FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2021
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. 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)**

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ECONOMICS, PAPER-II

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PART-II

Q. No. 2. What is meant by economic development? Compare and contrast various measures of economic development. **(20)**

Q. No. 3. Can Pakistan support indefinitely a set of loss-making public enterprises, both in the energy sector and outside? Suggest and discuss policies for their restructuring and privatization. **(20)**

Q. No. 4. Evaluate the Theory of Vicious Circle of poverty. What are the factors necessary to break through this circle in a developing country like Pakistan? **(20)**

Q. No. 5. Compare and contrast the theories of balanced and unbalanced growth. Which of these do you think better suit a developing country like Pakistan? **(20)**

Q. No. 6. Describe and discuss the role of corruption and governance in the economic development of Pakistan. **(20)**

Q. No. 7. How has Arthur Lewis explained the emergences of industrial society from an agrarian economy? Can this model be used to explain industrial development in Pakistan? **(20)**

Q. No. 8. Write short notes on any **TWO** of the following:- **(10 each)** **(20)**

- **(a)** Population growth and economic development
- **(b)** Ehsaas Programs
- **(c)** Climate change and Food Security

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