



**FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION-2017
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
<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.** How does the Indifference Approach to analyzing consumer demand avoid having to measure utility? Explain. **(20)**
- Q. No. 3.** Explain the Lewis Model of Modern-Sector Growth in a Two-Sector Surplus-Labour Economy with graphical analysis. **(20)**
- Q. No. 4.** What do you know about 'Demand-Side' Inflation and 'Supply-Side' Inflation? Explain with the help of graphs and briefly explicate the policies to tackle both sides Inflation. **(20)**
- Q. No. 5.** How does the IS-LM model allow equilibrium to be shown in both Goods and Money Markets simultaneously? Elucidate with graphs. **(20)**
- Q. No. 6.** What is the concept of Public debt? Explain the dimensions for tackling the debt problems of developing countries like Pakistan. **(20)**
- Q. No. 7.** Examine the causes of Balance of Payments problem under Fixed Exchange Rate in short-run keeping in view the New Classical and Keynesian Analyses. **(20)**
- Q. No. 8.** Explicate the following briefly: **(5 each) (20)**
- (a) Difference between Development and Human Development
 - (b) Difference between Income Inequality and Poverty
 - (c) Sources of Government Revenue
 - (d) Functions of Central Bank
