



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION - 2016
FOR RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT
ECONOMICS, PAPER-I**

Roll Number

TIME ALLOWED: THREE HOURS	PART-I (MCQS)	MAXIMUM MARKS = 20
PART-I(MCQS): MAXIMUM 30 MINUTES	PART-II	MAXIMUM MARKS = 80
<p>NOTE: (i) Part-II is to be attempted on the separate Answer Book.</p> <p>(ii) Attempt ONLY FOUR questions from PART-II. ALL questions carry EQUAL marks.</p> <p>(iii) All the parts (if any) of each Question must be attempted at one place instead of at different places.</p> <p>(iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper.</p> <p>(v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.</p> <p>(vi) Extra attempt of any question or any part of the attempted question will not be considered.</p>		

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
