

INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN



Spring (August) 2012 Examinations

Thursday, the 30th August 2012

BUSINESS ECONOMICS – (S-102)
STAGE – 1

Time Allowed – 2 Hours 45 Minutes

Maximum Marks – 80

Roll No.:

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- (i) Attempt ALL questions.
 - (ii) Answers must be neat, relevant and brief.
 - (iii) In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, presentation and language.
 - (iv) Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper.
 - (v) DO NOT write your Name, Reg. No. or Roll No. anywhere inside the answer script.
 - (vi) Question No.1 – “Multiple Choice Question” printed separately, is an integral part of this question paper.
 - (vii) **Question Paper must be returned to invigilator before leaving the examination hall.**
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MARKS

SECTION – “A”

- Q.2 (a)** Supply is a flow concept refers to what producers offer for sale. Discuss the factors which determine the supply curve of a product. **08**
- (b)** Enumerate the law of supply with a numerical example and graphical presentation. **06**
- (c)** Distinguish between fixed cost and variable cost with the help of a diagram. **04**
- Q.3 (a)** What do you understand by the terms “utility” and “marginal utility”? Discuss the “law of diminishing marginal utility” along with an example and graphical presentation. **08**
- (b)** Distinguish between ‘perfect competition’ and ‘monopolistic competition’. **06**

SECTION – “B”

- Q.4 (a)** Discuss in detail the main sources of revenue budget. Federal government also generates revenue from non-tax sources. Explain. **08**
- (b)** Discuss the objectives of fiscal policy of Pakistan. What are the shortcomings of fiscal policy of Pakistan? **06**
- Q.5** What do you understand by the term “money market”? Discuss the functions of money market (at least any six). What are the instruments of money market? Explain in detail. **10**

PTO

SECTION – “C”

- Q.6 (a)** Describe in brief the main sources of energy in relation to the needs, resources and production of various sectors of economy. **06**
- (b)** How economic development can be measured? Discuss briefly the problem being faced in this regard in the under developed countries like Pakistan. **06**
- Q.7 (a)** Discuss the main causes of industrial sickness in Pakistan. How can the sick units be rehabilitated? **06**
- (b)** There are several factors which are instrumental for Green Revolution in agricultural production through the institutional and technological reforms. Discuss any six. **06**

THE END