



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2024 FOR RECRUITMENT TO
POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT

Roll Number

ECONOMICS, PAPER-II

TIME ALLOWED: THREE HOURS	(PART-I MCQs)	MAXIMUM MARKS: 20
PART-I (MCQs) : MAXIMUM 30 MINUTES	(PART-II)	MAXIMUM MARKS: 80
NOTE: (i) First attempt PART-I (MCQs) on separate OMR Answer Sheet which shall be taken back after 30 minutes.		
(ii) Overwriting/cutting of the options/answers will not be given credit.		
(iii) There is no negative marking. All MCQs must be attempted.		

PART-I (MCQs)(COMPULSORY)

Q.1. (i) Select the best option/answer and fill in the appropriate Box on the OMR Answer Sheet. (20x1=20)
(ii) Answers given anywhere else, other than OMR Answer Sheet, will not be considered.

1. **Core inflation measures:**
(A) CPI based inflation (B) GDP Deflator inflation (C) WPI inflation (D) None of these
2. **During FY 2022-23, Pakistan's industrial sector growth rate is:**
(A) 6.5% (B) -2.94 % (C) -10% (D) None of these
3. **The CPI inflation for FY 2022-23 is:**
(A) 20% (B) 45% (C) 29.3% (D) None of these
4. **Goal 1 of Sustainable Developments Goals relates to:**
(A) Hunger (B) Economic growth (C) Education (D) None of these
5. **Okun's Law defines the relationship between:**
(A) Unemployment and Inflation (B) Inflation and Economic growth
(C) Unemployment and GDP growth (D) None of these
6. **Exchange rate depreciation improves:**
(A) Economy (B) Markets (C) Trade balance (D) None of these
7. **GDP measures "all goods and services _____ produced in a given year".**
(A) Domestically (B) Nationally (C) Excluding exports and imports (D) None of these
8. **The monetary policy tools are used for:**
(A) Price stability (B) Financial stability (C) Economic growth (D) All of these
9. **Pakistan sought "International Monetary Fund's Financial Assistance" _____ times in 75 years.**
(A) 25 (B) 23 (C) 12 (D) None of these
10. **Financial Inclusions mean:**
(A) Having a financial account (B) Using the financial products
(C) Having and using mobile accounts (D) All of these
11. **Quantity theory of money states that when quantity of money increases, value of money:**
(A) Increases (B) Declines (C) Remains same (D) None of these
12. **Fiscal and monetary policies are used to:**
(A) Improve markets (B) Stabilize economy (C) Improve trade deficit (D) None of these
13. **According to the State Bank of Pakistan (SBP) redefined Act 2022, the primary function of SBP is:**
(A) Price stability (B) Treasury management (C) Exchange rate stability (D) None of these
14. **Gini coefficient is the measure of:**
(A) Poverty (B) Inequality (C) Development (D) All of these
15. **GNP measures:**
(A) Total production of nation (B) Total income of a nation
(C) Total wealth of a nation (D) Both (A) and (B)
16. **Economic development is measured by:**
(A) Sustenance (B) Freedom (C) Self esteem (D) All of these
17. **Unemployment rate is relatively higher in _____ in Pakistan as per Labor Force Survey 2020-21.**
(A) Young Adults (B) Youth (C) Middle aged (D) None of these
18. **Pakistan's 1st digital population census was conducted in the year:**
(A) 2000 (B) 2009 (C) 2023 (D) None of these
19. **In Pakistan, investment as percentage of GDP is lower than:**
(A) India (B) China (C) Bangladesh (D) All of these
20. **Economic recession is defined as reduced economic activities and employment levels for at least:**
(A) Two consecutive quarters (B) One year (C) 5 years (D) None of these

PART-II

- 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) 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 question will not be considered.

- Q. No. 2.** Differentiate between the “Economic growth” and “Economic Development”. (20)
Explain various measures of both.
- Q. No. 3.** During FY23, inflation in Pakistan has touched its highest peak over the 75 years. (20)
Describe in brief the factors behind this high inflation and explain the monetary and fiscal policy actions to improve upon the situation.
- Q. No. 4.** Pakistan Nationalization Act was promulgated in year 1972. Discuss its (20)
advantages and disadvantages on Pakistan Economy.
- Q. No. 5.** Pakistan has experienced “Green Revolution” in mid 1960s. What are the main (20)
determinants of Green Revolution? Explain the essential policy actions needed, if we want to revive again the “Green revolution” in Pakistan.
- Q. No. 6.** Describe in brief the IMF’s Financial Assistance program, its objectives and (20)
stringent conditionalities. Does it helpful in resolving the balance of payments problems and structural issues of a heavily indebted less developed countries like Pakistan?
- Q. No. 7.** According to the Labor Force Survey (LFS) 2020-21, overall employment to (20)
population ratio is 42.1 percent and this ratio is higher in male (64.1 percent) as compared to female (19.4 percent). (i) Explain what are the main reasons behind the female low employment levels in Pakistan? (ii) Suggest the policy actions and reforms to increase the female labor force participation in the economy.
- Q. No. 8.** Write short notes on any TWO of the following: (10 each) (20)
- (i) Cities are engine of economic growth
 - (ii) Russia-Ukraine war and supply shocks
 - (iii) Pakistan’s inefficient state-owned enterprises
