



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION - 2016
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT

Roll Number

ECONOMICS, PAPER-I

TIME ALLOWED: THREE HOURS	PART-I (MCQS)	MAXIMUM MARKS = 20
PART-I(MCQS): MAXIMUM 30 MINUTES	PART-II	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.** Explain and prove mathematically that marginal revenue is less than price in case of monopolistic market structure. **(20)**
- Q. No. 3.** Explain diagrammatically, how an increase in price generates income and substitution effect for a normal good? **(20)**
- Q. No. 4.** Explain the inflation and unemployment relationship for pre and post 70s market economy. **(20)**
- Q. No. 5.** Deliberate on the various theories developed to study the price and money supply relationship **(20)**
- Q. No. 6.** Discuss the evolution of international monetary systems adopted by the world economies. **(20)**
- Q. No. 7.** Discuss the Rostow's stage of growth with special reference to Pakistan **(20)**
- Q. No. 8.** Differentiate between the following: **(5 each) (20)**
- (a) Personal and disposable income
 - (b) Net domestic and gross domestic product
 - (c) Consumer price index and producer price index
 - (d) Multiplier and accelerator
