

Principles of Economics

(Long Questions)

CHAPTER 1

- 1. What is meant by economic laws? Write their characteristics.**
- 2. Describe merits and demerits of Marshall's definition of economics.**
- 3. Write Robbins definition of economics. Write its merits and demerits.**
- 4. Compare Marshall and Robbins definitions of economics.**
- 5. Is economics science or arts? Explain.**
- 6. Write a note on scope of economics.**
- 7. Critically examine definition of economics presented by Adam Smith.**
- 8. Compare economic, physical and state laws.**
- 9. Explain economic problem in the lights of definition given by Robbins.**
- 10. State important advantages of study of economics.**

CHAPTER 2

- 1. Explain law of equi marginal utility with the help of table and a diagram.**
- 2. Explain law of diminishing marginal utility with the help of a table and a diagram.**
- 3. Explain consumer equilibrium with the help of table and diagram.**

CHAPTER 3

- 1. Explain the concepts of point and Arc elasticity of demand.**
- 2. Explain concept of elasticity of supply. Also write methods of its measurements.**
- 3. Describe law of demand. Explain with the help of table and diagram. Also write its assumptions and limitations.**
- 4. Explain extension and contraction of supply with the help of table and diagram.**
- 5. Explain total expenditure method of measurement of elasticity of demand.**
- 6. Explain market equilibrium with the help of table and diagram.**
- 7. Write determinants of elasticity of demand.**
- 8. Explain law of supply with the help of table and diagram.**
- 9. Explain concept of rise and fall of supply with the help of table and diagram.**

10. Describe factors affecting elasticity of demand.
11. State different aspects of elasticity of demand.
12. Explain rise and fall in demand with the help of table and diagram.
13. Explain point of elasticity of demand graphically and mathematically.
14. How price for perishable commodities will be determined. Explain it with the help of table and diagram.
15. Write down various causes of change in supply.
16. Explain concept of elasticity of demand. Also mention various methods of its measurement.
17. State practical importance of elasticity of demand.

CHAPTER 4

1. Define labour also write its importance and characteristics.
2. State characteristics of land.

CHAPTER 5

1. Explain law of constant return with the help of table and diagram.
2. Explain law of increasing return with the help of table and diagram.
3. State law of decreasing return with the help of table and diagram.
4. Explain law of increasing cost with the help of table and diagram.

CHAPTER 6

1. State relationship between average cost curve and marginal cost curves of a firm.
2. Draw marginal cost curve of long run.

CHAPTER 7

1. Explain equilibrium of firm in short run under perfect competition.
2. Explain equilibrium of industry under perfect competition.
3. What is monopoly? How price and output is determined under monopoly?
4. What is meant by perfect competition? State its conditions.

CHAPTER 8

1. **Explain marginal productivity theory in detail.**

CHAPTER 9

1. **Explain circular flow of national income with the help of diagram.**
2. **Write methods to measure national income.**
3. **Write expenditure method to measure national income along with precautions.**
4. **What are the difficulties in measuring national income.**
5. **State different concepts of national income.**

CHAPTER 10

1. **Define inflation. Write its disadvantages.**
2. **State causes of inflation.**
3. **State functions of money.**
4. **Write measures to control deflation.**
5. **State causes of deflation.**
6. **Explain quantity theory of money.**
7. **Throw light on difficulties of barter system.**
8. **What is deflation? Write its effects.**

CHAPTER 11

1. **Explain phases of trade cycle.**

CHAPTER 12

1. Write causes of deficit balance of payment.
2. Explain absolute advantage theory with the help of table of two countries.
3. State advantages and disadvantages of international trade.
4. Explain comparative cost advantage theory of international trade.
5. Criticize classical theory of international trade.
6. Write difference between home and foreign trades.

CHAPTER 13

1. Write principles of imposing taxes.
2. State similarities and differences between public and private finance.
3. Write sources of government revenue.
4. State economic importance of Zakat.
5. Write down concept, beneficiaries and Nisaab of Zakat.
6. Describe difference between Zakat and tax.
7. Write types of taxes.