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

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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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