



JAIN COLLEGE, J C Road Bangalore
Mock Paper -1 January - 2019
II PUC– Economics (22)

I. Choose the correct answer (Each question carries 1 mark)

1. Which of the following is a macroeconomic variable?
(a) Individual demand (b) Aggregate demand
(c) Firms output (d) Price of a good
2. Utility is
(a) Objective (b) Subjective
(c) Both a & b (d) None of the above
3. In the short run, a firm
(a) Can change all the inputs (b) Cannot vary all the inputs
(c) Can keep the inputs fixed (d) None of the above
4. In a capitalist country production activities are mainly carried out by
(a) Private enterprises (b) Government authority
(c) Planning authority (d) None of the above
5. The point where ex-ante aggregate demand is equal to ex-ante aggregate supply will be
(a) Equilibrium (b) Disequilibrium
(c) Excess demand (d) Excess Supply

II. Fill in the blanks (Each question carries 1 mark)

6. Scarcity of resources gives raise to _____
7. The demand for a good moves in the _____ direction of its price
8. The point of minimum AVC where the SMC curves cuts the AVC curves is called _____
9. Pollution is an example for _____ externalities.
10. The Bretton Woods conference held in the year _____

III. Match the following

- | | |
|---------------------|---------------------------------|
| 11. A | B |
| Indifference Map | Non - Monetary exchange curve |
| Market equilibrium | Y— C |
| Domestic service | Government of India |
| Circulation of coin | A family of indifference curves |
| Savings | QD = QS |

IV. Answer the following questions in a sentence/word. (Each question carries 1 mark)

12. What do you mean by centrally planned economy?
13. Define marginal revenue and Write its formula.
14. Through which legislation, the government ensures that the wage rate of the labourers does not fall below a particular level?
15. Give the meaning of progressive Tax.
16. What do you mean by fixed exchange rate?

V. Answer the following questions in about 4 sentences. (Each question carries 2 marks)

17. What is production possibility frontier?
18. What do you mean by price elasticity of demand?
19. Name the short run costs.

20. How price is determined, when fixed number of firms exist in perfect competition.?
21. State the meaning of average revenue and marginal revenue
22. Give the meaning of the concepts of short run and long run.
23. What are the four factors of production? Mention their rewards.
24. What are the features of capitalistic economy?
25. What do you mean by externalities? Mention its two types.
26. What is marginal Revenue product of labour (MRPL)
27. State the credit control instruments of RBI.
28. What are the factors which cause change in aggregate demand?
29. Why public goods must be provided by the Government?
30. Differentiate between depreciation and devaluation.

VI. Answer the following questions in 12 sentences. (Each question carries 4 marks)

31. Write the differences between Total utility & Marginal utility.
32. Explain Isoquant with the help of the diagram.
33. Explain the features of perfect competition.
34. Write a table to show the impact of simultaneous shifts on equilibrium.
35. Explain the average revenue or price line of a firm under perfect competition with the help of a diagram.
36. Explain the examples of planned accumulation and decumulation of inventories.
37. Briefly explain the functions of RBI.
38. Write a short note on the Ricardian equivalence.
39. Write the chart of components of capital account.
40. Does public debt impose a burden? Explain.
41. Explain the merits and demerits of Flexible and fixed exchange rate system.

VII. Answer the following questions in 20 sentences. (Each question carries 6 marks)

42. Explain the law of diminishing marginal utility with the help of a table and diagram.
43. Explain the long run supply curve of a firm with the help of diagram.
44. Explain the market equilibrium with the fixed number of firms with the help of diagram.
45. Explain how the firms behave in oligopoly.
46. Write a short note on the gold standard.
47. Explain the role of the Government (State) and household sector in both developed and developing countries.
48. Briefly explain the expenditure method of measuring GDP.

VIII. Answer the following questions.(each question carries 5 marks)

49. Name the currencies of any five countries of the following.
USA, UK, Germany, Japan, China, Argentina, UAE, Bangladesh, Russia
50. Write a note on Demonetisation.
51. Find the Missing products in the following table.

Factor 1	TP	MP	AP
0	0	0	0
1	10	-	10
2	24	-	12
3	40	16	13.33
4	-	10	-
5	-	6	11.2
6	57	1	9.5



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Mock Paper - 2 January - 2019
II PUC– Economics (22)

I. Choose the correct answer (each question carries 1 mark)

1. Central problems of an economy includes
(a) What to produce (b) How to produce (c) For whom to produce (d) All of the above
2. The government imposing upper limit on the price of goods and services is called
(a) Price ceiling (b) Selling price
(c) Price floor (d) None of the above
3. In 1936 British economist J.M. Keynes published his celebrated book
(a) Wealth of nations
(b) General theory of employment interest and Money.
4. Choose the correct answer (each question carries 1 mark) 1. Consumption which is independent of income is called
(a) Induced consumption (b) autonomous consumption (c) Wasteful consumption (d) past consumption Which of the following is an example for 'Paper taxes'. (a) Income Tax (b) Excise Taxes (c) Wealth Tax (d) Customs Taxes

II. Fill in the blanks (each question carries 1 mark)

6. If the supply curve shifts rightward and demand curve shifts leftward equilibrium price will be _____
7. In monopoly market, the goods which are sold have no _____
8. A part of the revenue is paid out as _____ for the service rendered by land.
9. Size of the multiplier depends on the value of _____
10. Revenue deficit = Revenue expenditure _____

III. Match the following

- | | | |
|-----|----------------------|-------------------|
| 11. | A | B |
| | Service of a Teacher | Dirty floating |
| | TC = | Intermediate good |
| | TR = | Skill |
| | Managed floating | P x Q |
| | Raw material | TFC + TVC |

IV. Answer the following questions in a sentence/word. (Each question carries 1 mark)

12. What do you mean by cardinal Utility Analysis?
13. What does market supply curve show?
14. When do we say that, there is an excess demand in the market?
15. Give the meaning monopolistic competition.
16. What is primary deficit?

V. Answer the following questions in about 4 sentences. (Each question carries 2 marks)

17. What is monotonic preference?
18. Mention two different approaches which explain consumer behaviour.
19. Write the meaning of opportunity cost with an example.
20. Define Equilibrium Price and Quantity.
21. Mention 3 Methods of measuring GDP (National Income).
22. Write the difference between nominal and real GDP.
23. Who are the macroeconomic decision makers?
24. State the relationship between marginal revenue and price elasticity of demand.
25. Give the meaning of CRR and SLR.
26. Write the meaning of excess demand and deficient demand.
27. Give the meaning of Paradox of thrift.
28. When do surplus and deficit arise in Capital Account?
29. What is foreign exchange rate?
30. Who are 'Free riders'? Why are they called so?

VI. Answer the following questions in 12 sentences. (Each question carries 4 marks)

31. Explain the indifference map with a diagram.
32. Explain TP, MP and AP with the examples.
33. Explain the long run costs.
34. Explain the determinants of a firm's supply curve.
35. Explain the working of the economy of a capitalist country.
36. What is the implication of free entry and exit of firm on market equilibrium? Briefly explain.
37. Explain the circular flow of income of an economy.
38. Write a note on legal definitions of money.
39. Explain consumption and investment function with the help of graphs.
40. Write the chart of components of Current account.
41. Explain the features of perfect competition.

VII. Answer the following questions in 20 sentences. (Each question carries 6 marks)

42. Give the meaning and formula of price elasticity of demand and explain the elasticity along a linear demand curve.
43. Explain the simultaneous shifts of demand and supply curve in perfect competition with the help of diagrams.
44. Explain the short run equilibrium of a monopolist firm, when the cost of production is positive by using TR & TC curves with the help of a diagram.
45. Explain a numerical example to show that all the three methods of estimating GDP gives us the same answer.
46. Write down some of the limitations of using GDP as an index of welfare of a country.
47. Explain the open market operation.
48. Briefly explain the foreign exchange market with fixed exchange rates with the help of a diagram.

VIII. Answer the following questions. (Each question carries 5 marks)

49. 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

(d) Find the quantity of demand and supply when $P < \text{equilibrium price}$

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

51. The market demand curve for a commodity and the total cost for a monopoly firm producing the commodity are given by the schedules below. Use the information to calculate the following

Quantity	0	1	2	3	4	5	6	7	8
Price	52	44	37	31	26	22	19	16	13

Quantity	0	1	2	3	4	5	6	7	8
Total cost	10	60	90	100	102	105	109	115	125

(a) The MR & MC schedules.

(b) The quantity for which the MR & MC are equal.

(c) The equilibrium quantity of output and the equilibrium price of the commodity.

(d) The total revenue, total cost and total profit in equilibrium.
