



# JAIN COLLEGE

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Date:

**SUBJECT: ECONOMICS**

**II PUC  
MOCK PAPER - 1  
(ABES+ABEM)**

**Timings Allowed: 3 Hours 15 mins**

**Total Marks: 100**

## PART A

### I Choose the correct answer.

**1x5=5**

- Which of the following is an example for micro economic study?
  - National income
  - Unemployment
  - consumer behavior
  - foreign trade
- In a capitalist country , production activities are mainly carried out by
  - Private enterprises
  - Planning authority
  - government authority
  - none of the above
- The point where ex-ante aggregate demand is equal to ex-ante aggregate supply will be
  - Equilibrium
  - Excess demand
  - disequilibrium
  - excess supply
- The year of Great Depression is
  - 1920
  - 1956
  - 1929
  - 1889
- Consumption which is independent of income is called
  - Induced consumption
  - Wasteful consumption
  - autonomous consumption
  - past consumption

### II Fill in the blanks.

**1x5= 5**

- Price taking behavior is the single most distinguishing characteristic Of ..... market
- The revenue received by the firm per unit of commodity sold is called as .....
- ..... is a mixture of flexible and fixed exchange rate systems.
- In a monopoly market, the goods which are sold have no .....
- The government may spend an amount equal to the revenue it collects. This is known as ....

### III Match the following.

**1x5= 5**

#### A

- Positive Economics
- Normal profit
- Market equilibrium
- Inventory
- Raw material

#### B

- QD=QS  
Stock variable  
Zero profit  
Functioning of mechanism  
Intermediate good unit of income

### IV Answer all the questions in a word or a sentence each.

**1x5= 5**

- What is demand?
- Give the meaning of Marginal product.
- What are public goods?
- Expand MRS.

5. Give the meaning of monopolistic competition.

### PART- B

**V Answer any 9 of the following in 4 sentences each.**

**2x9= 18**

1. What is monotonic preferences?
2. What do you mean by inferior goods? Give examples.
3. Mention the 3 methods of measuring GDP.
4. Give the meaning of price elasticity of supply and give its formula.
5. What do you mean by externalities? Mention its 2 types.
6. Write the features of monopoly.
7. Mention the non tax revenues of the central government.
8. Distinguish between stock and flow. Give example.
9. Give the meaning of CRR and SLR.
10. How does bank rate influence money supply?
11. When do surplus and deficit arises in capital account?
12. Why do people demand foreign exchange?

### PART- C

**VI Answer any 7 of the following in about 12 sentences each.**

**4x7=28**

1. Briefly explain the production possibility frontier.
2. Write a short note on centrally planned economy.
3. Briefly explain the budget set with the help of a diagram.
4. Write a brief note on returns to scale.
5. Write the chart of components of current account.
6. The following table gives the TP schedule of labour. Find the corresponding AP and MP schedules.

TP	0	1	35	50	40	48
L	0	1	2	3	4	5

7. Explain the features of perfect competition.
8. Briefly explain in what way macro economics is different from micro economics.
9. Write a note on balance of trade.
10. Briefly explain the functions of RBI.
11. Write a note on legal definitions of money.

### PART- D

**VII Answer any 4 of the following in 20 sentences each.**

**6x4= 24**

1. Briefly explain the foreign exchange market with fixed exchange rates with the help of a diagram.
2. Requirement of reserves acts as a limit to money creation. Explain.
3. Explain the optimal choice of consumer with the help of a diagram.
4. Explain the market equilibrium with the fixed number of firms with the help of a diagram.
5. Explain the functions of money. How does it overcome the shortcomings of barter system?

6. Explain the law of diminishing marginal utility with the help of a table and a diagram.
7. 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 a diagram.

**PART- E**

**VIII Answer any 2 of the following questions.**

**5x2=10**

1. Find the missing products in the following table.

Factor	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

2. Compute the TR, MR and AR schedules in the following table when market price of each unit of good is Rs.10

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

3. Write a note on demonetization.