



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

**Roll Number**

**ECONOMICS, PAPER-I**

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

**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

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**ECONOMICS, PAPER-II**

<b>TIME ALLOWED: THREE HOURS</b>	<b>PART-I (MCQS)</b>	<b>MAXIMUM MARKS = 20</b>
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**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)**

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