

## ECONOMICS (OPTIONAL) PAPER - II

**TIME ALLOWED: THREE HOURS**

**MAXIMUM MARKS: 100**

**NOTES:** (i) Attempt in English or Urdu Language.

(ii) Attempt **THREE** questions from Section "A" and **TWO** from Section "B".

### **SECTION-A**

- Q.1 "The Value of Money, other things being the same varies inversely as its quantity". Discuss. 20
- Q.2 What is meant by the term Marginal Efficiency of Capital and Marginal Efficiency of Investment. Show how it is used to arrive at the optimal level of investment? 20
- Q.3 State or explain the Keynesian "Principle of Effective Demand". Highlight its importance in the theory of Employment. 20
- Q.4 Discuss the life cycle hypothesis of consumption and emphasize whether it takes into account the short and long-run consumption behaviour. 20

### **SECTION "B"**

- Q.5 Differentiate Economic Growth with Economic Development. Discuss the main measures of Economic Development in a country. 20
- Q.6 "Development of Agriculture is Extremely essential for Industrial Development in Pakistan". Discuss the statement. 20
- Q.7 What is Fiscal Policy? Discuss the role of Fiscal Policy in Economic Development of Pakistan. 20