



PUNJAB PUBLIC SERVICE COMMISSION
COMBINED COMPETITIVE EXAMINATION
FOR RECRUITMENT TO THE POSTS OF
PROVINCIAL MANAGEMENT SERVICE, ETC -2021
CASE NO. 3C2022

SUBJECT: ECONOMICS (PAPER-II)

TIME ALLOWED: THREE HOURS

MAXIMUM MARKS: 100

NOTE:

- i. All the parts (if any) of each Question must be attempted at one place instead of at different places.
- ii. Write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper.
- iii. No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
- iv. Extra attempt of any question or any part of the question will not be considered.

Attempt any FIVE Questions in all. At least TWO Questions from each section.

Attempt in Urdu or English

SECTION-A

- Q. No. 1:** Write a note on the following: (10+10=20 Marks)
i) Keynesian absolute income hypothesis
ii) Life cycle hypothesis
- Q. No. 2** Explain any TWO of the followings: (10+10=20 Marks)
i) Liquidity preference theory
ii) Balance budget multiplier
iii) Purchasing Power Parity theory
- Q. No. 3** Give an example of how the government might hurt young generations, even while reducing the government debt they inherit? (20 Marks)
- Q. No. 4** Explain the permanent-income hypothesis. Why changes in consumptions are unpredictable if consumers obey the permanent-income hypothesis and have rational expectation. (20 Marks)

SECTION-B

- Q. No.5** a) What are causes of industrial backwardness in Pakistan? (10 Marks)
b) Suggest remedies to solve the problems faced by the industrialists in Pakistan. (10 Marks)
- Q. No.6** Presently Pakistan is under severe internal and external debt burden. Discuss its causes and future consequences for Pakistan's development. (20 Marks)
- Q. No.7** Write a note on the following: (10+10=20 Marks)
i) Pros and Cons of foreign aid
ii) WTO and textile sector of Pakistan
- Q. No.8** Explain causes of energy crisis in Pakistan. Why energy crisis in Pakistan is not controlled? (10+10=20 Marks)