

# FEDERAL PUBLIC SERVICE COMMISSION



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

### 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**

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

- 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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