5. ECONOMICS:

APPENDIX 'A'
(Outlines of Tests)

Paper 1

APPENDIX 'B'
(Syllabi and Courses of Reading)

Paper 2
(This paper consists of two sections. The paper setter is required to divide the question paper into two parts in such a way that 5 questions are set from each section. Candidates will be required to attempt at least two questions from each part)

SECTION I (Economic Theory)


(2) Micro-economic (Price Theory): (i) The price of market mechanism. The influence of the price system on resource allocation, consumption patterns and income distribution.


(iii) Pricing of the productive factors. Wages, profits, interest and rent.


(ii) Determination of the national income and employment. Equilibrium level of national income. Saving, consumption and investment schedules and their interaction. Say's law of markets and its refutation by 'Keynes' general theory of employment-aggregate demand, aggregate supply, effective demand.


(iv) Investment as determinant of effective demand:

Determinants of investment. The marginal efficiency of capital. The accelerator and its interaction with the multipliers. The rate of interest and investment.

4. Economics, Statistics and Mathematics:

Their growing relationship.
SECTION II

Economic Planning in Pakistan


2. Special features of Pakistan's economy: Primary production population pressure, capital deficiency. Low income.

3. Development Planning in Pakistan: A brief comparison of the First, Second and Third Five-Year Plans with reference to their (a) size (b) objectives (c) strategies (d) Programme priorities and (e) financial resources.

4. Strategic sectors of Pakistan's economy:
   (a) Agriculture Its strategic position in economic set up; its contribution to GNP; the existing draw-back; measures to make agriculture a dynamic sector.
   (b) Human resources development—Population as a dynamic factor in the economic development of Pakistan. Non-material capital formation.
   (c) Industries—Present industrial complex, Justification of industrial development of Pakistan. Public, is private enterprise and industrial development. Industrial development and Structural changes in the economic development of Pakistan.
   (d) Pakistan's export sectors and economic development. Export promotion schemes. Scarcity of foreign exchange. Trends in the terms of trade of and their cases.
   (e) A brief discussion of Pakistan's monetary and fiscal policies as reflected the Second and Third Five-Year Plans.

5. General Review of the economic situation in Pakistan: Rate of growth of Pakistan's national income. The contribution of various sectors. Per Capital income Causes of inequality of income distribution.

Books Recommended:

For Section I:


For Section II:

Mecacel, S.A. :  
Qureshi, AI (ed.) :  
Mahbub-ul-Haq :  
Govt. of Pakistan :

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<thead>
<tr>
<th>Author/Institution</th>
<th>Title and Details</th>
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<tbody>
<tr>
<td>Mecacel, S.A.</td>
<td>Money and Banking in Pakistan (Karachi, 1966).</td>
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<tr>
<td>Qureshi, AI (ed.)</td>
<td>The Third Five Year Plans and Other Papers (Rawalpindi, 1966).</td>
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<td>First, Second and Third Five Year Plans of Pakistan Report of the Food and Agricultural Commission (Karachi, 1960).</td>
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