



FEDERAL PUBLIC SERVICE COMMISSION
COMPETITIVE EXAMINATION FOR
RECRUITMENT TO POSTS IN BS-17
UNDER THE FEDERAL GOVERNMENT, 2015

Roll Number

ECONOMICS, PAPER-1

TIME ALLOWED: THREE HOURS PART-I(MCQS): MAXIMUM 30 MINUTES	PART-I (MCQS) PART-II	MAXIMUM MARKS = 20 MAXIMUM MARKS = 80
NOTE: (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) All the parts (if any) of each Question must be attempted at one place instead of at different places. (iv) Candidate must write Q. No. in the Answer Book in accordance with Q. No. in the Q.Paper. (v) No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed. (vi) Extra attempt of any question or any part of the attempted question will not be considered.		

PART-II

- Q. No. 2.** Explain the equilibrium of firm and price fixation in Duopoly when both firms have different elastic Average Revenue and Marginal Revenue curves. **(20)**
- Q. No. 3.** Compare and contrast the equilibrium of the firm under Perfect Competition and Monopolistic Competition. **(20)**
- Q. No. 4.** Explain as how new investment impact on national income under Multiplier Effect. Illustrate with table and graph. **(20)**
- Q. No. 5.** Explain as how the process of Creation of Credit Money is adopted by the banks? **(20)**
- Q. No. 6.** Define Monetary Policy and explain its instruments which control the inflation and deflation in the economy. **(20)**
- Q. No. 7.** Why Micro and Macro Economics is prerequisite for complete Economic analysis? Explain. **(20)**
- Q. No. 8.** Write notes on the following: **(10 each) (20)**
- (a)** How would you identify the Supply Curve of the firm under Perfect Competition in the long Term? Explain with graph.
- (b)** Do you think that a Monopolistic firm can earn unlimited profit by maximizing the price?
