



**FEDERAL PUBLIC SERVICE COMMISSION**  
**COMPETITIVE EXAMINATION-2022**  
**FOR RECRUITMENT TO POSTS IN BS-17**  
**UNDER THE FEDERAL GOVERNMENT**  
**ECONOMICS, PAPER-I**

Roll Number

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| <b>TIME ALLOWED: THREE HOURS</b><br><b>PART-I(MCQS): MAXIMUM 30 MINUTES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>PART-I (MCQS)</b><br><b>PART-II</b> | <b>MAXIMUM MARKS = 20</b><br><b>MAXIMUM MARKS = 80</b> |
| <b>NOTE: (i)</b> Part-II is to be attempted on the separate <b>Answer Book</b> .<br><b>(ii)</b> Attempt <b>ONLY FOUR</b> questions from <b>PART-II</b> . <b>ALL</b> questions carry <b>EQUAL</b> marks.<br><b>(iii)</b> All the parts (if any) of each Question must be attempted at one place instead of at different places.<br><b>(iv)</b> Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.<br><b>(v)</b> No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.<br><b>(vi)</b> Extra attempt of any question or any part of the question will not be considered. |                                        |                                                        |

**PART-II**

- Q. No. 2.** Differentiate among the own price elasticity, cross-price elasticity and income elasticity of demand. Explain the practical significance/uses of own price elasticity and income elasticity of demand. **(20)**
- Q. No. 3.** What happens to interest rate if prices change along a given Aggregate Demand Schedule? Explain with the help of IS-LM model. **(20)**
- Q. No. 4.** Discuss the significance of investment in human capital for economic development in Pakistan. How the brain drain from a developing country retards the process of economic development? **(20)**
- Q. No. 5.** Differentiate among the tax, fee and price. Express your views about tax collection to GDP ratio in Pakistan. Suggest measures to enhance and rationalize tax revenue in Pakistan. **(20)**
- Q. No. 6.** State and explain the functions of a central bank. How successful the State bank of Pakistan has been in achieving its objectives over time? Discuss. **(20)**
- Q. No. 7.** Specifically describe the types of inflation. Which type of inflation is the most disturbing in Pakistan? Suggest measures to address the identified inflation problem. **(20)**
- Q. No. 8.** Write short notes on any two of the followings. **(10 each) (20)**
- (i)** Size distribution vs. functional distribution of income
  - (ii)** Privatization
  - (iii)** International trade and cartels

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Roll Number

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|
| <b>TIME ALLOWED: THREE HOURS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>PART-I (MCQS)</b> | <b>MAXIMUM MARKS = 20</b> |
| <b>PART-I(MCQS): MAXIMUM 30 MINUTES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>PART-II</b>       | <b>MAXIMUM MARKS = 80</b> |
| <b>NOTE: (i) Part-II is to be attempted on the separate Answer Book.</b><br><b>(ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks.</b><br><b>(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.</b><br><b>(iv) Write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.</b><br><b>(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.</b><br><b>(vi) Extra attempt of any question or any part of the question will not be considered.</b> |                      |                           |

**PART-II**

- Q. No. 2.** “In Pakistan, poverty is a rural phenomenon”. Elaborate this statement keeping in view uni-dimensional and multidimensional aspects of poverty. **(20)**
- Q. No. 3.** Keeping the economic, political and social systems in perspective, what should be the successful planning strategic framework for Pakistan to achieve Sustainable Development Goals (SDGs) by 2030? **(20)**
- Q. No. 4.** Under CPEC initiatives, what kind of industry needs to be promoted across the trade routes and why? Explain in the context of proposed industrial zones in the country. **(20)**
- Q. No. 5.** What are the trends and tendencies of imports and exports of Pakistan? How the country can enhance its “terms of trade” favorable with particular reference to trade with China? **(20)**
- Q. No. 6.** Clarify the difference between conventional banking and interest free banking. How interest free banking can help in the economic and financial development of Pakistan? **(20)**
- Q. No. 7.** Noble Laureate Richard H. Thaler has made Economics more human. Keeping his ideas of Behavioral Economics, what sort of revolutionary changes are required in the socio-economic fabric of Pakistan? **(20)**
- Q. No. 8.** Write logical notes on two of the following: **(10 each) (20)**
- (i)** Environmental Degradation
  - (ii)** Debt dilemma of Pakistan
  - (iii)** Impact of Climate Change

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