ECONOMICS, PAPER-II

FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BPS-17 UNDER
THE FEDERAL GOVERNMENT, 2010

ECONOMICS, PAPER-II

TIME ALLOWED: (PART-I) 30 MINUTES (PART-II) 2 HOURS & 30 MINUTES
MAXIMUM MARKS:20 MAXIMUM MARKS:80

NOTE: (i) First attempt PART-I (MCQ) on separate Answer Sheet which shall be taken back after 30 minutes.
(ii) Overwriting/cutting of the options/answers will not be given credit.

PART – I (MCQ) (COMPULSORY)

Q.1. Select the best option/answer and fill in the appropriate box on the Answer Sheet. (20)

(i) The best and comprehensive definition of economic development was presented by:
   (a) Higgins (b) Maddison
   (c) Friedman (d) None of these

(ii) Fishery is the sub sector of:
   (a) Agriculture (b) Manufacturing
   (c) Mining (d) Both (b) and (c)

(iii) Pakistan was the leading exporter before the separation of East Pakistan:
   (a) Cotton (b) Tea
   (c) Rice (d) None of these

(iv) Pakistan devalued its currency in 1972 by:
   (a) 131% (b) 121%
   (c) 100% (d) None of these

(v) Eighth Five Year Plan duration was:
   (a) 1983 – 1988 (b) 1993 – 1998
   (c) 1978 – 1983 (d) 1988 – 1993

(vi) Export Bonus Scheme (EBS) was introduced in:
   (a) 1969 (b) 1979
   (c) 1959 (d) 1949

(vii) Primary deficit (primary balance) is the difference between total revenue and:
   (a) Non-interest total expenditure (b) Interest expenditure
   (c) development expenditure (d) All of these

(viii) Cooperative movement was started in sub-continent in:
   (a) 1904 (b) 1914
   (c) 1934 (d) None of these

(ix) The Ryotwari system was introduced by the British rules in the provinces of:
   (a) Sindh, Madras and Mumbai (b) Sindh, Punjab and Mumbai
   (c) Sindh, Madras and NWFP (d) Both (a) and (b)

(x) Pakistan Agricultural Storage and Service Corporation (PASSCO) was established in:
   (a) 1973 (b) 1963
   (c) 1953 (d) 1983

(xi) Who developed Physical Quality Life Index (PQLI) in his famous book named by “Measuring the Condition of the World’s Poor: PQLI in 1987?
   (a) Morris D. Morris (b) Higgins
   (c) Keynes (d) None of these

(xii) The Human Development Index (HDI) ranks all countries on the scale of:
   (a) 0 to 1 (b) 1 to 100
   (c) -1 to +1 (d) None of these

(xiii) The United Nations designated The Fourth World as:
   (a) Less developed countries (b) Poor countries
   (c) Least developed countries (d) All of these

(xiv) According to ‘North-South Divide’, the rich countries are called:
   (a) South countries (b) North countries
   (c) Industrialized countries (d) Advance countries
(xv) The loan which is given at a nominal rate of interest ranging from 1% to 3% is called:
(a) Hard loan  
(b) Conditional loan  
(c) Soft loan  
(d) All of these

(xvi) The accumulation of a stock of debt so large as to threaten the country’s ability to repay its past loan:
(a) Debt equity swap  
(b) Debt trap  
(c) Debt overhang  
(d) None of these

(xvii) “Rabi” season which begins in:
(a) April-June  
(b) October-December  
(c) January-February  
(d) None of these

(xviii) Government of Pakistan announced privatization policy in:
(a) 1981  
(b) 1995  
(c) 1991  
(d) None of these

(xix) The floating debt (short-term) consists of:
(a) Treasury Bills  
(b) Market Treasury Bills  
(c) MTBs for Replenishment  
(d) All of these

(xx) The currency of IMF is called:
(a) SDRs  
(b) ODRs  
(c) Lira  
(d) None of these

**PART – II**

<table>
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<tr>
<th>NOTE:</th>
<th>PART-II is to be attempted on the separate Answer Book.</th>
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<tr>
<td>(i)</td>
<td>Attempt ONLY FOUR questions from PART-II. All questions carry EQUAL marks.</td>
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<td>(ii)</td>
<td>Extra attempt of any question or any part of the attempted question will not be considered.</td>
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Q.2. Define economic development and economic growth. How can you differentiate between these two? (20)

Q.3. Explain the important features and trends of Pakistan foreign trade. (20)

Q.4. Discuss the cost and benefits of foreign economic assistance and give some suggestions for the solution to the foreign debt problem. (20)

Q.5. Explain the major monetary and fiscal measures to promote industrial development in Pakistan. (20)

Q.6. Explain critically the land tenure system in Pakistan. (20)

Q.7. What is the difference between collective and cooperative framing? Explain the advantages and causes of failure of cooperative farming in Pakistan. (20)

Q.8. Give a critical evaluation of the strategy of economic planning in Pakistan. (20)

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