

University of Asia Pacific
Department of Basic Sciences and Humanities
Semester Final Examination, Fall 2012
Programme: B.Sc. Engineering (Civil Engineering)
(2nd Year 2nd Semester)

Course Title: Principles of Economics
Credit: 2.00

Course Code: ECN 201

Total Time: 2 Hours

Full Marks: 100

There are two sections in the question paper namely "SECTION A" and "SECTION B". You have to answer from both sections according to the instruction mentioned in each section.

SECTION A

There are **FIVE** questions in this section. Answer **ANY FOUR** (4 x 20)

1. a) Given some information

Year	CPI	Nominal GDP	Real GDP
2001	18.43	1950 Crore Taka	1020 Crore Taka
2002	25.98	2495 Crore Taka	1280 Crore Taka

Find out the GDP deflator of 2001, 2002 and inflation rate. (6)

- b) Describe two sectors circular flow of economic activities with necessary diagrams. (14)

2. a) Given the following data in the table

Components	\$ (Million)
GDP	6000
Consumption	4000
Investment	800
Government Expenditure	1100
GNP	2300
Depreciation cost	1800
Indirect business taxes	300
Personal income	2500
Personal tax and non tax payment	1250

On basis of these data calculate **net export, NNP, National Income & disposable personal income.** (8)

- b) Describe the social costs of inflation. (12)
3. Why people hold money? Describe the various functions of money. (6+14)
4. Distinguish between tariff and quota. Describe the role of protection in under developed countries. (8+12)
5. What is the problem of double counting in measuring GDP? Explain a method for measuring GDP that avoids this problem. (5+15)

SECTION B

There are **THREE** topics in this section. Write short notes on **ANY TWO** (2 x 10)

6. National Income
7. Public Revenue
8. Direct and Indirect Taxes