



**FEDERAL PUBLIC SERVICE COMMISSION**  
**COMPETITIVE EXAMINATION-2025 FOR RECRUITMENT TO**  
**POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT**

Roll Number

**ECONOMICS, PAPER-II**

<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>
<p><b>NOTE: (i)</b> First attempt <b>PART-I (MCQs)</b> on separate <b>OMR Answer Sheet</b> which shall be taken back after <b>30 minutes</b>.</p> <p><b>(ii)</b> <b>Overwriting/cutting of the options/answers will not be given credit.</b></p> <p><b>(iii)</b> There is <b>no negative</b> marking. All MCQs must be attempted.</p>		

**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. **Which economist is associated with the concept of “Development as Freedom”?**  
 (A) Paul Samuelson            (B) Amartya Sen            (C) Milton Friedman            (D) None of these
  2. **Which of the following was a key objective of Pakistan’s land reforms?**  
 (A) Increasing urbanization            (B) Encouraging large-scale industrialization  
 (C) Improving agricultural marketing            (D) None of these
  3. **A key criticism of Pakistan’s privatization policy is:**  
 (A) Reduced tax revenues            (B) Lack of transparency and accountability  
 (C) Over-regulation of privatized sectors            (D) None of these
  4. **The Agreement on Agriculture under the WTO primarily affects:**  
 (A) Industrial subsidies            (B) Export regulations  
 (C) Domestic support and market access for agriculture            (D) None of these
  5. **Which of the following factors is most responsible for Pakistan's persistent balance of payments crisis?**  
 (A) High reliance on remittances            (B) Low export diversification and competitiveness  
 (C) Inadequate foreign direct investment inflows            (D) None of these
  6. **The tax-to-GDP ratio in Pakistan has historically remained low due to:**  
 (A) High reliance on indirect taxes            (B) Over-dependence on agriculture  
 (C) Lack of tax base documentation and enforcement            (D) All of these
  7. **Which of the following is a major constraint on Pakistan’s industrial growth?**  
 (A) Lack of skilled labor            (B) Energy shortages            (C) Weak infrastructure            (D) All of these
  8. **In terms of poverty alleviation, the main challenge for Pakistan has been:**  
 (A) Ensuring equitable access to resources            (B) Improving microcredit availability  
 (C) Reducing rural-urban disparities            (D) None of these
  9. **The informal economy in Pakistan is estimated to contribute approximately what percentage to GDP?**  
 (A) 10-20%            (B) 30-40%            (C) 45-55%            (D) None of these
  10. **Which of the following is the most significant factor affecting Pakistan’s food security?**  
 (A) Land ownership inequalities            (B) Poor agricultural productivity  
 (C) Climate change and water scarcity            (D) None of these
  11. **The Chinn-Ito index, often used in research on Pakistan’s economy, measures:**  
 (A) Industrial productivity            (B) Capital account openness  
 (C) Exchange rate stability            (D) None of these
  12. **Pakistan’s economy is categorized as a:**  
 (A) Low-income developing economy            (B) Upper-middle-income economy  
 (C) Lower-middle-income developing economy            (D) None of these
  13. **Pakistan’s energy mix is heavily dependent on:**  
 (A) Renewable energy sources            (B) Imported oil and gas            (C) Nuclear energy            (D) None of these
  14. **Water scarcity in Pakistan is primarily caused by:**  
 (A) Mismanagement of water resources            (B) Population growth and urbanization  
 (C) Climate change impacts            (D) All of these
  15. **The primary reason for inefficiency in Pakistan’s energy sector is:**  
 (A) Overcapacity in energy generation            (B) Transmission and distribution losses  
 (C) High energy tariffs            (D) None of these