

**BOARD OF INTERMEDIATE EDUCATION, KARACHI**  
**INTERMEDIATE EXAMINATION**  
**MODEL PAPER-2026**

**PRINCIPLES OF ECONOMICS PAPER-I**

Max. Marks: 60

(Commerce Group – Regular & Private)

Time: 2 hours 40 minutes

**SECTION 'B'**  
**(SHORT-ANSWER QUESTIONS)**    **Marks : 30**

**MICRO ECONOMICS**    (15 Marks)

2. Answer any **THREE** of the following part questions. All part questions carry equal marks.

- i) State the Marshall's and Robbins's definition of Economics.
- ii) State the Law of Supply.        **OR**        Name the Laws of Returns and the Laws of Costs
- iii) Differentiate between Fixed Cost and Variable Cost.        **OR**        State the Demand and Supply Equilibrium.
- iv) Differentiate between Stock and Supply. **OR**        State the Cross Elasticity of Demand.
- v) State the characteristics of Monopoly. **OR**        Mention the Degrees of Elasticity of Demand

**MACRO ECONOMICS**    (15 Marks)

3. Answer any **THREE** of the following part questions. All part questions carry equal marks.

- i) State the problems of Barter System.
- ii) Differentiate between Direct Tax and Indirect Tax.        **OR**        State the Canons of Taxation.
- iii) Differentiate between Balance of Trade and Balance of Payment. **OR**        State the phases of Trade Cycle
- iv) State the characteristics of good money.
- v) Differentiate between Domestic Trade and International Trade.

**SECTION 'C'**  
**(DETAILED-ANSWER QUESTIONS)**    **Marks : 30**

**MICRO ECONOMICS**    (15 Marks)

4. Answer any **ONE** of the following parts.

- i) State Robbins's definition of Economics and the importance of the study of Economics.  
**OR**  
State the Law of Diminishing Marginal Utility with its assumptions and limitations.
- ii) Explain the Law of Demand by the help of table and diagram with its assumptions.  
**OR**  
Explain the equilibrium of a firm under monopoly during short run.

**MACRO ECONOMICS**    (15 Marks)

5. Answer any **ONE** of the following parts.

- i) State the various concepts of National Income and its measuring methods.  
**OR**  
State the problems arises during the measurement of National Income.
- ii) State the merits and demerits International Trade.  
**OR**  
Describe the merits and demerits of Direct Tax.

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**PRINCIPLES OF ECONOMICS PAPER-I**  
**(Commerce Group – Regular & Private)**

Max. Marks: 15

Time: 20 minutes

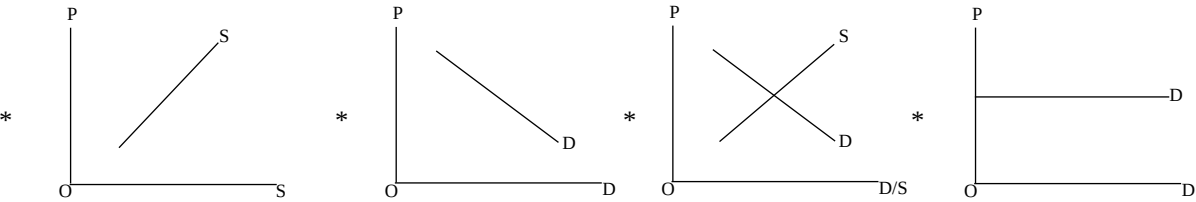
**SECTION ‘A’**  
**(MULTIPLE CHOICE QUESTIONS – M.C.Qs.)**

**Marks : 15**

**NOTE:**

- i) This section consists of 15 part questions and all are to be answered. Each part question carries 1 mark.  
ii) Do not copy the part questions in your answerbook. Write only the answer in full against the proper number of the question and its part.

1. Choose the correct answer for each from the given options:

- i) According to Prof. Adam Smith Economics is the science of:  
\* Wealth \* Material Welfare \* Price \* Scarcity
- ii) The Elasticity of Demand for Luxury is:  
\* Equal to one \* Less than one \* More than one \* Equal to zero
- iii) Cross Elasticity of Demand for substitute goods is:  
\* Zero \* Negative \* Positive \* Infinite
- iv) Land, Labour, Capital and Organization are the factors of:  
\* Production \* Money \* Bank \* Wealth
- v) Rent of a shop is:  
\* Marginal Cost \* Fixed Cost \* Variable Cost \* Average Cost
- vi) This diagram is the demand and supply equilibrium:  

- vii) These are conditional:  
\* Economic Laws \* Islamic Laws \* Private Laws \* Government Laws
- viii) Direct exchange of goods for goods is called:  
\* Barter System \* Cheque \* Bank \* Bill of Exchange
- ix) This is determine by demand and supply:  
\* Saving \* Revenue \* Price \* Cost
- x) The rate of Zakat is:  
\* 2% \* 2.5% \* 3.5% \* 4%
- xi) If the demand function is  $Q_d = 100 - 2P$  and price is 20 then the  $Q_d$  is equal to:  
\* 80 \* 60 \* 40 \* 20
- xii) Mono means:  
\* one \* two \* three \* four
- xiii) Homogeneous goods are the feature of this market:  
\* Monopoly \* Duopoly \* Oligopoly \* Perfect Competition
- xiv) Taxes are the sources of:  
\* Public Revenue \* Private Revenue  
\* Public Expenditure \* Private Expenditure
- xv) The price of non-economic goods is always:  
\* zero \* low \* very high \* infinite

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