

Instructions to Secure Good Marks in the Current Affairs Paper

Mock Test

Current Affairs

Important Note: Marks will be awarded strictly on the following parameters: Content 60%, References 15%, Subject-specific language 15%, Graphs, charts & diagrams 10%.

Q No 7:-

US economy

Key Guidelines: Each question should be attempted with 12-13 clear headings. The answer must be 8-9 pages (sides) in length to score above 15 marks per question. Questions usually contain 3-4 parts, each part carries equal weightage, so all parts must be discussed equally and proportionately.

The United States has a highly developed diversified market-oriented economy. It is the world largest economy.

Content & Argumentation: Always use examples from current and ongoing events to justify your arguments. Demonstrate strong analytical depth, not mere narration of facts. Support arguments with relevant data reports, international indices, treaties and recent developments.

of 2025, it has the world's 4th highest nominal GDP per capita and 11 highest GDP per capita by PPP. According to the World Bank, the United States

Structure & Presentation: Begin every answer with an attractive, context setting introduction. End with a forward-looking, well-linked conclusion that ties back to the question. Use headings directly derived from the question statement - pick words and phrases from the question itself.

account for 14.8% of the global aggregate GDP in 2024 in purchasing power and 26.2% in nominal terms. The US dollar is the currency most used in international transactions and world's foremost reserve currency. Since at the end of

Alignment with the Question: Each argument must be explicitly linked to the specific part of the question being asked. If your heading is not aligned with the demand of the question, the content no matter how accurate, will not be rewarded. Avoid generic or unrelated headings; precision is key.

Language & Visuals: Use subject-specific terminology relevant to international relations, geopolitics, economics, and security studies. Incorporate simple graphs, flowcharts, tables, or maps wherever relevant to enhance clarity and scoring potential.

World War II, the ^{U.S.} economy has achieved relatively steady growth, low unemployment and inflation, rapid advances in technology, but now faces challenges such as a very high debt-to-GDP ratio, slower economic growth and a housing crisis.

The American economy is fueled by high productivity, well-developed transportation infrastructure and extensive natural resources. The

U.S. trading partners are Mexico, Canada, China, Japan, Germany, Vietnam (as well as other ASEAN

members). **The U.S.** the world's largest importer and second largest exporter. It has free trade agreements with several countries, including Canada and Mexico (through the USMCA)

Australia, Israel and several other countries. Total U.S. trade was \$ 7.4 trillions in 2023.

During the Great Recession of 2008, the U.S. economy suffered a significant decline - In 1970s and

1980 it was popular that in

U.S. and a to believe that

Japan's economy would surpass that of the U.S. economy

, but this did not

occur. According to KOF index of globalization, (Foreign magazine),

U.S. has relatively high degree of globalization. The U.S. is

the second largest manufacturer of the world.

⇒ The economy of China :-

The China has a ^{developing} mixed socialist market economy. It

has world second largest economy by GDP since 2016.

It has largest manufacturing economy and exports goods. It is the 9th largest in the world. China is also regarded as largest trading nation in the world. The China has decreased poverty rate from 88% to 0.2% between the 1981 and 2019. The world's only country was China in 2020 expansion in GDP during the pandemic conditions of covid-19. The China has been became the part of World Trade Organization in 2001. The China has also done different agreements on trade with several countries which have also include the "free trade" agreements. The China also excelling in export all over

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How US used chips
and China in turn rare
earth metals.

As we know, U.S. currency
is high valued if it offers
monetary policies and fiscal
policies of economy - ~~California~~
is home for ~~silicon~~, it hosts
many corporations and focus
on technology.

As studies shows that
in 2014, U.S. ~~an~~ 4 multinational
corporations ranking in the
top of 50 for volume in
R & D, Microsoft, Intel etc.

As the data of Feb
2023, The largest America
companies by market capitalization
→ Apple, Microsoft, Google,
Amazon, Tesla, Visa etc.
→ America is foremost country
in the production of semiconductors

5/10/17

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5

of importance of its energy supplies for china.

→ Future of trade war:-

There are two ways

Chinese companies can

enter foreign market

i.e. organic growth and Merge & Acquisition (M&A).

Many Chinese countries

would be prefer (M&A)

for following reasons.

→ It's a fastest way for a company to expand into another country.

→ The second reason is

that china has become

world's largest economy. So

it requires foreign companies

→ The risk of failure of organic growth can be avoided

by Chinese companies as

they

6

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Bank conditions, selling off numerous industrial units.

→ (Recent Focus)

2010s - 2020s resumed efforts to privatize large loss-making SOEs like Pakistan's Steel Mills, PIA, WAPDA, driven by massive fiscal burdens, inefficiency and corruption within these entities.

→ Role of a leadership in countries policies and economy:-

Pakistan needs a good governance to overcome all the social and economic concerns. Pakistan is a developing country which mostly rely on "the monetary funds for the survival of economy. Unfortunately, corrupt and

uneducated, leaderless ~~which~~ who have no vision on carrying the country on the road of progress.

According to IMF Finding its late 2025, "Governance and corruption Diagnostic Report" that elite capture, complex regulations, weak oversight and tax loopholes cost Pakistan significantly (upto 6% of GDP every year), hindering growth and benefiting politically connected firms, leading to high corruption risks across fiscal, regulatory and financial sectors.

→ Pakistan scores poorly on Transparency International's corruption perceptions Index (CPI), with a 27 out of 100 in the report 2024, it is highly corrupt.

, chemicals, steel, fertilizers,
, auto motive -

• Utilities - oil, gas, water.

(b) PIA (as in 2025)

→ According to IMF research
research paper Nov, 2025

Privatization promotes economic
efficiency and growth, thereby
reinforcing macroeconomic adjustment

In the short run, however, it can
lead to job losses and wage
cuts for workers and higher
prices for consumers.

→ PIA privatization

Pakistan International Airlines,
the country's flag carrier, has
been privatized after years of
persistent losses. Is this goal
a good deal for the government,
and its people?

The government sold 75%
of the operating airline under

a structure that combine a small cash payment to the state with a much larger capital infusion into company. Roughly Rs. 10bn arrives as cash proceed to the government, while about Rs. 125 bn is injected into the airline as new equity to recapitalize the business.

⇒ What worries?

Pakistan has privatized before - banking & the obvious example - yet growth has steadily slowed in the years since. That does not mean Privatization "Failed" but it does underscore a harder point: ownership changes are not a substitute for a broader environment that reward investment, competition, and productivity.

→ Is privatization is beneficial?

→ Improved management and productivity:-

Private ownership can introduce technical and managerial expertise that SOEs lack due to lack "red tape" and bureaucratic rigidity.

Recommendations:-

⇒ (Independent boards)

Appoint the professional, independent bodies, free from political interference.

→ Ensure accountability.

→ Professional management:

There is need to hire professional managers on merit based selections.

→ Strict Financial control:-

There is need to empower the Auditor General to enforce discipline and regularities.

→ Seek global learning:

There is also need of

decentralized managements-

⇒ (Conclusion)

Privatization can reduce the economy loss of countries institutions, if it will be pursued by professional management, strict control and by learning global management. Privatization is not a new thing in Pakistan but it can also slow down the economy progress as like before Pakistan has privatized banking system but growth has really slowed down.

↔
(QNO #08)

Outline:

Gaza peace Plan (2025)

It is to end the Gaza conflicts;
it is 20 point U.S. brokered
ceasefire and peace framework.

on 10 Oct 2025.

→ cease fire and immediate
Reduction in violence

(a) → International stabilization
Force.

(b) → Political and sovereignty
limitations

⇒ Islamabad's policy

(a) official positions and diplomatic
statements

(b) conditional stance on
Peacekeeping.

⇒ Possible fallout for
Pakistan :-

(a) Foreign policy integrity vs
Alignment pressures

(b) Regional and Geopolitical
Repercussions

(c) Domestic Political pressures

(d) economic considerations
and external relations

⇒ (Conclusion)