1. Which among the following are final goods and which are intermediate goods give reasons.  
a) Milk purchased by a tea stall.  
b) Bus purchased by a school.  
c) Juice purchased by a student from the school canteen.  
d) Car purchased by Ola company.  
  
Milk purchased by the tea stall is intermediate good because it is purchased from another production unit for resale in directly.  
Bus purchased by the school is final good because expenditure on school bus is investment expenditure.  
Juice purchased by the student from the school canteen is a final good because it is purchased for own use and not for resale  
Car purchased by ola company is an intermediate good since it is used for further productive services.  
  
2) Explain with the help of a diagram how aggregate demand and aggregate supply determine the equilibrium level of income.  
  
Equilibrium level of income is determined at the point where aggregate demand is equal to aggregate supply. Aggregate demand is the total expenditure on final goods and services in an economy. It consists of consumption expenditure and investment expenditure. So AD =  
C + I  
Aggregate supply refers to the total production of final goods and services in an economy in other words it refers to the National Product or national income. So AS= Y.  
  
3 " Economists are generally concerned about rising marginal propensity to save in an economy" . Why?  
  
MPS would be the cost of following MPC. The decrease in MPC have an adverse effect on Economy using the consumption and further the level of income.  
  
4) Raj is going to school when he is not in school , you will find him working in a Farm. Can you consider him as a worker? why?  
  
No he works casually in his farm not on regular basis.  
  
5) State any four long-term results of global warming.  
  
Rise in sea level coastal flooding as a result of polar ice caps melting.  
Direction of drinking water supplies depend on snow melts.  
Extinction of species  
Frequent Tropical Storms and tropical diseases.

6. Government incurs expenditure to popularize yoga among the masses. Analyse it's  
impact on Gross Domestic Product and welfare of the people  
  
It is government final consumption expenditure raise GDP.  
It will also raise the Welfare of people as health.  
The improvement on health and efficiency of people may contribute on better productivity and higher GDP.

7. Analyse the trends in employment pattern from 1972- 2018 using the given data

Percentage of self employed workers declined from 61 % in 72-73 to about 52% in 2017 to 18 though  it is still continues to be the major source of employment.  
There has been changes in regular salaried workers restore from 15.4 percentage to  23 percentage.  
Share of casual workers has increased from 23 percentage to 25 percentage.  
The process of moving from self employment to regular salaried employment to casual wage work is called casualisation of workforce.

8. What was the major reason that increases in GDP is more than increase in per capita income in Pakistan? What is after effect of that?

High growth rate, but it did not result in the reduction of poverty.

9 What was the major reason of re-emergence of poverty in Pakistan? How is it connected with the accumulation of external debts?

The agricultural practices in Pakistan were not modernised and there remained heavy dependence on traditional methods of farming Food Supply situation was not improved when economic conditions were not good the economic indicators showed negative trends.  
Shortage of domestic savings leads to depend on foreign resources.

10. Explain how ‘Non-Monetary Exchanges’ impact the use of Gross Domestic Product as an index of economic welfare.

Non monetary exchanges refers to those activities which cannot be evaluated in monetary terms hence they are not included in the valuation of GDP these activities still influence the economic welfare so their exclusion can lead to underestimation of gross domestic product. For example kitchen gardening service of home maker.  
  
11. Indian economy 75 percentage of the increase in income is spent on consumption.  investment is increased by rupees 1000 crores,; calculate:  
Total increase in income total increase in consumption expenditure  
  
Increase in income = 4000 crores  
Change in consumption = 3000 crores  
  
12) From the following data calculate national income by income method and expenditure method.  
  
Current transfer from the rest of the world - 100  
Government final consumption expenditure - 1000  
Wages and salaries 3800  
Dividend 500  
Rent 200  
Interest 150  
Net domestic capital formation 500  
Profit 800  
Employer's contribution to social security schemes 200  
Net exports -50  
Net Factor income from abroad -30  
Consumption of fixed capital 40  
Private final consumption expenditure 4,000  
Net indirect tax 300  
  
  
a) Net National Product at factor cost by income method  
NNP @ FC = wages and salaries Plus employer's contribution to social security schemes Plus plus friend plus interest plus net factor income from abroad  
  
5180  
  
b) net National Product at FC by expenditure method  
  
NNP @ FC= government final consumption expenditure + final consumption expenditure + net domestic capital formation +net Exports + net factor income from abroad - net indirect taxes.  
512013. Critically explain the health infrastructure in India.

Urban rural divide  
Poor rich divide  
Global burden diseases  
Poor sanitation facilities  
Role of government sector  
Lack of Manpower