FEDERAL PUBLIC SERVICE COMMISSION



COMPETITIVE EXAMINATION FOR RECRUITMENT TO POSTS IN BS-17 UNDER THE FEDERAL GOVERNMENT, 2013

Roll Number

ECONOMICS, PAPER-I

TIME A	LLO	WED:	(PART-I MCQs)	30 MINUTES	MAXIMUM MARKS: 20
THREE	HOU	JRS	(PART-II)	2 HOURS & 30 MINUTES	MAXIMUM MARKS: 80
NOTE:	(i)	First at	tempt PART-I (MCC	(s) on separate OMR Answer Sh	eet which shall be taken back
		after 30	minutes.		
	(ii)	Overwi	riting/cutting of the o	ptions/answers will not be given o	eredit.

PART-I ((MCQs) (COMPULSORY)

Q.1. (i) Select the best option/answer and fill in the appropriate Circle on the OMR Answer Sheet. (20x1=20) (ii) Answers given anywhere, other than OMR Answer Sheet, shall not be considered.

1.		ne elasticity of			interior	_						
	(a)	Positive	(b)	Zero		(c)		(a) & (b)	(d)	None	of these	
2.	Conv	exity means av	_				_ than e	xtremes:				
	(a)	Worse	(b)	Posit	ive	(c)	Bette	r	(d)	None	of these	
3.	Sum	of MPC and M	IPS equa	ıls:								
	(a)	2	(b)	3		(c)	4		(d)	None	of these	
4.	Durir	ng the Liquidity	y Trap, I	LM cur	ve is:							
	(a)	Less elastic	(b)	Posit	ive	(c)	Perfe	ctly elastic	(d)	None	of these	
5.	The c	lominant factor	r of prod	luction	is:							
	(a)	Energy	(b)	Labo	ur	(c)	Tech	nology	(d)	None	of these	
6.	GDP	deflator is a ra	tio betw	een:								
	(a)	Input prices		_	ut prices		Both	(a) & (b)	(d)	None	of these	
7.	Durir	ng monopoly, t	-			ı is:						
	(a)	MC=P	(b)	MC>	MR	(c)	MC =	MR	(d)	None	of these	
8.	Durir	ng perfect com	petition,	the firm	n would	earn a	normal	profit when:				
	(a)	AC>AR	(b)	AR < R	AC	(c)	P=M	P	(d)	None	of these	
9.	Roy's	s identity is app	plied on:	:								
	(a)	Food	(b)	Bread	1	(c)	Utilit	У	(d)	None	of these	
10.	The f	following is the	narrow	est mea	sure of s	upply o	of mon	ey:				
	(a)	M2	(b)	M3		(c)	M1		(d)	None	of these	
11.	A pos	sitive externali	ty in wh	ich a co	nsumer	wishes	to poss	sess a good in p	part beca	use oth	ers do:	
	(a)	Supply		(b)	Conca	vity	(c)	Money dem	and	(d)	None of these	
12.	The p	profit function	is of:									
	(a) Homogeneous of degree $= 1$				(b)	Homogeneous of degree $= 2$						
	(c) Homogeneous of degree $= 0$					(d)	None of these					
13.	The c	lerivative of co	st functi	ion with	n respect	to outp	out pric	e provides:				
	(a)	Input supply		n		(b)		ut supply funct	tion			
	(c)	Both (a) & (,			(d)		of these				
14.		ategy that is op					nent do	es:				
	(a)	Dominant fir	rm	(b)	Duopo	oly	(c)	Dominant st	rategy	(d)	None of these	

ECONOMICS, PAPER-I

15.		valuation of a currency	-	der					
	(a)	Flexible exchange ra			(b)	Fixed exchange rate			
	(c)	Clean floating system	n		(d)	None	e of these	e	
16.		ninal interest rate is:			.			_	
	(a)	Inflation minus Tax	T 01 . 1		(b)	-	-	rect Tax	
	(c)	Real interest rate mi			(d)		e of these	e	
17.		in-anticipated increase i	n money supply		•				
	(a)	Short run period		(b)	Medium run period				
	(c)	Both (a) & (b)			(d)	None of these			
18.		se in general price level		curve:	(b)				
	(a) Down and to the right					-	nd to the		
	(c)	Positively sloped			(d)	None	e of these	e	
19.	Deci	rease in tax shifts the IS							
	(a)	Down and to the left	-		(b)	_	itively sl	-	
	(c)	Up and to the right			(d)	None	e of these	e	
20.	Gros	s National Product is:							
	(a)	GDP - NNP (b)	NFA - GNI	(c)	GDP	- NX	(d)	None of these	
				PAI	RT-II				
					•				
NOTE	` ,	Part-II is to be attempt	oted on the sepa	rate An	swer R	ook.			
	(••)		1						
		Candidate must write	-	nswer]	Book in	accord		_	per.
	(iii)	Attempt ONLY FOUR	R questions from	nswer l m PAR '	Book in T-II. Al	accord L L que	estions c	arry EQUAL marks.	_
	(iii)		R questions from	nswer l m PAR '	Book in T-II. Al	accord L L que	estions c	arry EQUAL marks.	_
	(iii) (iv)	Attempt ONLY FOUR Extra attempt of any q	R questions from uestion or any	nswer I m PAR' part of t	Book in T-II. Al the atten	accord LL que npted c	estions ca question	arry EQUAL marks. will not be considered	_
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