



JAIN COLLEGE V V Puram

II PUC Mock Paper 2 – January - 2025

Course: II PUC
Subject: Economics
Max. Marks: 80
Duration: 3 hours

INSTRUCTIONS: (a) write question numbers legibly in the margin.
 (b) answer for the questions should be continuous.
 (c) answer all the questions in Part A

PART A

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

1x5=5

- At the midpoint of demand curve, elasticity is
 A. Equal to one B. Less than one C. More than one D. Equal to zero
- The shape of the Average fixed cost curve is
 A. *Rectangula hyperbola* B. *'U'Shaped* C. *InversealyU"shaped* D. Horizontal
- A book seller sells 30 books at the price Rs10 each. The total revenue of seller is
 A. Rs 100 B. Rs 200 C. Rs 300 D. Rs 400
- The year used to calculate real GDP is
 A. Current year B. Financial year C. Base year D. Fiscal year
- The 2016 demonetization of currency included denomination of
 A. Rs 500 and Rs 1000 B. Rs 1000 and Rs 2000
 C. Rs 200 and Rs 500 D. Rs 500 and Rs 2000

II Fill in the blanks

1x5=5

(minimum, negative, depreciation, positive, not consumed, opposite)

- Demand curve moves Direction of its price
- SMC curve cuts AVC curve at the ----- point of AVC curve from the below.
- Environment pollution is an example for..... externalities
- Saving is that part of income that is.....
- An increase in the price of foreign currency in terms of domestic currency is called -----domestic currency

III. Match the following

1x5=5

11.

A	B
Unitary elasticity	Dirty floating
Adam smith	Broad money
Domestic service	Skill
M3 and M4	Operation of invisible hands
Managed floating	Ed=1
	Non-monetary exchange

IV Answer the following questions in a word/sentence each.

1x5=5

- Suppose, to a consumer 4 oranges gives 28 units of total utility and 5 oranges gives 30 units of utility. Calculate marginal utility.
- Give an example for price ceiling.
- What is wage rate?
- CPI-Expand
- What is foreign exchange rate?

PART-B**V Answer any SIX of the following questions in about 4 sentences each.****6x2=12**

17. Distinguish between positive and normative economics.
18. What is monotonic preference?
19. What is long run average cost? Write its formula.
20. Mention the two determinants of a firm's supply curve.
21. How the wage is determined in the labour market?
22. What is the difference between consumer goods and capital goods?
23. Define liquidity trap.
24. With a given consumption function $c=100+0.8$, when autonomous consumption changes to 200, write the new consumption function and identify the value of MPC.
25. Who are the free riders? why they are called so?
26. Why do the people demand foreign exchange?

PART-C**VI Answer any FIVE of the following questions in about 12 sentences each.****5x4=20**

27. What are the three central problems of an economy? Explain.
28. List out the differences between normal goods and inferior goods with examples
29. The following table shows the total revenue and total cost schedules of a competitive firm. Calculate profit at each output and determine the market price of a good.

Quantity sold (Q)	TR	TC	Profit	Market Price
0	0	5		
1	5	7		
2	10	10		
3	15	12		
4	20	15		
5	25	23		
6	30	33		
7	35	40		

30. Write a table to show the impact of simultaneous shift in demand and supply on equilibrium.
31. Explain the working of a capitalist economy.
32. Explain planned accumulation and planned decumulation of inventories with example.
33. Briefly explain the functions of RBI.
34. Write a chart of government budget.

PART-D**VII Answer any THREE of the following questions in about 20 sentences each. 3X6=18**

35. Explain the optimal choice of consumer with help of diagram.
36. A firm's SMC schedule is shown in the following table. TFC is 100, find out TVC, TC, AVC and SAC schedule of the firm.

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

37. Explain macroeconomic identities
38. Explain the functions of money. How does money overcome the short coming of barter system.
39. List out the merits and demerits of flexible and fixed exchange rate system

PART E

VIII Answer any TWO of the practical oriented questions. 2x5=10

40. A consumer wants to consume two goods. The price of bananas is Rs.20 and the price of mangoes is Rs.40 the consumer income is Rs.200.
 - A. How much bananas can she consume if she spends her entire income on that good.
 - B. How much mangoes can she consumes if she spends her entire income on that good.
 - C. Is the slope of budget line downward or upward?
 - D. Are the bundles on the budget 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?

41. In a perfectly competitive market price of each unit is Rs 60, compute total revenue, marginal revenue and average revenue schedules from the following table.

Quantity sold	TR	MR	AR
0			
1			
2			
3			
4			
5			

42. Prepare balanced budget on monthly income and expenditure of your family.
