



Jain College, Jayanagar
II PUC MOCK PAPER – I, JAN 2019
Subject: II PUC ABEM Economics (22)

Duration: 3 hrs&15min

Max. Marks: 100

Part A

I. Choose the correct answer:

1*5=5

1. The demand for these goods increases as income increases
 - a) Inferior goods
 - b) Giffen goods
 - c) Normal goods
 - d) None of the above
2. Easy availability of credit encourages
 - a) Savings
 - b) investment
 - c) Rate of interest
 - d) None of the above
3. Consumption which is independent of income is called
 - a) Induced consumption
 - b) autonomous consumption
 - c) Wasteful consumption
 - d) past consumption
4. The study of national income is related to
 - a) Micro economics
 - b) Macro economics
 - c) Both micro and macro
 - c) None of the above
5. The rate at which the price of one currency in terms of Foreign Currency is called
 - a) Exchange control
 - b) Interest Rate
 - c) Foreign exchange control
 - d) none of the above

II. Fill in the blanks:

1*5=5

6. The government may spend an amount equal to the revenue it collects. This is known as _____ .
7. _____ is defined as addition to the stock of physical capital.
8. _____ is the record of trade in goods and services and transfer payment.
9. Two indifference curve never _____ each other.
10. _____ cost of some activity is the gain forgone from the second best.

III. Match the Following:

1*5=5

- | 11. A | B |
|------------------------|--------------------------------|
| 1. SMC | a) $d(P)=a-bp$ |
| 2. TR | b) Operation of Invisible hand |
| 3. Adam Smith | c) $\Delta TC/\Delta C$ |
| 4. SDR | d) PXQ |
| 5. Linear Demand Curve | e) Paper Gold |

IV. Answer in one sentence each:

1*5=5

12. What do you mean by cardinal analysis?
13. What is average fixed cost?
14. To which side does supply curve shift to the technological progress?

15. What is price ceiling?
16. Write the equation of GVA at market price.

Part B

V. Answer any NINE of the following in about four sentences each: 2*9=18

17. What are the differences between budget line and budget set.
18. What is monotonic preference?
19. What is Isoquant?
20. Give the meaning of shutdown point?
21. How wage is determined in the labour market?
22. Mention the requirement of a monopoly market structure.
23. What is production possibility frontier?
24. What are the features of capitalist economy?
25. What do you mean by externalities? Mention its two types?
26. How does bank rate influence money supply?
27. What is the difference between consumer goods and capital goods?
28. Write the meaning of excess and deficit demand.
29. What is the difference between current account and capital account?

Part C

VI. Answer any seven in 12 sentences each: 4*7=28

30. Explain the budget set with the help of a diagram.
31. Write the difference between total utility and marginal utility.
32. Write a short note on final good.
33. Write a chart of components of capital account.
34. Explain the merits and demerits of flexible and fixed exchange rate system.
35. Write a brief note on returns to scale.
36. Explain the features of perfect competition.
37. Write a note on price ceiling and price floor.
38. Show the relationship between average revenue and marginal revenue of a monopoly market with the help of diagrams.
39. Explain the functions of money.
40. Explain consumption and investment function with the help of graphs.

VII. Answer any FOUR in 20 sentences each: 6*4=24

41. A firm's SMC schedule is shown in the following table. TFC is Rs.100. Find TVC, TC, AVC and SAC schedules of the firm.

Q	0	1	2	3	4	5	6
TC	-	500	300	200	300	500	800

42. Explain the optimal choice of consumer with the help of a diagram.
43. Write a note on balance of payment.
44. Explain the macro economic identities.
45. Explain the market supply curve with the help of a diagram.
46. Suppose the demand and supply curves of wheat are given by $q^D=200-P$ and $q^S=120+P$
 a)find the equilibrium price b)find the equilibrium quantity of demand and supply c)find the quantity of demand and supply when $P>$ equilibrium price and when $P<$ equilibrium price.

47. Explain how the firms behave in oligopoly.

Part E

VIII. Answer any TWO of the following:

5*2=10

48. Name the currencies of any five countries of the following.

USA, UK, Germany, Japan, China, Argentina, UAE, Bangladesh, Russia

49. Prepare a budget on monthly income and expenditure of your family.

50. Compute the TR, MR and AR schedules in the following table when market price of each Of goods is Rs.10.

Quantity Sold	TR	MR	AR
0	—	—	—
1	—	—	—
2	—	—	—
3	—	—	—
4	—	—	—
5	—	—	—
6	—	—	—

*****All the Best*****