b) is the gender difference in earnings for someone without a college degree.
   c) is the difference in earnings between those with and without a college degree when $F_i = 0$.
   d) cannot be estimated since F_i and $(C_i \times F_i)$ are perfectly collinear when $F_i = 0$.

(v) The random walk model is an example of a
   a) stationary model.
   b) stochastic trend model.
   c) binomial model.
   d) deterministic trend model

(vi) The order of integration
   a) depends on the number of lags in the VAR specification.
   b) is the number of times that the series needs to be differenced for it to be stationary.
   c) cannot be calculated in time series.
   d) can never be zero.

(P.T.O.)

(vii) Which one of the following would NOT be a consequence of using non-stationary data in levels form?

    a) The regression R^2 may be spuriously high

    b) Test statistics may not follow standard distributions

    c) Statistical inferences may be invalid

    d) Parameter estimates may be biased

(viii) Negative residual autocorrelation is indicated by which one of the following?

    a) A cyclical pattern in the residuals

    b) An alternating pattern in the residuals

    c) A complete randomness in the residuals

    d) Residuals that are all close to zero

(ix) What is the meaning of the term "heteroscedasticity"?

    a) The variance of the errors is not constant

    b) The variance of the dependent variable is not constant

    c) The errors are not linearly independent of one another

    d) The errors have non-zero mean

(x) For a stationary autoregressive process, shocks will

    a) Eventually die away

    b) Persist indefinitely

    c) Grow exponentially

    d) Never occur

PAPER: Mathematical Economics II

Course Code: ECON-308   Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q2. Write short answers of the following questions   (5 x 4 =20)

   i.   Find $\int X \ln X \, dX$

   ii.   What is difference between Eular and Maclaurin series?

   iii.   Find the roots of the equation $2X^2 - X + 1 = 0$

   iv.   Find Y_c and Y_p of $dy/dt - 2y = 0$ where $y(0) = 9$

   v.   What is meant by exact differential equations?

Q3. Solve the following difference equation and verify your answer.

$$Y_{t+2} - 2Y_{t+1} + 2Y_t = 1 \qquad where \; Y_{(0)} = 3, Y_{(1)} = 4 \qquad (10)$$

Q4. Is the following equation exact? If not, try a possible integrating factor to solve the equation.

$$2 y \, t^3 \, dy + 3y^2 t^2 \, dt = 0 \qquad (10)$$

Q.5. Derive Kuhn Tucker condition for verifying the optional values found in non-linear programming.   (10)

UNIVERSITY OF THE PUNJAB

Sixth Semester - 2018

Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Mathematical Economics II

Course Code: ECON-308   Part – I (Compulsory)

TIME ALLOWED: 15 Mints.

MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q1. Tick the Correct answer

1. Square root of negative number is called:
   a) complex number
   b) imaginary number
   c) both
   d) none

2. Solution of $\int k\, e^x\, dx$
   a) k
   b) e^x
   c) $k\, e^x$
   d) None of the given

3. Derivative of sin Θ is:
   a) Cos Θ
   b) –Cos Θ
   c) –Sin Θ
   d) Tan Θ

4. $\int X^2\, dx$ is:
   a) Proper integral
   b) Improper integral
   c) Indefinite integral
   d) None of these

5. According to Eular relation the polar form of complex number (h+vi) is:
   a) R (Cos Θ+ Sin Θ)
   b) $R\, e^{i\Theta}$
   c) R Cos Θ
   d) RSin Θ

6. Derivative of cos θ:
   a) cos θ b) -cos θ c)-sin θ d)sin θ

7. Particular integral shows:
   a) reduced form equation   b) inter temporal equilibrium   c)nothing

8. According to Domer growth model, output is function of:
   a) labor   b) capital   c) K/L   d) K and L

9. $dy/dt +3ty= e^4 y^4$ is a:
   a) linear diff equation   b) Bernoulli equation   c)both   d)none

10. $dy/dt + ty= 3t^2 y$ is a:
    a) linear differential equation   b)bernouli's equation
    c) difference equation   d)an identity

UNIVERSITY OF THE PUNJAB

Sixth Semester - 2018

Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Population Economics

Course Code: ECON-309   Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q # 2: Give answers to the following short questions .(4*5=20)

i. Write down the causes of over population of Pakistan (any five)

ii. What are the sources of demographic data?

iii. What is meant by efficiency of labor? Which factors affect the efficiency of labour?

iv. How Optimum theory of population is better than Malthus theory

Part-II

Q# 3: Attempt All Questions   (10*3=30)

i. Mention the negative aspects of population growth on socio economic setup. (10)

ii. Discuss the qualitative and quantitative aspects of population in Pakistan.   (10)

iii. Explain the Microeconomic Household Theory of Fertility. (10)

UNIVERSITY OF THE PUNJAB

Sixth Semester - 2018
Examination: B.S. 4 Years Programme

Roll No. ....

PAPER: Population Economics
TIME ALLOWED: 15 Mints.

Course Code: ECON-309   Part – I (Compulsory)   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Question #1 Select an appropriate answer from the following options :(1*10=10)

1. In which stage of demographic transition is the population growth rate highest?
(a) First   (b) Second   (c) Third   (d) Fourth

2. In a developing country:
(a) Birth rate is high
(b) Death rate is high
(c) Infant mortality rate is high
(d) All of the above are true

3. The theory that says the level of population at which per capita income is maximum:
(a) Theory of population by Malthus   (b) Theory of optimum population
(c) Theory of demographic transition   (d) none of the below

4. The Census is carried out every _____:
(a) year   (b) 2 years   (c) 10 years   (d) 5 years

5. Social factor of high birth rate is:
(a) Joint Family System
(b) Lower age at the time of marriage
(c) Religious and social superstitions
(d) all of the above

6. The Malthus population trap assumes that
a) Contraception is unavailable
b) Mortality declines with per capita income
c) Technological progress may be rapid
d) All of the above

7. Total population of Females after provisional results of sixth population census 2017 in Pakistan is
a) 104.31 million   b) 102.31 million   c) 103.31 million   d) 101.31 million

8. Total Fertility rate is
a) The total number of children born in a country in given year divided by Labour force
b) The number of children born to the average women during her reproductive years
c) The number of women age 14-45 in a country divided by total population

9. In the world population-wise Pakistan is:

(a) 3rd   (b) 4th   (c) 6th   (d) 8th

10. De-population is a
a) A reduction in natural increase
b) A decline in immigration
c) Rural-Urban migration
d) The absolute decline in the population

PAPER: Major Issues in Pakistan Economy
Course Code: ECON-310   Part – II

TIME ALLOWED: 2 Hrs. & 45 Mints.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Q2. Explain the following briefly.   4 X 5=20

  I.   Terms of trade
  II. Growth trade off
  III. Debt management in Pakistan
  IV. Difference between Foreign Aid and Debt
  V.   Difference between underemployment and unemployment

Q3. How Social Action Program (SAP) has affected the economy of Pakistan?   **10**

Q4. Discuss various channel through which investment in human resources can increase economic growth   **10**

Q5. How the formation of World Trade Organization (WTO) has affected the trade balance of developing countries like Pakistan.   **10**

PAPER: Major Issues in Pakistan Economy   **TIME ALLOWED: 15 Mints.**

Course Code: ECON-310   Part – I (Compulsory)   **MAX. MARKS: 10**

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCQ carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Q1. Encircle the correct answer.

1. For life expectancy the upper limit of 100 was assigned to ...... years and lower limit of 1 was assigned to .... years in physical quality of life index (PQLI).
   a. 75 ,27
   b. 77, 28
   c. 79, 23
   d. 25, 79

2. Life expectancy in Pakistan is:
   a. Less than 60 years
   b. Between 60 to 70 years
   c. Between 70 to 80 years
   d. More than 80 years

3. The Human Development Index (HDI) ranks all countries on the scale of:
   a. 0 to 1
   b. 1 to 100
   c. -1 to + 1
   d. None of above

4. The World Trade Organization (WTO) officially commenced on:
   a. 1st January 1994
   b. 1st January 1995
   c. 1st January 1996
   d. 1st June 1994

5. An approach refers to the position of an individual or household in relation to an income "just sufficient to ensure the satisfaction of an individual or household expenditures.
   a. Subjective approach
   b. Absolute approach
   c. Relative approach
   d. Poverty line

6. According to caloric based approach of poverty, an individual must intake ...... calories per day
   a. 2250
   b. 3150
   c. 3250
   d. 2150

7. Pakistan got a major debt relief in
   a. Zia ul Haq regime
   b. Pervez Musharraf regime
   c. Nawaz sharif regime
   d. Asif Ali Zardari

8. Debt burden can be measured by
   a. Debt to GDP ratio
   b. Debt to export ratio
   c. Debt service payment to export earnings ratio
   d. All of the given option

9. USAID project is an perfect example of
   a. Tied loan
   b. Grant
   c. Aid
   d. Untied loan

10. United States of America aid to Pakistan is an example of
    a. Bilateral source of aid
    b. Multilateral source of aid
    c. Consortium source of aid
    d. None of the given option

UNIVERSITY OF THE PUNJAB

PAPER: International Trade Theory
Course Code: ECON-401

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Subjective Part

Q: 2   Give short answers to the following questions.   (20)

1. Define increasing opportunity cost and explain its reason.
2. What is transfer problem?
3. What does factor price equalization theorem postulate?
4. What is intra-industry trade? How it can be measured?
5. What is meant by trade diversion? Explain.

Q: 3   Explain Heckscher-Ohlin model of international trade.   (10)

Q: 4   How can international trade take place according to product cycle model? (10)

Q: 5   Analyze general equilibrium effects of the imposition of a tariff in case of small country.   (10)

UNIVERSITY OF THE PUNJAB

Seventh Semester 2018
Examination: B.S. 4 Years Programme

PAPER: International Trade Theory
Course Code: ECON-401

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Subjective Part

Q: 2   Give short answers to the following questions.   (20)

1. Define increasing opportunity cost and explain its reason.
2. What is transfer problem?
3. What does factor price equalization theorem postulate?
4. What is intra-industry trade? How it can be measured?
5. What is meant by trade diversion? Explain.

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UNIVERSITY OF THE PUNJAB

Roll No. ....

Seventh Semester 2018
Examination: B.S. 4 Years Programme

PAPER: International Trade Theory   TIME ALLOWED: 30 mins.
Course Code: ECON-401   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Objective Part

Q: 1   Choose the correct option.   (10)

1. The Heckscher-Ohlin theory explains comparative advantage as the result of differences in countries':

     a. Economies of large scale production   b. Relative costs of labour
     c. Relative abundance of various resources   d. Research and Development

2. Which trade theory suggests that comparative advantage tends to shift from one nation to another as a product matures?

     a. Intra-industry trade theory   b. Inter-industry trade theory
     c. Overlapping demand theory   d. Product cycle theory

3. A tax of 20 rupees per unit of imported cheese is an example of

     a. Compound tariff   b. Specific tariff
     c. Ad valorem tariff   d. Effective tariff

4. Which international organization stipulates procedures for the settlement of international trade disputes?

     a. World Bank   b. World Trade Organization
     c. International Monetary Fund   d. Organization of Economic Development

5. A fall in the price of imports or a rise in the price of exports will

     a. Improve the terms of trade
     b. Worsen the terms of trade
     c. Expand the production possibilities curve
     d. Contract the production possibilities curve

6. The equilibrium international terms of trade is given by the intersection of two nation's

     a. Demand curves   b. Indifference curves
     c. Offer curves   d. Production possibilities curve

P.T.O.

7. Unlike the mercantilist, Adam Smith maintained that

   a. Trade benefits one nation only at the expense of another nation
   b. Government control of trade leads to maximum economic welfare
   c. All nations can gain from free international trade
   d. The world's output of goods must remain constant over time

8. If a production possibilities curve is *bowed out* (i.e., concave) in appearance, production occurs under conditions of

   a. Constant opportunity cost   b. Increasing opportunity cost
   c. Decreasing opportunity cost   d. Zero opportunity cost

9. According to Ricardo, a country will have a comparative advantage in the product in which its

   a. Labour productivity is relatively low   b. Labour productivity is relatively high
   c. Labour mobility is relatively low   d. Labour mobility is relatively high

10. If Australia has more land per worker, and Belgium has more capital per worker, then if trade were to open up between these two countries,

    a. Australia would export the land intensive product
    b. Belgium would import the capital intensive product
    c. Trade would not continue since Belgium is a small country
    d. None of the above

UNIVERSITY OF THE PUNJAB

PAPER: Research Methodology   **TIME ALLOWED: 2 hrs. & 30 mins.**
Course Code: ECON-402   **MAX. MARKS: 50**

Attempt this Paper on Separate Answer Sheet provided.

Subjective Part

Q.2	**Briefly Explain the following**
	  i. Diagnostic research
	  ii. Quantitative research
	  iii. Exploratory research
	  iv. Null Hypothesis
	  v. Primary Data
	  vi. Sampling Bias
	  vii. Questionnaire
	  viii. Interview
	  ix. Scale Construction
	  x. Observations
		20

Q.3	Discuss the sources of information to conduct social research.	10
Q.4	State basic procedures followed in the selection of statistical samples.	10
Q.5	Elaborate the problems of communication in the construction of the questionaire	10

UNIVERSITY OF THE PUNJAB

Roll No. ....

Seventh Semester 2018
Examination: B.S. 4 Years Programme

PAPER: Research Methodology   TIME ALLOWED: 30 mins.
Course Code: ECON-402   MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Objective Part

Q.1	Encircle the Correct Answer	10
I	Failing to reject a false null hypothesis is called: (a) Critical error (b) Type-II error (c) Type-I error (d) Sampling bias	
II	That research which seeks to solve practical problems is called (a) Diagnostic research (b) Descriptive research (c) Applied research (d) Qualitative research	
III	Research that is done in laboratory is called: (a) Field Research (b) Laboratory Research (c) Longitudinal Research (d) Exploratory Research	
IV	The approach in which an artificial environment is created to generate relevant information and data (a) Simulation approach (b) Inferential approach (c) Experimental approach (d) Analytical approach	
V	Type of focus group, in which two moderators intentionally take opposite sides, is called: (a) Two-way focus group (b) Dual moderator Focus Group (c) Dueling moderator focus group (d) Respondent moderator focus group	

UNIVERSITY OF THE PUNJAB

Attempt this Paper on Separate Answer Sheet provided.

NOTE: Attempt all Questions.

1.   Briefly explain the following terms. Each carrying equal (5) marks.   20

مختصراً درج ذیل اصلاحات کی وضاحت کریں۔

1. Public goods   سرکاری اشیاء

2. Externalities   کفائیتیں

3. Non-Exhaustive Public Expenditures   غیر جامع سرکاری اخراجات

4. Wagner's Law   ویگنز کا قانون

2.   What are determinants of Tax Shifting? Also explain the impacts of tax shifting   10
on price.

ٹیکس منتقلی کے کیا عوامل ہیں ؟ نیز ٹیکس منتقلی کی قیمت پر اثرات بھی واضح کریں ۔

3.   Explain current existing problems in tax collection performance of Pakistan.   10
Also suggest their measures.

پاکستان میں ٹیکس وصولی کے مو جو دہ مسائل کی وضاحت کریں اور ان کا حل بھی تجو یز کریں ۔

4.   What do you know about deficit financing? How does it affect the smooth   10
working of an economy and how it can be avoided?

خسارے کی سرما یہ کاری سے کیا مراد ہے ؟ یہ معیشت کی ہموار کارکردگی پر کس طرح اثر انداز
ہو تی ہے اور اس سے کیسے بچا جاسکتا ہے ؟

UNIVERSITY OF THE PUNJAB

Roll No. ....

Seventh Semester 2018
Examination: B.S. 4 Years Programme

PAPER: Public Finance
Course Code: ECON-403

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

OBJECTIVE

NOTE: Attempt all MCQs. All MCQs carry equal marks.

10

1- Tax is a payment :

a). Compulsory (لازمی)   b). Unnecessary (غیر ضروری)   c). Temporary (عارضی)   d). Voluntary (رضا کارانہ)

1- ادائیگی ٹیکس ہے :

2- The economic incidence of unit tax is :

a). Generally borne by the buyers (عموماً اسکا بوجھ خریدار برداشت کرتا ہے)
b). Generally borne by sellers (عموماً اسکا بوجھ فروخت کنندہ برداشت کرتا ہے)
c). Generally borne by the government (عموماً اسکا بوجھ حکومت برداشت کرتی ہے)
d). Independent of the statutory incidence for the tax (قانونی اطلاق سے آزاد ٹیکس)

2- فی اکائی ٹیکس کا معاشی اطلاق ہے :

3- A public good is :

3- ایک سرکاری شے ہے :

a). A good for which public must pay (ایک شے پر عوام کو لازمی خرچ کرنا پڑے)
b). Non rival in consumption (جس کے استعمال میں کوئی حریف نہ ہو)
c). More costly than a private good (نجی شے سے زیادہ قیمتی)
d). Paid by the government (حکومت اس کے لیے ادا کرتی ہے)

4- Which of the following tax is best example of ability to pay principle of taxes :

a). Excise tax on cigarettes (سیگریٹ پر ایکسائز ٹیکس)
b). Highway toll tax (شہراہوں پر ٹال ٹیکس)
c). Proportional sales tax (متناسب بکری ٹیکس)
d). Personal income tax (شخصی آمدنی ٹیکس)

4- ان میں سے کو نسا ٹیکس، ٹیکس کی ادائیگی کی قابلیت کے اصول کی بہترین مثال ہے :

5- Govt. budget balanced when :

5- سرکاری بجٹ متوازن ہوتا ہے جب :

a). Govt. expenditure outstrips tax receipts (سرکاری اخراجات کا ٹیکس وصولیوں سے بڑھ جانا)
b). Govt. tax receipts outstrips expenditure (سرکاری وصولیوں کا سرکاری اخراجات سے بڑھ جانا)
c). Govt. expenditure equals tax revenue (سرکاری وصولی اور ٹیکس وصولی کا برابر ہونا)
d). none of these (ان میں سے کوئی نہیں)

6- How the government can meet its expenditure :

6- حکومت اپنے اخراجات کیسے پورے کرتی ہے :

a). By taxing people (لوگوں پر ٹیکس کے ذریعے)
b). By borrowing from banks and other govt. (بینکوں اور دو سری حکومتوں سے ادھار لینا)
c). By printing new money (نئے نوٹوں کی چھپوائی کے ذریعے)
d). By all the three methods (ان میں سے تینوں طریقوں سے)

7- Net taxes are :

7- خالص ٹیکس ہیں :

a). Domestic taxes minus foreign taxes (ملکی ٹیکس منفی بیرونی ٹیکس)
b). Business taxes minus personal taxes (کاروباری ٹیکس منفی شخصی ٹیکس)
c). Total taxes minus govt. transfer payments (کل ٹیکس منفی سرکاری انتقالی ادائیگیاں)
d). Total taxes minus govt. purchases (کل ٹیکس منفی حکومتی خریداریاں)

8- Which is not counted a public expenditure :

8- ان میں سے کس کا شمار سرکاری خرچ میں نہیں ہوتا :

a). Subsidy given to local city bus service (لوکل بس سروس پر دیے گئے اعانے)
b). Defense expenditure (دفاعی اخراجات)
c). Investment spending by private companies (نجی کاروبار کی سرمایہ کاری)
d). Interest payment on national debt. (ملکی قرضے پر سود کی ادائیگی)

9- Progressive taxes :

9- مستزاند ٹیکس :

a). Increased government revenue (سرکاری وصولیاں بڑھاتے ہیں)
b). Bring equality in distribution of incomes (آمدنی میں مساویانہ تقسیم لاتے ہیں)
c). Compel rich people to be honest (امیر لوگوں کو ایماندار بناتے ہیں)
d). both (a)&(b) (دونوں (a) اور (b)

10- A direct tax :

10- براہِ راست ٹیکس :

a). Is heavy burden on the tax payers (ٹیکس دہندہ پر زیادہ بوجھ ہوتا ہے)
b). can be directly deposited in the banks (بینکوں میں جمع کروایا جا سکتا ہے)
c). Cannot be evaded (اس سے چھٹکارہ نہیں مل سکتا)
d). Is paid by the person on whom it is levied (وہی جمع کرواتا ہے جس پر لاگو ہوتا ہے)