

ECONOMICS, PAPER-II

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

Roll Number

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

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- (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

NOTE:	<p>(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) Extra attempt of any question or any part of the attempted question will not be considered.</p>
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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 farming? 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)**
