

INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN



Fall (Winter) 2008 Examinations

Sunday, the 23rd November 2008

BUSINESS ECONOMICS-(S-102)

Stage- 1

Time Allowed – 2 Hours 45 Minutes

Maximum Marks – 80

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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, effective presentation, language and use of clear diagram / chart, where appropriate.
 - (iv) Read the instructions printed on 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.
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SECTION “A”

MARKS

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|------------|--|-----------|
| Q.2 | Highlight “Mixed Economic System” along with its merits and de-merits? | 16 |
| Q.3 | Examine the causes of shift in demand and supply curves and its effect on market equilibrium price. Substantiate your answer with illustrations. | 16 |

SECTION “B”

Q.4 (a) Differentiate the following with the help of an equation for each:

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|--|----------|
| i) G.N.P and G.D.P | 2 |
| ii) N.N.P at market price and N.N.P at factor cost | 2 |
| iii) Personal Income (P.I) and Personal Disposable Income (P.D.I) | 2 |
| iv) Real G.N.P and money G.N.P | 2 |

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	MARKS
(b) Distinguish between Marginal Propensity to Consume (MPC) and Average Propensity to Consume (APC). Establish a relationship between MPC and Multiplier.	8
Q.5 (a) Explain the advantages and disadvantages of direct and indirect tax system.	10
(b) Discuss the barriers to free international trade.	6

SECTION "C"

Q.6 (a) Explain the term "Agricultural Marketing".	4
(b) Discuss the main problems of agricultural marketing in Pakistan. Suggest remedial measures.	12

THE END