



JAIN COLLEGE, J C Road Bangalore
Mock Paper -1, January - 2020
II PUC- Economics (22)

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

1. The scarce resources of an economy have
 - a) Competing usages
 - b) Single usages
 - c) Unlimited usages
 - d) None of the above
2. In the short run, a firm _____
 - a) Can change all the inputs
 - b) Cannot vary all the inputs
 - c) Can keep all the inputs fixed
 - d) None of the above
3. By deduction undistributed profit from national income, we get
 - a) Personal disposable income
 - b) personal income
 - c) private income
 - d) subsidies
4. The banks which are a part of the money creating system of the economy are
 - a) Bankers
 - b) commercial banks
 - c) RBI
 - d) none of the above
5. The consumers and producers can choose between domestic and foreign goods, this market linkage is called
 - a) Financial market linkages
 - b) output market linkages
 - c) labour market linkages
 - d) none of the above

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

6. _____ is a set of arrangements where economic agents can freely exchange their endowments or products with each other.
7. _____ is determined at the point where the demand for labour and supply of labour curves intersect.
8. Sale of goods by the domestic country to the rest of the world is called _____.
9. _____ goods will not pass through any more stages of production.
10. Financial year runs from _____ to _____ in India.

III. Match the following

- | | | |
|-----|---------------------------|-------------------------------|
| 11. | A | B |
| | (a) Services of a teacher | (i) Constant Returns to Scale |
| | (b) CRS | (ii) skill |
| | (c) Perfect completion | (iii) Paper Gold |
| | (d) Domestic services | (iv) None monetary exchange |
| | (e) SDR | (v) Perfect information |
| | | (vi) Monetary exchange |

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

12. Expand MRS.
13. Through which legislation, the government ensures that the wage rate of the labourers does not fall below a particular level?
14. Give the meaning of intermediate goods.
15. Who are "Free-Riders"?
16. What do you mean by open economy?

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

17. What do you mean by production possibility set?
18. Mention two different approaches which explain consumer behaviour.
19. Give the meaning of price elasticity of supply and write its formula.
20. Give the meaning of shut-down point.
21. Write the meaning of opportunity cost with an example.
22. State the meaning of two kinds of trade in external sector.
23. Write the meaning of monopolistic competition and give an example.
24. What are the four factors of production? And mention their rewards.
25. Write the equation of GDP_{MP} and GDP_{FC} .
26. How does bank rate influence money supply?
27. Give the meaning of investment multiplier. Write its formula.
28. Write the difference between public provision and public production.
29. What are the types of balance of trade?
30. Why do people demand foreign exchange?

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

31. Write a short note on centrally planned economy.
32. Explain the indifference map with a diagram.
33. The following table gives the TP schedule of labour. Find the corresponding average product and marginal product schedules.

TP_L	0	15	35	50	40	48
L	0	1	2	3	4	5

34. Write about shutdown point, normal profit and break-even point.
35. Explain how the firms behave in oligopoly.
36. Briefly explain in what way Macro Economics is different from Micro Economics.
37. Write a note on externalities.
38. Explain the example of planned accumulation and planned decumulation of inventories.
39. Briefly explain the functions of RBI.
40. Give the meaning of aggregate demand function. How can it be obtained graphically?
41. Explain the merits and demerits of flexible and fixed exchange rate system.

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

42. Explain the market demand with the help of diagrams.
43. Explain the shapes of long run cost curves.
44. Explain the simultaneous shifts of demand and supply curve in perfect competition with the help of diagrams.
45. Explain short run equilibrium of the monopolist with the case of zero cost.
46. Explain a numerical example to show that all the three methods of estimating GDP gives us the same answer.
47. Explain the classification of receipts.
48. Briefly explain the foreign exchange market with fixed exchange rates with the help of a diagram.

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

49. Write a note on demonetization.
50. Name the currencies of any five countries of the following:
USA, UK, Germany, Japan, China, Argentina, UAE, Bangladesh, Russia's

51. Compute the Total Revenue, Marginal Revenue and Average Revenue schedules in the following table, when market price of each unit of goods in Rs .20.

Quantity sold	TR	MR	AR
0			
1			
2			
3			
4			
5			
6			



JAIN COLLEGE, J C Road Bangalore
Mock Paper – 2, January - 2020
II PUC– Economics (22)

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

1. Traditionally, the subject matter of economics has been studied under the following broad branches
 - a) Micro and Macro economics
 - b) Positive and normative
 - c) Deductive and inductive
 - d) None of the above
2. Cobb –Douglas production function is
 - a) $q=(x,x)$
 - b) $q=(x_1,x_2)$
 - c) $q=(x_1^\alpha,x_2^\beta)$
 - d) $q=(0)$
3. $NNP=GNP-$ _____
 - a) Deduction
 - b) Depreciation
 - c) Investment
 - d) None of the above
4. The important tool by which RBI influences money supply is
 - a) Open market operations
 - b) Closed market operation
 - c) Money operations
 - d) none of the above
5. When demand exceeds the available output under condition of high level of employment, this may give rise to _____
 - a) Inflation
 - b) Deflation
 - c) Stabilization
 - d) None of the above

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

6. For a price taking price firm marginal revenue is equal to _____
7. If the supply curve shifts rightward and demand curves shifts leftward equilibrium price will be _____
8. Competitive behaviour and Competitive market structure are in general _____ related.
9. _____ tries to address situations facing the economy as a whole.
10. The government may spend an amount equal to the revenue it collects. This if know as _____

III. Match the following

- | | |
|-------------------------|-------------------------|
| 11. A | B |
| (a) Complementary goods | (i) stock variable |
| (b) Market equilibrium | (ii) pen and ink |
| (c) Circulation of coin | (iii) invisible hand |
| (d) Adam Smith | (iv) $QD=QS$ |
| (e) Inventory | (v) government of India |
| | (vi) RBI |

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

12. What is market economy?
13. Write the meaning of cost function of the firm.
14. What is Duopoly?
15. Write the meaning of full employment level of income.
16. Give the meaning of official reserve sale.

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

17. Distinguish between Micro and Macroeconomics.
18. What is monotonic preference?
19. State the law of demand.
20. Mention the types of Returns to scale.
21. Mention the two determinants of a firm's supply curve.
22. Distinguish between excess demand and excess supply.
23. Write the features of monopoly.
24. Name and write the meaning of two kinds of trade in external sector.
25. Write the difference between nominal and real GDP
26. State the credit control instruments of RBI.
27. Give the meaning of Paradox of thrift.
28. Does public debt impose a burden? Explain.
29. When do surplus and deficit arise in Capital Account?
30. What is foreign exchange rate?

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

31. Briefly explain how the family farm, weaver, teacher can use their resources to fulfil their needs in a simple economy.
32. Write the differences between Total Utility and Marginal Utility.
33. Explain the law of variable proportions with the help of a diagram.
34. Explain the total revenue and average revenue of a firm under perfect competition with the help of diagrams.
35. Write a note on price floor.
36. Explain the working of the economy of a capitalist country.
37. Explain the circular flow of income of an economy.
38. Money acts as a convenient unit of account. Explain this sentence with the example.
39. Explain consumption and investment function with the help of graphs.
40. Briefly explain the Revenue deficit and Fiscal deficit.
41. Briefly explain the effects of an increase in demand for imports in the foreign exchange market with the help of a diagram.

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

42. Explain the features of indifference curves with the help of diagrams.
43. 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
SMC	-	500	300	200	300	500	800

44. Explain the market equilibrium with the fixed number of firms with the help of diagrams.
45. Explain the short run equilibrium of a monopolist firm, when the cost of production is positive by using TR and TC curves with the help of diagram.
46. Explain the macroeconomic identities.
47. Explain the classification of expenditure.
48. Write a note on balance of payment.

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

49. A consumer wants to consume two goods, the price of Bananas is Rs.4, and the price of Mangoes is Rs.5. the consumer income is Rs.20.
- a) How much bananas can he consumes if he spend his entire income on that good?
 - b) How much Mangoes can he consumes if he spend his entire income on that good?
 - c) Is the slope of budget line downward or upward?
 - d) Are the bundles of budget line equal to the consumer's income or not?
 - e) If you want to have more of Bananas you have to give up Mangoes. Is it true?
50. Prepare a budget on monthly income and expenditure of your family.
51. Find the Missing products in the following table.

FACTOR 1	TP	MP	TP
0	1	0	1
1	10	–	10
2	24	–	12
3	40	16	13.33
4	–	10	–
5	–	6	11.2
6	57	1	9.5
