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

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Roll Number

ECONOMICS, PAPER-II

TIME ALLOWED: THREE HOURS **PART-I(MCQS): MAXIMUM 30 MINUTES**	**PART-I (MCQS) MAXIMUM MARKS = 20** **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.
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(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

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