TIME ALLOWED: THREE HOURS   MAXIMUM MARKS: 100

NOTE: **Attempt Any Six Questions in All. Four from Section-A and Two from Section-B. Calculator is allowed (Not programmable).**

SECTION - A

Q No. 1:   (a). How does Market Equilibrium take place?
(b). Trace and Diagrammatically exhibit the causes of changes in Market Equilibrium.
(8 + 8=16 Marks)

Q No. 2:   (a). What is the meaning of and conditions for Price Discrimination?
(b). Explain different degrees of Price Discrimination.
(4 + 12=16 Marks)

Q No. 3:   (a). Which market structure has the existence of Cartels?
(b). What are the different types of Cartels?
(4 + 12=16 Marks)

Q No. 4:   (a). Assuming there is only one variable input, how do firms determine the employment of labor under perfect competition?
(b). When is there Backward Bending Supply curve of Labor?
(12 + 4=16 Marks)

Q No. 5:   **Write comprehensive notes on:**
i. Cardinal Utility Approach
ii. Monopolistic Competition   **(8 + 8=16 Marks)**

Q No. 6:   Explain the law of variable proportions with the help of a diagram.
(16 Marks)

Q No. 7:   Define long run supply curve of a firm. Explain with diagrams LRSC for:
i.   Increasing cost industry
ii.   Decreasing cost industry   **(8 + 8=16 Marks)**

SECTION - B

Q No. 8:   (a). Differentiate between the following by giving examples:
i. Continuous and Discrete Variables   ii. Explicit & Implicit Functions
iii Constant and Parameters   iv. Relation and Function
(b). Solve the following model algebraically and diagrammatically:
$q_d = 60-2p$ $q_s = 15 + p$ $q_d = q_s$
(8 + 10=18 Marks)

P.T.O

Q No. 9:   (a). Given the following model, $C = 65 + 0.6Y$ $I = 70 + 0.2Y$

i. Find and plot equilibrium level of Income, Consumption and Investment.

ii. Calculate the value of Multiplier.

(b). Find Profit Maximization level of Output, Maximum Profits and Price charged by the firm

$TR = 22q - 0.5q^2$ $TC = 1/3\ q^3 + 8.5\ q^2 + 50q + 90$

(10 + 8=18 Marks)

Q No. 10:   (a). What is Constrained Optimization? Explain with examples.

(b). Minimize the following function: $y = u^2 + v^2$, subject to $u + v = 4$

(c). Maximize the following function: $u = 2x^3 + 3y^2 + 3xy$ subject to $2x + 3y = 8$

(4 + 7+ 7=18 Marks)

PUNJAB PUBLIC SERVICE COMMISSION

COMBINED COMPETITIVE EXAMINATION FOR
RECRUITMENT TO THE POSTS OF
PROVINCIAL MANAGEMENT SERVICE-2019

SUBJECT: ECONOMICS (PAPER-II)

TIME ALLOWED: THREE HOURS   **MAXIMUM MARKS: 100**

NOTE: **Attempt Any Five Questions in All at least Two from each Section. Attempt in Urdu or English.**

SECTION - A

Q No. 1: Distinguished between GNP, NNP and GDP, Show how GNP is measured.
(10+10=20 Marks)

Q No. 2: Explain how an Economy attains optimal stock of capital with the help of MEC and MEI.

(20 Marks)

Q No. 3: Analytically discuss the role of marginal efficiency of capital as a determinant of investment and also discuss its calculation method.

(8+12=20 Marks)

Q No. 4: **Explain the following Concepts:** **(6 + 7 + 7=20 Marks)**

    i. Stagflation
    ii. Philips curve in short equilibrium
    iii. GDP Deflator Vs Consumer price index

SECTION - B

Q No. 5: How economics Development can be measured? Which method is better and why?

(10+10=20 Marks)

Q No. 6: Discuss the functional relationship of WTO, Trade and globalization with special reference to Pakistan? **(20 Marks)**

Q No. 7: Do you think that monetary and fiscal policies can tackle the problem of unbalanced economic growth and Unemployment in Pakistan?

(20 Marks)

Q No. 8: What is the Human Development Index? Why Pakistan is ranked so low in HDI. How this can be improved?

(5+5+10=20 Marks)