



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2017
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT**

Roll Number

ECONOMICS, PAPER-I

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| TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES | PART-I (MCQS) PART-II | MAXIMUM MARKS = 20 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) Candidate must 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 attempted question will not be considered. | | |

PART-II

- Q. No. 2.** How does the Indifference Approach to analyzing consumer demand avoid having to measure utility? Explain. (20)
- Q. No. 3.** Explain the Lewis Model of Modern-Sector Growth in a Two-Sector Surplus-Labour Economy with graphical analysis. (20)
- Q. No. 4.** What do you know about ‘Demand-Side’ Inflation and ‘Supply-Side’ Inflation? Explain with the help of graphs and briefly explicate the policies to tackle both sides Inflation. (20)
- Q. No. 5.** How does the IS-LM model allow equilibrium to be shown in both Goods and Money Markets simultaneously? Elucidate with graphs. (20)
- Q. No. 6.** What is the concept of Public debt? Explain the dimensions for tackling the debt problems of developing countries like Pakistan. (20)
- Q. No. 7.** Examine the causes of Balance of Payments problem under Fixed Exchange Rate in short-run keeping in view the New Classical and Keynesian Analyses. (20)
- Q. No. 8.** Explicate the following briefly: (5 each) (20)
- (a) Difference between Development and Human Development
 - (b) Difference between Income Inequality and Poverty
 - (c) Sources of Government Revenue
 - (d) Functions of Central Bank
