

**SRI BHAGAWAN MAHAVEER JAIN COLLEGE**

Vishweshwarapuram, Bengaluru.

II PUC Mock Question Paper - 1**Course:** II PUC**Subject:** Economics**Max. Marks:** 100**Duration:** 3hours:15minutes**Instruction:** (a) write question number legibly in the margin

(b) answer for the question should be continuous

(c) answer all the question in Part A

Part A**I. Choose the correct answer. Each question carries 1 mark.****1 x 10 = 10**

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. Demand for these goods increases as income increases
 - (a) Inferior goods
 - (b) Giffen goods
 - (c) Normal goods
 - (d) None of the above
3. Ordinal utility analysis expresses the utility in
 - (a) Numbers
 - (b) Returns
 - (c) Ranks
 - (d) Rewards
4. Formula for production function is
 - (a) $Q = f(L, K)$
 - (b) $Q = d(p)$
 - (c) $Y = f(x)$
 - (d) None of the above.
5. In perfect competition, buyers and sellers are
 - (a) Price makers
 - (b) Price takers
 - (c) Price analysts
 - (d) None of these
6. $NNP = GNP -$
 - (a) Deduction
 - (b) Depreciation
 - (c) Investment
 - (d) Consumption
7. The Banks which are a part of the money creating system of the economy are
 - (a) Bankers
 - (b) RBI
 - (c) Commercial Banks
 - (d) None of the above
8. Value of MPC lies between
 - (a) 1 and 2
 - (b) 2 and 4
 - (c) 0 and 1
 - (d) 0 and 0.5
9. The taxes on individual and firms are
 - (a) Direct taxes
 - (b) Indirect taxes
 - (c) Fixed taxes
 - (d) None of the above
10. The rate at which the price of domestic currency in terms of foreign currency is called
 - (a) Exchange control
 - (b) Interest rate
 - (c) Foreign exchange rate
 - (d) None of these

II. Fill in the blanks**1 x 5 = 5**

- (minimum, choice, 1944, inventory, invisible hands)
11. Scarcity of the resources give rise the problem of
 12. SMC curve cuts the AVC curve at the Point of AVC curve from below.
 13. It is assumed that, in perfectly competitive market an ----- is at play.
 14. is a stock variable.
 15. Bretton wood conference was held in the year_____.

III. Match the following**1 x 5 = 5**

16.

A	B
Service of a teacher	Pen and ink
TFC+TVC	Sloping downwards
SDR	TC
Complementary goods	Skill
Demand curve	Paper gold

Part B**IV. Answer any NINE of the following questions in 4 sentences each.****2 x 9 = 18**

17. Distinguish between micro and macro economics?
18. What is demand?
19. What is marginal utility?
20. Give the meaning of short run and long run.
21. Give the meaning of supernormal profit.
22. Write the meaning of opportunity cost with the help of an example.
23. What is monopoly?
24. Distinguish between stock and flow concept. Give example.
25. What is bank rate?
26. Define Average Propensity to Save (APS).
27. What are public goods?
28. Distinguish between surplus budget and deficit budget.
29. What is foreign exchange rate?
30. Mention the three linkages of open economy.

Part-C**V. Answer any SEVEN of the following questions in 12 sentences each.****4 x 7 = 28**

31. Write a short note on market economy.
32. Briefly explain budget set with help of diagram.
33. Write the differences between normal and inferior goods.
34. Write a brief note on return to scale.
35. Explain the determinants of a firm's supply curve.
36. Write a short note on concept of final goods.
37. Write a note on externalities.
38. Briefly explain the functions of RBI.
39. Briefly explain consumption function.
40. Distinguish between revenue expenditure and capital expenditure.
41. Explain the effect of an increase in demand for imports in the foreign exchange market with the help of diagram.

Part -D

VI. Answer any FOUR of the following questions in 20 sentences each.

6 x 4 = 24

42. Explain the law of diminishing marginal utility with the help of table and diagram.
43. Explain the movement along the demand curve and shift in the demand curve with help of two diagrams.
44. Explain the law of variable proportion with the help of diagram.
45. Explain simultaneous shift in the demand and supply curves in perfect competition with help of diagram.
46. Explain market equilibrium of the monopolist with diagram with case of zero cost.
47. Explain a numerical example to show that all the three methods of estimating GDP give us the same answer.
48. Write a note Balance of Payments.

Part- E

VII. Answer any TWO of the following questions.

5 x 2 = 10

49. A consumer wants to consume two goods. The Price of bananas is Rs.5 and price of Mangoes are Rs.10. The consumer income is Rs.40.
 - a) How much bananas can she consume if she spends her entire income on that good?
 - b) How much mangoes can she consume 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 line equal to the consumers' income or not?
 - e) If you want to have more of banana you have to give up mangoes. Is it true?
50. Find the missing products in the table.

Factor 1	TP	MP1	AP1
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

- a. Prepare a family budget for a month.
