



UNIVERSITY OF THE PUNJAB
B.S. 4 Years Program / Eighth Semester – 2019

Paper: Introduction to Economics
Course Code: IT-408 Part – I (Compulsory)

Time: 15 Min. Marks: 10

Roll No. in Fig.

Roll No. in Words.

Signature of Supdt.:

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.
Division of marks is given in front of each question.

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

(10x1=10)

Q.1. Encircle the correct option.

1. Human wants are
 - a) One thousand
 - b) Few
 - c) Innumerable
 - d) None of three
2. The shape of average cost curves in short period is:
 - a) Vertical
 - b) Horizontal
 - c) Positively sloping
 - d) Like English alphabet U
3. When marginal utility is positive, TU
 - a) Increases
 - b) Decreases
 - c) Is constant
 - d) Is zero
4. Transfer payments are included in:
 - a) GDP
 - b) GNP
 - c) NNP
 - d) PI
5. Monopolist firm in long run:
 - a) Always faces loss
 - b) Usually faces loss
 - c) Earns normal profit
 - d) Always earns abnormal profit
6. Demand for necessities of life is:
 - a) Less elastic
 - b) More elastic
 - c) Perfectly elastic
 - d) Perfectly inelastic
7. When inflation occurs due to increase in factor price, it is
 - a) Demand pull inflation
 - b) Cost push inflation
 - c) Stagflation
 - d) None of three
8. Main elements of circular flow of national incomes are:
 - a) Households
 - b) Firms
 - c) Both (a) & (b)
 - d) None of three
9. Situation when workers choose not to work at current wage rate is:
 - a) Frictional unemployment
 - b) Seasonal unemployment
 - c) Voluntary unemployment
10. Indifference curves must be
 - a) Concave to origin
 - b) Convex to origin
 - c) Upward sloping
 - d) None of three



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Paper: Introduction to Economics
Course Code: IT-408 Part – II

Time: 2 Hrs. 45 Min. Marks: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q2 Write short answers to the following questions.

(2x10)=20

- (i) Define Economics. Write down difference between Micro and Macro Economics.
- (ii) State Law of Diminishing Marginal Utility.
- (iii) What is Consumer's Equilibrium?
- (iv) Write down the concept of Perfect Competition.
- (v) What is the difference between supply and stock?
- (vi) Differentiate between Total & Marginal Utility.
- (vii) How can inflation be controlled in Pakistan?
- (viii) What is the difference between GNP & GDP?
- (ix) What is fiscal policy? Write down its objectives.
- (x) What is Output method to measure National Income

Q3: What is Elasticity of Demand? Explain income and cross elasticity of demand. (10)

Q4: (a) Define Unemployment. Discuss different types of Unemployment. (7)

(b) Explain any three properties of Indifference Curves. (3)

Q5: Define National Income. Explain circular flow of National income with the help of diagram. (10)