

INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN



Winter (November) 2011 Examinations

Thursday, the 24th November 2011

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)** “Each economy has a stock of limited resources and every society must make choices about the economy’s inputs and outputs”. Discuss the statement. Factors of production can be classified into three broad categories. Explain each in detail. **8**
- (b)** Discuss the significance or usefulness of study of economics. Distinguish between ‘micro and macro’ economics. **5**
- (c)** What do you understand by the term “elasticity of supply”? Elaborate how it is measured? **5**
- Q.3 (a)** Enumerate the concept of “consumer’s surplus”. Discuss the merits and demerits of the concept of consumer surplus in detail. **8**
- (b)** Explain the law of “equi-marginal utility”. What are its limitations? **6**

SECTION – “B”

- Q. 4 (a)** What is “National Income”? Explain different methods of measuring national income. **8**
- (b)** Discuss “inflation” and various measures to manage it. **5**
- Q.5 (a)** Discuss the role played by the financial institutions in the economic development of a country. **6**
- (b)** What are main objectives of “monetary policy”? What are some of its criticism? **5**

SECTION – “C”

- Q.6 (a)** Discuss the role of Zarai Taraqiate Bank Limited (formerly known as Agricultural Development Bank of Pakistan Ltd.) in aiming at rural self-employment and poverty reduction of the farmers in the villages. **8**

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MARKS

(b) What do you mean by “privatization”? Give your arguments in favour of privatization or against it in the context of Pakistan.

6

Q.7 A number of measures have been taken by the Government of Pakistan in recent past for the economic development of the country. Discuss at least ten such measures in detail.

10

THE END