



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT, 2015

Roll Number

ECONOMICS, PAPER-1

| | | |
|---|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2.** Explain the equilibrium of firm and price fixation in Duopoly when both firms have different elastic Average Revenue and Marginal Revenue curves. **(20)**
- Q. No. 3.** Compare and contrast the equilibrium of the firm under Perfect Competition and Monopolistic Competition. **(20)**
- Q. No. 4.** Explain as how new investment impact on national income under Multiplier Effect. Illustrate with table and graph. **(20)**
- Q. No. 5.** Explain as how the process of Creation of Credit Money is adopted by the banks? **(20)**
- Q. No. 6.** Define Monetary Policy and explain its instruments which control the inflation and deflation in the economy. **(20)**
- Q. No. 7.** Why Micro and Macro Economics is prerequisite for complete Economic analysis? Explain. **(20)**
- Q. No. 8.** Write notes on the following: **(10 each) (20)**
- (a)** How would you identify the Supply Curve of the firm under Perfect Competition in the long Term? Explain with graph.
- (b)** Do you think that a Monopolistic firm can earn unlimited profit by maximizing the price?



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT, 2015

Roll Number

ECONOMICS, PAPER-II

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2.** How Lorenze curve measures the poverty and income inequalities? Discuss critically. (20)
- Q. No. 3.** “Economy without economic planning is like a ship having no destination”. Comment. (20)
- Q. No. 4.** How agriculture development is based on ‘Green Revolution’? Discuss as how it brought revolutionary changes in agriculture development? (20)
- Q. No. 5.** ‘Domestic resource development is a strategy of economic development’. Discuss as how industrial development is helpful to achieve this goal? (20)
- Q. No. 6.** “Public sector enterprises are white elephant for the economy”. Discuss as how privatization can play apposite role to address this issue? (20)
- Q. No. 7.** Do you think as how modern approach of economic development is in accordance with the human welfare? (20)
- Q. No. 8.** Write notes on the following: (20)
- (a) Poverty line (6)
- (b) Basic Need Approach for poverty alleviation (7)
- (c) Economic growth (7)



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION - 2016
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

ECONOMICS, PAPER-I

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2.** Explain and prove mathematically that marginal revenue is less than price in case of monopolistic market structure. **(20)**
- Q. No. 3.** Explain diagrammatically, how an increase in price generates income and substitution effect for a normal good? **(20)**
- Q. No. 4.** Explain the inflation and unemployment relationship for pre and post 70s market economy. **(20)**
- Q. No. 5.** Deliberate on the various theories developed to study the price and money supply relationship **(20)**
- Q. No. 6.** Discuss the evolution of international monetary systems adopted by the world economies. **(20)**
- Q. No. 7.** Discuss the Rostow's stage of growth with special reference to Pakistan **(20)**
- Q. No. 8.** Differentiate between the following: **(5 each) (20)**
- (a) Personal and disposable income
 - (b) Net domestic and gross domestic product
 - (c) Consumer price index and producer price index
 - (d) Multiplier and accelerator



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION - 2016
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

ECONOMICS, PAPER-II

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2.** Faster development leads to environmental degradation. Explain how development can be sustained without degrading the environment? **(20)**
- Q. No. 3.** Critically evaluate major monetary and fiscal measures taken in Pakistan to promote agriculture development. **(20)**
- Q. No. 4.** Critically evaluate import substitution and export led policies adopted in Pakistan for industrial development. **(20)**
- Q. No. 5.** Explain factors responsible for deterioration of terms of trade for Pakistan. How Pakistan can improve its terms of trade? **(20)**
- Q. No. 6.** Present a detailed account of Pakistan's experience of privatization process. **(20)**
- Q. No. 7.** Has interest-free banking been successful in Pakistan? Highlight the weaknesses and strengths of interest-free banking in Pakistan. **(20)**
- Q. No. 8.** Energy crisis in Pakistan has slowed down the growth process in Pakistan. In your opinion, how the energy shortage can be overcome? **(20)**



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2017
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT**

Roll Number

ECONOMICS, PAPER-I

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2.** How does the Indifference Approach to analyzing consumer demand avoid having to measure utility? Explain. (20)
- Q. No. 3.** Explain the Lewis Model of Modern-Sector Growth in a Two-Sector Surplus-Labour Economy with graphical analysis. (20)
- Q. No. 4.** What do you know about 'Demand-Side' Inflation and 'Supply-Side' Inflation? Explain with the help of graphs and briefly explicate the policies to tackle both sides Inflation. (20)
- Q. No. 5.** How does the IS-LM model allow equilibrium to be shown in both Goods and Money Markets simultaneously? Elucidate with graphs. (20)
- Q. No. 6.** What is the concept of Public debt? Explain the dimensions for tackling the debt problems of developing countries like Pakistan. (20)
- Q. No. 7.** Examine the causes of Balance of Payments problem under Fixed Exchange Rate in short-run keeping in view the New Classical and Keynesian Analyses. (20)
- Q. No. 8.** Explicate the following briefly: (5 each) (20)
- (a) Difference between Development and Human Development
 - (b) Difference between Income Inequality and Poverty
 - (c) Sources of Government Revenue
 - (d) Functions of Central Bank



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2017
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT**

Roll Number

ECONOMICS, PAPER-II

| | | |
|--|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book . (ii) Attempt ONLY FOUR questions from PART-II . ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2.** Explain the characteristics of Less Developed Countries (LDCs) with particular reference to Pakistan. (20)
- Q. No. 3.** Critically evaluate the economic planning strategy of Pakistan. What policy measures would you suggest for sound economic planning? Discuss. (20)
- Q. No. 4.** Elaborate the difference between agricultural development and rural development. What are the limitations of agricultural and rural development policies of Pakistan? Discuss. (20)
- Q. No. 5.** Explain the major monetary and fiscal measures taken in Pakistan for industrial development for the last 20 years. (20)
- Q. No. 6.** Highlight and explain changes in direction of trade in recent years. Also explain trends in exports and imports of Pakistan. (20)
- Q. No. 7.** Delineate the difference among privatization, deregulation and decentralization. Evaluate the experience of Pakistan in privatization. (20)
- Q. No. 8.** Write short notes on TWO of the following: (10 each) (20)
- (a) Export-led Growth Strategy
 - (b) Growth vs. Distribution
 - (c) Energy Crisis in Pakistan



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2018
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

ECONOMICS, PAPER-I

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2. (a)** State the bases of IS-LM framework (equations & establish equilibrium) and comment whether it is a short run or long run analysis. State bases for your answer. **(15)**
- (b)** Do you think this approach (a) above, is still applicable for policy formulation. **(5) (20)**
- Q. No. 3. (a)** How the concepts of notional aggregate demand (Keynesian) and real aggregate demand (neo-classical), leads to economic fluctuations in the economy. **(10)**
- (b)** How equilibrium is established in the market under the above (a) approaches. **(10) (20)**
- Q. No. 4. (a)** Analyze three different shapes of Aggregate Supply Curve (Constant, positively sloped and vertical). **(10)**
- (b)** Explain the role of shifts in Aggregate Demand and their impacts on economy in all three types of Aggregate Supply Curves. Relate such impacts in response to Fiscal policy. **(10) (20)**
- Q. No. 5. (a)** Explain Arc and Cross elasticities and analyze their role in decision making by the consumers. **(10)**
- (b)** Point out application of these theories; quote such examples and explain. **(10) (20)**
- Q. No. 6. (a)** Discuss major cannons of taxation and their relevance to tax system in Pakistan. **(10)**
- (b)** Do you think that the tax system in Pakistan is based upon cannons of taxation (restrict your discussion to the application of cannons of taxation). **(10) (20)**
- Q. No. 7. (a)** What is Balance of Payment? Point out its major components. **(10)**
- (b)** Analyze any one years' BOP of Pakistan. **(10) (20)**
- Q. No. 8. Write short note on any TWO of the followings. (10 each) (20)**
- (i)** Perfect and Pure competition
- (ii)** Monetary policy and its tools to control of money supply
- (iii)** Balanced and Un-balanced growth theory



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2018
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT**

Roll Number

ECONOMICS, PAPER-II

| | | |
|---|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART-II

- Q. No. 2.** What are the causes of over time worsened income distribution in Pakistan? Give some practicable options to overcome poverty and income inequalities in the country. **(20)**
- Q. No. 3.** Express your views about trends in the balance of trade in Pakistan and factors affecting them. How the situation can be made favourable for Pakistan? **(20)**
- Q. No. 4.** Agriculture's share in GDP and employment in Pakistan has reduced over time. Express your views about this decline in the light of the experience of some developed countries in the world. **(20)**
- Q. No. 5.** Critically examine the performance of fiscal policy adopted in Pakistan overtime. Express your views about the appropriateness of fiscal policy tools applied for the chosen fiscal policy. **(20)**
- Q. No. 6.** Specifically describe the history of nationalization, denationalization and privatization in Pakistan. Why denationalization of the nationalized organizations became inevitable in Pakistan? **(20)**
- Q. No. 7.** Identify and prioritize three factors hindering the economic progress in Pakistan. What measures would you propose for the sustainable growth of the economy? **(20)**
- Q. No. 8.** Briefly explain any **TWO** of the followings: **(10 each) (20)**
- (a)** Government Efforts to address Energy Crisis in Pakistan
 - (b)** Scope of Import Substitution Strategy in Pakistan
 - (c)** Climate Change Challenges for the economy of Pakistan



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2019
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
ECONOMICS, PAPER-I

Roll Number

| | | |
|---|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered. | | |

PART- II

- Q. No. 2.** Use the IS-LM model to discuss the Neutral effect of monetary expansion in the case of open economy. Distinguish between Keynesian and Classical Views on neutrality of money. **(20)**
- Q. No. 3.** What do you understand by Monetary Transmission Mechanism (MTM)? Evaluate and explain at least three different channels of MTM. **(20)**
- Q. No. 4.** What do the slopes of an isoquant line and iso-cost line measure? Describe theoretically and graphically the conditions that are satisfied when a firm has chosen a least cost technique for producing a given output. **(20)**
- Q. No. 5.** What are tariff and nontariff barriers to international trade? Why do countries sometimes restrict international trade? **(20)**
- Q. No. 6.** Extricate among fixed, flexible and managed floating exchange rate regimes. **(20)**
- Q. No. 7.** Describe the underdevelopment trap. Highlight the main ways in which poor countries attempt to overcome their poverty. **(20)**
- Q. No. 8.** Distinguish between any FOUR. **(5 each) (20)**
- a. Comparative advantage and Absolute advantage.
 - b. Consumer surplus and producer surplus
 - c. Progressive and regressive taxes
 - d. Economic growth and economic development
 - e. Real GNP and nominal GNP
 - f. Consumer price index and GDP deflator



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2019
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
ECONOMICS, PAPER-II

Roll Number

| | | |
|--|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered. | | |

PART-II

- Q. No. 2.** Describe the salient features of Nurkse, Ropan and Hirschman theories. Comment on the relevancy of each with reference to Pakistan? **(20)**
- Q. No. 3.** Critically examine the surplus labor model presented by Arthur Lewis. Can this model be used to initiate industrial development in Pakistan? **(20)**
- Q. No. 4.** Differentiate between the concepts of poverty and income inequality. How can public policy help in alleviating poverty and reducing inequality in a developing country like Pakistan? **(20)**
- Q. No. 5.** Explain various types of inflation. To what extent should it be controlled? How can fiscal and monetary policy measures help control inflation in Pakistan? **(20)**
- Q. No. 6.** Analyze the role of international trade in the economic development of Pakistan. How might WTO affect the terms of trade in an otherwise free economy? **(20)**
- Q. No. 7.** Examine the role of Agriculture Sector in the economic development of Pakistan. Should the country continue investing in it or there exist better options as alternate plans? **(20)**
- Q. No. 8.** What are the reasons for the adverse balance of trade in Pakistan? Suggest the possible measures to improve the balance of trade scenario of Pakistan. **(20)**



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2020
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
ECONOMICS, PAPER-I

Roll Number

| | | |
|--|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered. | | |

PART-II

- Q. No. 2.** Critically examine the marginal productivity theory of income distribution. **(20)**
- Q. No. 3.** Define Balance of Payment (BOP) and identify and explain its major components with reference to any one year's BOP of Pakistan. **(20)**
- Q. No. 4.** List the main functions of money. Define and discuss the quantity theory of money. **(20)**
- Q. No. 5.** Discuss importance of human capital investment for the economic development of Pakistan. **(20)**
- Q. No. 6.** Pakistan's Tax to GDP ratio is among the lowest in the world and its share of indirect taxes in the total tax receipts is much higher. Describe and discuss reasons behind these phenomena and suggest measures to improve tax to GDP ratio in Pakistan. **(20)**
- Q. No. 7.** Use the IS-LM model to discuss the neutral effect of monetary expansion in the case of an open economy. Distinguish between Keynesian and classical views on neutrality of money. **(20)**
- Q. No. 8.** Write a short note on any **TWO** of the following:- **(10 each) (20)**
- (a)** Phillips Curve and NAIRU
 - (b)** Laffer Curve
 - (c)** Marshallian and Hicksian Demand



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2020
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
ECONOMICS, PAPER-II

Roll Number

| | | |
|--|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered. | | |

PART-II

- Q. No. 2.** Briefly explain theoretical justification for major sources of agriculture growth and analyze which of them are valid for Pakistan. Also state why green revolution did not continue to play its role in agriculture (20)
- Q. No. 3.** Pakistan has persistent trade deficit. Analyze this pattern and sources. Based upon your analysis, propose relevant and applicable policy for its improvement. (20)
- Q. No. 4.** Point out three major economic issues pertaining to the failure of fiscal policy to achieve sustainable economic growth in Pakistan. Propose appropriate measures to solve these issues. (20)
- Q. No. 5.** Point out major sources of inflation in Pakistan. Justify these sources empirically and discuss how this issue was managed in the last three decades. (20)
- Q. No. 6.** Briefly explain and critically evaluate the role of public and private investment in Pakistan. Also point out their role in achieving sustainable economic growth of Pakistan. (20)
- Q. No. 7.** Why internationally developed poverty lines may not be relevant to Pakistan. State poverty lines relevant to Pakistan and discuss its justifications and poverty trends in Pakistan. Also propose applicable policy measures to solve the issue. (20)
- Q. No. 8.** Theoretically justify the role of public debt, either to play positive or negative. Analyze its role in Pakistan. Also discuss steps taken to solve this problem. (20)



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2023
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

ECONOMICS, PAPER-I

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the question will not be considered. | | |

PART-II

- Q. No. 2.** Is the slope of an indifference curve at a particular point known as the marginal rate of substitution (MRS)? Justify your answer with a graph. If good 1 is a 'neutral', what is its MRS for good 2? **(20)**
- Q. No. 3.** Define opportunity costs and explain why the economic definition of profit requires that we value all inputs and the outputs at their opportunity cost? **(20)**
- Q. No. 4.** Briefly describe the functions of International Monetary Fund (IMF). How does the IMF help countries trapped in financial issues? **(20)**
- Q. No. 5.** The central bank in a country is responsible for its monetary policy. What are the objectives and tools of monetary policy? Use diagrams to explain your answer. **(20)**
- Q. No. 6.** What is the theory of liquidity preferences? How does it explain the downward slope of the aggregate-demand curve? Use the theory of liquidity preference to explain how a decrease in the money supply affects the aggregate-demand curve in a closed economy. **(20)**
- Q. No. 7.** Considering the current economic scenario of our economy, recommend an effective policy framework that can reduce budget deficit and improve the developmental outlook. **(20)**
- Q. No. 8.** Write short notes on any **FOUR** of the following: **(5 each) (20)**
- a. Public Goods
 - b. Draw self-explanatory functions of: MPC, Aggregate demand, Multiplier
 - c. Cost minimization by a small firm.
 - d. Two methods of national income accounting.
 - e. Fuel poverty
 - f. Welfare economics



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2023
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

ECONOMICS, PAPER-II

| | | |
|---|----------------------|---------------------------|
| TIME ALLOWED: THREE HOURS | PART-I (MCQS) | MAXIMUM MARKS = 20 |
| PART-I(MCQS): MAXIMUM 30 MINUTES | PART-II | MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. | | |
| (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. | | |
| (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. | | |
| (iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. | | |
| (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. | | |
| (vi) Extra attempt of any question or any part of the question will not be considered. | | |

PART-II

- Q. No. 2.** What is green revolution? How would you explain that it proved an engine of growth rather than development? **(20)**
- Q. No. 3.** Explain the difference between growth and development. **(20)**
- Q. No. 4.** Differentiate between appreciation and depreciation of currency and how it affect trade/economy. **(20)**
- Q. No. 5.** Explain the relationship between unemployment and inflation through Philips curve. **(20)**
- Q. No. 6.** Differentiate between Absolute advantage and comparative advantage. **(20)**
- Q. No. 7.** How comparative advantage becomes the basis of international trade between the two nations. **(20)**
- Q. No. 8.** Write short notes on any TWO of the following: **(10 each) (20)**
- (i)** Globalization and economic growth and development.
- (ii)** Social media and its merits and demerits on Pakistan society and economy.
- (iii)** Factor of productions and two sectors flow diagram of economy.



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2021
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
ECONOMICS, PAPER-I

Roll Number

| | | |
|---|--|--|
| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 MAXIMUM MARKS = 80 |
| NOTE: (i) Part-II is to be attempted on the separate Answer Book. (ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks. (iii) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Write Q.No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the question will not be considered. | | |

PART-II

- Q. No. 2.** Elaborate the own-price, cross-price and income elasticity theoretically and empirically. Also explain the relationship between own-price elasticity and the total revenue. (20)
- Q. No. 3.** What are the three different approaches to measure the Gross Domestic Product (GDP)? Discuss. Why should the three approaches yield the same result? Do you think one approach can be preferred over the other? Justify your arguments. (20)
- Q. No. 4.** What are the functions of the International Monetary Fund (IMF)? What practices IMF adopt in order to assist countries facing financial crisis? Evaluate the IMF lending to the developing countries with reference to Financial Action Task Force (FATF) status. (20)
- Q. No. 5.** Explain the macroeconomic outlook of economy of Pakistan and suggest any policy framework for formulation of budget and reducing budget deficit. (20)
- Q. No. 6.** Differentiate between the exchange rate systems vis-à-vis fixed, flexible and managed floating exchange rate system. Which regime is currently being pursued by Pakistan? (20)
- Q. No. 7.** What is the Lewis turning point? How can it be attained? What happens if, within the framework of Two-Sector model, the transfer of labor from subsistence to modern sector continues beyond this point? Elaborate. (20)
- Q. No. 8.** What were the major macroeconomic consequences of COVID-19 Pandemic for the economy of Pakistan? Suggest some realistic measures which can be adopted to tackle the issue. (20)
