

# FEDERAL PUBLIC SERVICE COMMISSION



## COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2011

Roll Number

### ECONOMICS, PAPER-II

<b>TIME ALLOWED:</b>	<b>(PART-I MCQs)</b>	<b>30 MINUTES</b>	<b>MAXIMUM MARKS: 20</b>
<b>THREE HOURS</b>	<b>(PART-II)</b>	<b>2 HOURS &amp; 30 MINUTES</b>	<b>MAXIMUM MARKS: 80</b>
<b>NOTE: (i) First attempt PART-I (MCQs) on separate Answer Sheet which shall be taken back after 30 minutes.</b>			
<b>(ii) Overwriting/cutting of the options/answers will not be given credit.</b>			

### (PART-I MCQs) (COMPULSORY)

- Q.1.** Select the best option/answer and fill in the **appropriate box** on the **Answer Sheet**. (1 x 20=20)
- (i) The best measure of economic development is:  
(a) GNP (b) HDI (c) PQLI (d) None of these
- (ii) Due to land reforms of 1972 the number of farmers benefited were around:  
(a) 50,300 (b) 71,500 (c) 81,201 (d) 40,301
- (iii) The best measure of economic development, among the following is:  
(a) Life expectancy (b) Industrial development  
(c) Agricultural and industrial development (d) Development of services sector
- (iv) As per 1990 census, the number of tenants in Pakistan were around:  
(a) 16% (b) 20% (c) 25% (d) 13% (e) None of these.
- (v) Area irrigated by different sources in Pakistan is around \_\_\_\_\_ Million hectares:  
(a) 17 (a) 20 (a) 15 (a) 18
- (vi) Which era (decade) in Pakistan is called "the decade lose":  
(a) 1960's (b) 1970's (c) 1980's (d) 1990's (e) 2000's
- (vii) The urban employment in the informal industry is:  
(a) 72% (b) 50% (c) 30% (d) 79% (e) 60.5%
- (viii) The effective tariff rate in Pakistan (Foreign Sector) is:  
(a) Below 10% (b) Around 15% (c) Around 20% (d) Around 23%
- (ix) The major objective of Monetary Authorities is:  
(a) To control inflation and help the government (b) Stability of the economy  
(c) To reduce unemployment and print money (d) To control interest rate and promote investment  
(e) None of these
- (x) Out of total revenue of Pakistan, the following percentage is spent on defence and debt services:  
(a) 50% (b) 30% (c) 90% (d) 80% (e) 70%
- (xi) Under WTO, Pakistan has bounded tariff for agriculture around:  
(a) 100% (b) 50% (c) 150% (d) None of these
- (xii) The best technique to measure competitiveness of trade is:  
(a) Absolute advantage (b) Comparative advantage  
(c) Revealed comparative advantage (d) Openness of the foreign sector
- (xiii) The agricultural share in GDP is around:  
(a) 22% (b) 20% (c) 15% (d) 10%

## **ECONOMICS, PAPER-II**

- (xiv) Structural adjustment program in Pakistan led to:
- (a) Increase poverty (b) Reduce poverty  
(c) Improve the economy (d) No significant impact
- (xv) The IMF loans are:
- (a) For short term (b) For long term (c) Both (a) and (b) (d) None of these
- (xvi) Indirect taxes are around \_\_\_\_\_ of the revenue.
- (a) 70% (b) 80% (c) 85% (d) None of these
- (xvii) In the last ten years, foreign debt servicing of Pakistan has:
- (a) Increased (b) Decreased (c) Remained the same
- (xviii) With the introduction of reforms in the foreign sector Pakistan's competitiveness has:
- (a) Improved (b) Deteriorated  
(c) Improved and deteriorated (d) Deteriorated and improved
- (xix) The industrial share in the GDP is around:
- (a) 20% (b) 18% (c) 22% (d) 15%
- (xx) Produce Index Unit is:
- (a) Per acre total production in a year (b) Per acre production of one crop in one acre  
(c) Aggregate average production per acre (d) None of these

## **PART-II**

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| <b>NOTE:</b> | (i) <b>PART-II</b> is to be attempted on separate Answer Book.   |
|              | (ii) <b>Attempt ONLY FOUR questions from PART-II. All questions carry EQUAL marks.</b>                   |
|              | (iii) <b>Extra attempt of any question or any part of the attempted question will not be considered.</b> |
|              | (iv) <b>Your answer must be based upon evidences (empirical or theoretical).</b>                         |

- Q.2.** (a) Define Economic Development and state that how this definition has changed over time? (15)  
(b) In the light of (a) above, how the scope of Development Economics has changed? (05)
- Q.3.** (a) Explain why trade is considered as "engine of growth"? (10)  
(b) Did liberalization lead to improve our exports? Explain with the help of Pakistan's competitiveness (say Revealed comparative advantage) . (10)
- Q.4.** (a) Evaluate and point out major sources of agricultural growth in Pakistan? (10)  
(b) What happened to these variables of growth over the time? (You must provide empirical evidence for your arguments). (10)
- Q.5.** (a) Discuss major sources of industrial growth in Pakistan. (10)  
(b) Point out major obstacles in its growth. (10)
- Q.6.** (a) Discuss the role of foreign debt and its implications. (10)  
(b) How can we get out of debt trap? (10)
- Q.7.** (a) Point out three major approaches to measure poverty and analyze poverty problem in Pakistan, with respect to the best approach you have described? (15)  
(b) Describe A. K. Sin's contribution to measure Poverty. (05)
- Q.8.** (a) Briefly discuss major components of recent fiscal policy being followed in Pakistan. (10)  
(b) Analyze its contribution to improve the economy. (10)

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