

**ECONOMICS, PAPER-II**



**FEDERAL PUBLIC SERVICE COMMISSION  
COMPETITIVE EXAMINATION FOR  
RECRUITMENT TO POSTS IN BPS-17 UNDER  
THE FEDERAL GOVERNMENT, 2010**

**ECONOMICS, PAPER-II**

Roll Number

<b>TIME ALLOWED:</b>	<b>(PART-I) 30 MINUTES</b>	<b>MAXIMUM MARKS:20</b>
	<b>(PART-II) 2 HOURS &amp; 30 MINUTES</b>	<b>MAXIMUM MARKS:80</b>

- NOTE:** (i) First attempt PART-I (MCQ) on separate Answer Sheet which shall be taken back after 30 minutes.  
(ii) Overwriting/cutting of the options/answers will not be given credit.

**PART – I (MCQ)**  
**(COMPULSORY)**

- Q.1. Select the best option/answer and fill in the appropriate box on the Answer Sheet. (20)**
- (i) The best and comprehensive definition of economic development was presented by:  
(a) Higgins (b) Maddison  
(c) Friedman (d) None of these
  - (ii) Fishery is the sub sector of:  
(a) Agriculture (b) Manufacturing  
(c) Mining (d) Both (b) and (c)
  - (iii) Pakistan was the leading exporter before the separation of East Pakistan:  
(a) Cotton (b) Tea  
(c) Rice (d) None of these
  - (iv) Pakistan devalued its currency in 1972 by:  
(a) 131% (b) 121%  
(c) 100% (d) None of these
  - (v) Eighth Five Year Plan duration was:  
(a) 1983 – 1988 (b) 1993 – 1998  
(c) 1978 – 1983 (d) 1988 – 1993
  - (vi) Export Bonus Scheme (EBS) was introduced in:  
(a) 1969 (b) 1979  
(c) 1959 (d) 1949
  - (vii) Primary deficit (primary balance) is the difference between total revenue and:  
(a) Non-interest total expenditure (b) Interest expenditure  
(c) development expenditure (d) All of these
  - (viii) Cooperative movement was started in sub-continent in:  
(a) 1904 (b) 1914  
(c) 1934 (d) None of these
  - (ix) The Ryotwari system was introduced by the British rules in the provinces of:  
(a) Sindh, Madras and Mumbai (b) Sindh, Punjab and Mumbai  
(c) Sindh, Madras and NWFP (d) Both (a) and (b)
  - (x) Pakistan Agricultural Storage and Service Corporation (PASSCO) was established in:  
(a) 1973 (b) 1963  
(c) 1953 (d) 1983
  - (xi) Who developed Physical Quality Life Index (PQLI) in his famous book named by “Measuring the Condition of the World’s Poor: PQLI in 1987?”  
(a) Morris D. Morris (b) Higgins  
(c) Keynes (d) None of these
  - (xii) The Human Development Index (HDI) ranks all countries on the scale of:  
(a) 0 to 1 (b) 1 to 100  
(c) -1 to +1 (d) None of these
  - (xiii) The United Nations designated The Fourth World as:  
(a) Less developed countries (b) Poor countries  
(c) Least developed countries (d) All of these
  - (xiv) According to ‘North-South Divide’, the rich countries are called:  
(a) South countries (b) North countries  
(c) Industrialized countries (d) Advance countries

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- (xv) The loan which is given at a nominal rate of interest ranging from 1% to 3% is called:
  - (a) Hard loan
  - (b) Conditional loan
  - (c) Soft loan
  - (d) All of these
- (xvi) The accumulation of a stock of debt so large as to threaten the country's ability to repay its past loan:
  - (a) Debt equity swap
  - (b) Debt trap
  - (c) Debt overhang
  - (d) None of these
- (xvii) "Rabi" season which begins in:
  - (a) April-June
  - (b) October-December
  - (c) January-February
  - (d) None of these
- (xviii) Government of Pakistan announced privatization policy in:
  - (a) 1981
  - (b) 1995
  - (c) 1991
  - (d) None of these
- (xix) The floating debt (short-term) consists of:
  - (a) Treasury Bills
  - (b) Market Treasury Bills
  - (c) MTBs for Replenishment
  - (d) All of these
- (xx) The currency of IMF is called:
  - (a) SDRs
  - (b) ODRs
  - (c) Lira
  - (d) None of these

**PART – II**

<b>NOTE:</b>	<p>(i) <b>PART-II</b> is to be attempted on the separate <b>Answer Book</b>.</p> <p>(ii) Attempt <b>ONLY FOUR</b> questions from <b>PART-II</b>. All questions carry <b>EQUAL</b> marks.</p> <p>(iii) Extra attempt of any question or any part of the attempted question will not be considered.</p>
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- Q.2.** Define economic development and economic growth. How can you differentiate between these two? **(20)**
- Q.3.** Explain the important features and trends of Pakistan foreign trade. **(20)**
- Q.4.** Discuss the cost and benefits of foreign economic assistance and give some suggestions for the solution to the foreign debt problem. **(20)**
- Q.5.** Explain the major monetary and fiscal measures to promote industrial development in Pakistan. **(20)**
- Q.6.** Explain critically the land tenure system in Pakistan. **(20)**
- Q.7.** What is the difference between collective and cooperative farming? Explain the advantages and causes of failure of cooperative farming in Pakistan. **(20)**
- Q.8.** Give a critical evaluation of the strategy of economic planning in Pakistan. **(20)**

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