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Q1
Functions of central bank
Definition :
A central bank is an independent national authority that conducts regulatary policy,regulates bank, and provides financial services including economic research. Its goals are to stabilize the nation's currency, keep unemployment low, and prevent inflation.
Central banks affect economic growth by controlling the liquidity in the financial system. They have three monetary policy tools to achieve this goal. Central banks play a crucial role in ensuring economic and financial stability. They conduct monetary policy to achieve low and stable inflation. In the wake of the global financial crisis, central banks have expanded their toolkits to deal with risks to financial stability and to manage volatile exchange rates.
Regulator of Currency:
Banker, Fiscal Agent and Adviser to the Government:
Custodian of Cash Reserves of Commercial Banks:
Custody and Management of Foreign Exchange Reserves:
Lender of the Last Resort:
learing House for Transfer and Settlement.
Controller of Credit.

The primary function of the central bank is to control the money supply in the economy. It is responsible for issuing currency on behalf of the government. ... It keeps the cash reserves of the commercial banks, acts as a clearing-house for the inter-bank transactions and as a lender of last resort.
1. It receives the state revenues, keeps deposits of various departments and makes payments on behalf of the government.
2. It keeps the cash reserves of the commercial banks, acts as a clearing-house for the inter-bank transactions and as a lender of last resort. It supervises the commercial banking system and ensures its smooth running.
3. It controls the money and capital markets by changing the supply of money and thereby the rate of interest. The objective is to keep equilibrium in these markets.
4. It is the custodian of the foreign exchange. It has to keep a closer check on the external value of the domestic currency and prevent its deterioration.
5. It is the adviser to the government in all the monetary affairs. It is responsible for the formulation and implementation of the monetary policy.

Q1
The impact of corona virus on Pakistan’s economy.
According to the recently published Economic Survey of Pakistan 2019-20, exports during July-April 2019-20 remained at $ 19.7 billion ($ 20.1 billion during July-March, 2018-19), posting a decline of 2.4%. The total imports during July-April FY2020 declined to $ 36.1 billion ($ 40.3 billion during the same period last year), showing a

decline of 16.9%.
During Jul-April FY2020, remittances increased to $ 18.8 billion ($ 17.8 billion during same period last year), with a growth of 5.5%. During July-March FY2020, current account deficit (CAD) reduced by 73.1% to US$ 2.8 billion (1.1 % of GDP) against US$ 10.3 billion last year (3.7 percent of GDP).
Pakistan's total liquid foreign exchange reserves increased to US$ 17.1 billion by end March 2020, up by US$ 2.6 billion over end-June 2019. The improvement in the foreign exchange reserves led to 3.6 percent appreciation of Pak rupee against US dollar during Jul-February FY2020. Industries and businesses allowed to operate subject to strict observation of sanitary SOPs.According to Ministry of Finance COVID19 economic impact review presented to the Senate:

3 Million jobs are expected to be lost

Tax revenue may drop from PKR 4,800 billion to PKR 3,905 billion (loss of PKR 700 to PKR 900 billion expected from April to June 2020)

Due to shortfall in revenues and an increase in public spending due to stimulus package, fiscal deficit is expected to exceed the target of 7.5% of GDP and may go up to 9.4% of GDP

Prior to COVID19, GDP growth was projected at 3.24% for FY2020 with Agriculture (2.85%), Industry (1.95%) and Services (4.04%). FY2020 posted a negative growth of 0.4%, of which Agriculture (2.67%), Industry (-2.64%) and Services (-0.59%)Pakistan will inevitably be impacted by both the global and domestic developments arising from the spread of the virus. The economy was recovering earlier slowly under the umbrella of an IMF programme. Now the process of growth could be hampered seriously leading to big increases in unemployment, poverty and hunger.

The World Bank in its latest South Asian Economic Focus report has projected that Pakistan's economy will experience negative GDP growth of 1.3% in 2019-20, followed by only 1% growth in 2020-21. This implies that the GDP growth in the fourth quarter of 2019-20 will be a big negative 10%. This is highly likely given the quantum decline expected in exports, private investment and consumption spending by households.