



# Lahore University of Management Sciences (LUMS)

## Written Test for Selection of Trade Officers

Ministry of Commerce, Government of Pakistan, Islamabad

### SAMPLE PAPER

---

## Question Paper and Answer Book

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Identity Card/Passport No. \_\_\_\_\_

Test Centre: \_\_\_\_\_ Signature: \_\_\_\_\_

### General Instructions to Candidates

---

- Do not open this exam until told to do so.
- Read all questions carefully before answering them.
- This exam consists of four sections.
- Each section of the exam has a time limit of 30 minutes, which may not be exceeded.
- Please wait for the announcement before switching to the next section.
- You are allowed to use calculator.
- You may use ballpoint or pen to answer questions.
- You must switch-off your mobile phones in the examination hall. Failure to do so may lead to cancellation of the exam.
- Marks scheme:
  - International Trade and the WTO – 1 (30%)
  - International Trade and the WTO – 2 (30%)
  - Data Response and Analytical Skills (20%)
  - Computer Skills (20%)

# Section 1

## International Trade and the WTO - 1

---

Instructions to Candidates:

- Answer ALL questions in this section, which carry equal marks.
  - Think through your answers carefully before writing.
  - Short clear answers will receive more credit than long convoluted answers.
  - **You have 30 minutes to answer questions in this section.**
-

## **International Trade and the WTO – 1**

1. What is the purpose of an export tax? Show how an export tax affects price, quantity and export of the commodity in the country imposing it. Assume hypothetical prices, quantities and freight cost where necessary.



2. Last week, cash-strapped Pakistan sought an emergency bailout from the International Monetary Fund (IMF) to stave off bankruptcy. The IMF sources confirmed on October 23, 2008 that “Pakistan has sought funds to meet balance of payments difficulties. IMF is expected to provide US\$5bn or more for the coming year, with billions more for subsequent years.”
  - a. Given that Pakistan is facing mounting economic problems, e.g., soaring inflation, depreciating rupee and dwindling currency reserves, is this a step in the right direction by the policy makers? Why or why not?
  - b. How IMF intervention might influence prospects of growth and poverty in Pakistan?



## Section 2

### International Trade and the WTO - 2

---

Instructions to Candidates:

- Answer ALL questions in this section, which carry equal marks.
  - Think through your answers carefully before writing.
  - Short clear answers will receive more credit than long convoluted answers.
  - **You have 30 minutes to answer questions in this section.**
-

1. What is overvalued exchange rate? Why does an overvalued exchange rate hurt agricultural exports from a country like Pakistan? Explain your answer by giving examples.



2. Write short notes on the following:
  - a. Domestic support measures exempt from reduction commitments under the Agreement on Agriculture (Article 6) of the WTO.
  - b. Pre-shipment inspection Agreement under the WTO



# **Section 3**

## **Data Response and Analytical Skills**

---

**Instructions to Candidates:**

**You have 30 minutes to answer questions in this section.**

---

## Data Response and Analytical Skills

1. The following table (Table 1) shows foreign direct investment in Pakistan.

| <b>Table 1. Foreign Direct Investment</b> | <b>(million US Dollar)</b> |              |              |
|---|----------------------------|--------------|--------------|
|   | <b>FY02</b>                | <b>FY03</b>  | <b>FY04</b>  |
| Food, beverages & tobacco                 | - 8.1                      | 7.9          | 4.6          |
| Textiles                                  | 18.4                       | 26.1         | 35.4         |
| Chemicals, pharmaceuticals & fertilizers  | 17.8                       | 92.4         | 28.6         |
| Petro chemicals & petroleum refining      | 5.0                        | 3.0          | 72.4         |
| Cement                                    | 0.4                        | -0.4         | 1.9          |
| Machinery                                 | 10.6                       | 10.9         | 9.4          |
| Electronics                               | 15.9                       | 6.7          | 7.5          |
| Power                                     | 36.4                       | 32.8         | -14.2        |
| Construction                              | 12.8                       | 17.6         | 32.0         |
| Trade, transport, storage & communication | 68.3                       | 153.2        | 266.3        |
| Financial business                        | 3.5                        | 207.5        | 242.1        |
| Mining & quarrying-oil & gas explorations | 274.8                      | 188.2        | 203.5        |
| Others                                    | 29.2                       | 52.1         | 60.0         |
| <b>Total</b>                              | <b>485.0</b>               | <b>798.0</b> | <b>949.4</b> |

- a) Based on the numbers in the table, describe the most significant trends in FDI during FY04.

b) How does the data in this table help to explain the percentage increase in foreign direct investment in FY04 from the preceding year?

c) Explain what do the negative value in the power sector show in FY04?

2. Table 2 and Table 3 show selected data about Pakistan's international trade taken from the *Economic Survey 2005-06* produced by Economic Adviser's Wing, Ministry of Finance, Government of Pakistan.

|               | <b>Table 2. Current Account Balance</b> |         |              |                | (million US \$) |
|---------------|---|---------|--------------|----------------|-----------------|
|               | 2003-04                                 | 2004-05 | July – March |                |                 |
|               |   |         | 2004-05      | 2005-06<br>(P) |                 |
| Trade Balance | 1208                                    | -4352   | -3202        | -6104          |                 |

P: Provisional

|                               | <b>Table 3. Exports and Imports of Visible Items</b> |            | (million US \$) |
|-------------------------------|--|------------|-----------------|
|                               | July – March   |            |                 |
|                               | 2004-05  | 2005-06(P) |                 |
| <u>Gross exports of which</u> |  |            |                 |
| 1) Primary commodities        | 951.3  | 1160.9     |                 |
| 2) Textile manufactures       | 6041.0   | 7201.8     |                 |
| 3) Other manufactures         | 2064.3   | 2460.0     |                 |
| <u>Gross imports of which</u> |  |            |                 |
| 1) Food group                 | 990.7  | 1346.7     |                 |
| 2) Machinery group            | 3034.6   | 3970.5     |                 |
| 3) Petroleum Group            | 2806.6   | 4615.8     |                 |
| 4) Consumer Durables          | 957.7  | 1358.2     |                 |
| 5) Raw Materials              | 2446.9   | 4692.8     |                 |
| 6) Others                     | 3209.5   | 4709.2     |                 |

P: Provisional

- a) What changes were witnessed for the current account balance between July-March 2004-05 and 2005-06.

- b) How did visible items contribute to this change?
- c) How might economic theory (comparative advantage) explain the composition of visible exports?
- d) Should the Government of Pakistan be concerned about the figures for visible imports? Why or why not?
- e) Identify two other pieces of data needed to calculate the overall balance of payments.

# Section 4

## Computer Skills

---

**Instructions to Candidates:**

- Give the answers in the space provided under each question, or as instructed in a specific question. Partial credit may be awarded in cases where the answer is partly correct.
  - **You have 30 minutes to answer questions in this section.**
-

1. With reference to the internet, what is meant by the term "Gmail"?

---

---

---

2. What is meant by 'taking a backup'? Why would one wish to do so?

---

---

---

3. A file with the extension .AVI most likely contains what sort of data?

---

---

---

4. List the name of one example of 'spreadsheet software'.

---

5. In the context of computers, what is meant by 'blue tooth'?

---

---

---

6. In the figure below, mark the location of the CD-ROM drive.



7. List the file extensions of two common file formats that are used to store images in a computer.

---

---

8. Say you are interested in buying a new desktop computer for home use. The specifications of the computer that the vendor provides you are the following:

Intel Core2Duo 2.0GHz  
100MB RAM  
80GB HDD  
CD-RW/DVD-RW  
17" flat panel monitor  
Windows Vista Home Premium

Out of the six specifications listed above, one is incorrect for a reasonable computer these days. Which one is most likely to be incorrect?

---

9. In an email message, you see the following sequence of symbols. What do they mean?

: - )

---

---

---

Questions 10 to 14 are based on the following figure





10. What is the name of the browser being used in the figure?

---

11. What is the URL of the webpage being currently viewed?

---

12. What is the significance of the mouse pointer changing from normally being an arrow (  ) to a hand (  ) symbol? What does the hand symbol represent?

---

---

---

13. What will be the URL of the next page displayed, if I click the main mouse button at its current location?

---

14. One the figure, mark the location where I should click if I want to display the page with the URL <http://cvlab.lums.edu.pk>

Questions 15 to 21 on the next TWO pages are based on this figure.

The screenshot shows a Microsoft Exchange email client interface for a user named Sohaib Khan at Lahore University of Management Sciences (LUMS). The interface is connected to Microsoft Exchange and displays the 'Inbox' with 814 items, 143 of which are unread. The selected email is titled 'Re: [Ticket#2008081984000271] Gradebook' from 'ITSC HelpDesk', sent on Wednesday, October 22, 2008, at 11:20 AM. The email content is as follows:

Dear All

Kindy note that the Zambeel module, SelfService -> LUMS Combined Gradebook, has been taken offline for maintenance. Please use the regular Gradebook at SelfService -> Gradebook for your grading requirements.

Thanks

ITSC Helpdesk  
x4149  
helpdesk@lums.edu.pk

From: Bushra Sajjad  
Sent: Monday, October 20, 2008 6:35 PM  
To: Faculty; Adjunct & Visiting Faculty  
Cc: Mazhar M. Chinoy; Tariq Jadoon; Rizwan Rashid;

The interface also shows a list of other emails in the inbox, including one from Maheen Javaid regarding a last interview, and several others from Mohammad Ashraf Iqbal regarding a change of class room for CS314.

For Questions 15 to 21, refer to the figure on the previous page.

15. Which of the messages are unread? List the sender's name to identify the messages.

---

---

---

16. Which of the messages visible in the view have attachments? List the sender's name to identify messages.

---

---

---

17. Which of the messages have already been replied to? List the sender's name to identify messages.

---

---

---

18. Which messages visible in the figure have NOT been sent in reply to an earlier message?

---


---

---

19. Which of the folders visible in the current view contains the most number of unread messages?

---

Questions on this page are based on the figure two pages back.

20. In the current view shown in the figure, if I click on the symbol , what will happen?

---

---

---

21. The message being currently viewed has arrived in the Inbox of the user "Sohaib Khan". However, if you look at the 'To' or 'CC' fields of the current message, there is no indication that it has been sent to a user named "Sohaib Khan". There could be two common explanations for this apparent inconsistency. Describe both of them.

---

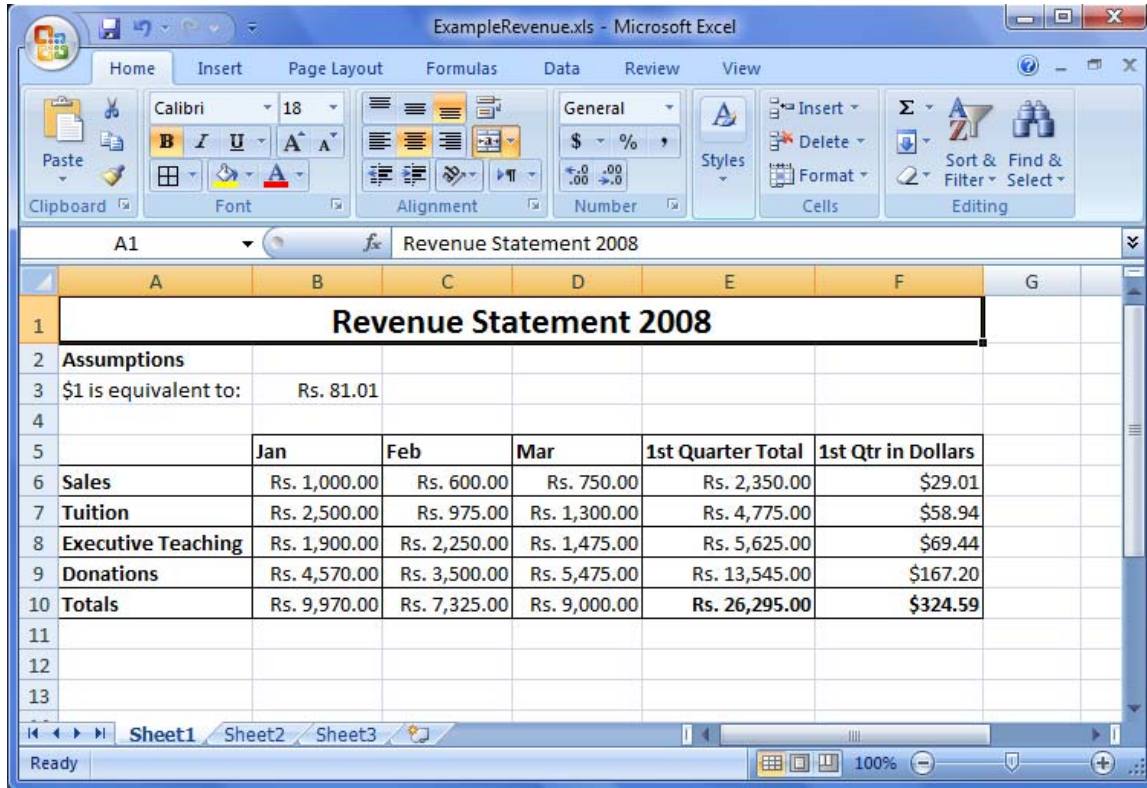
---

---

---

---

Questions 22 to 24 are based on the following figure



22. What is the name of the font being used in the cell highlighted in the figure?

---

23. I want to write a formula in cell E6 to compute the total revenue due to 'Sales' in the first quarter. Then I want to copy the same formula downwards, without having to retype it, to compute revenue due to "Tuition", "Executive Teaching" and "Donations". What is the formula that I should type in cell E6?

---

24. I want to write a formula in cell F6 to compute the total revenue, in dollars, due to 'Sales' in the first quarter. Then I want to copy the same formula downwards, without having to retype it, to compute revenue, in dollars, due to "Tuition", "Executive Teaching" and "Donations". The value of exchange rate in the formula should be picked from cell B3, because it may be changed later. What is the formula that I should type in cell F6?

---