

FEDERAL PUBLIC SERVICE COMMISSION



COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2012

Roll Number

ECONOMICS, PAPER-I

TIME ALLOWED:	(PART-I MCQs)	30 MINUTES	MAXIMUM MARKS: 20
THREE HOURS	(PART-II)	2 HOURS & 30 MINUTES	MAXIMUM MARKS: 80
NOTE: (i) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper. (ii) Attempt ONLY FOUR questions. ALL questions carry EQUAL marks. (iii) Extra attempt of any question or any part of the attempted question will not be considered.			

PART-II

- Q. 2.** Explain as how the Market demand curve can be derived from Indifference curve approach? (20)
- Q. 3.** Define Multiplier. Also explain the impact of Multiplier on National income and employment of the economy. (20)
- Q. 4.** Compare and contrast the Fisher and Cambridge equations of money. (20)
- Q. 5.** Explain the process of creation of credit money and also discuss its properties. (20)
- Q. 6.** Explain as how Inflation and Deflation can be controlled by the Central Bank? (20)
- Q. 7.** Critically analyze the slogan of, "Trade not aid". Is it possible with reference to Pakistan? (20)
- Q. 8.** Critically discuss the Modern Theory of International Trade as how it impacts cost effectiveness? (20)
- Q. 9.** Write notes on the following:
(i) Protection policy of Industrial Development. (10)
(ii) Balance of payment as a domestic resource development. (10)
