



# JAIN COLLEGE

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**SUBJECT: ECONOMICS**

**II PU  
MOCK PAPER 2  
(ABES+ABEM)**

**Timings Allowed: 3 Hours 15 mins**

**Total Marks: 100**

## PART A

### I. Choose the correct answer.

**5x1=5**

- Which of the following is an example of micro economic study?  
a) National income  
b) Unemployment  
c) consumer behaviour  
d) foreign trade
- The government imposed lower limit on the price of goods and service is called  
a) Goods floor  
b) Price floor  
c) service floor  
d) None of the above
- The individuals or institutions which take economic decisions are  
a) Economic variables  
b) Economists  
c) economic agents  
d) none of the above
- Consumption which is independent of income  
a) Autonomous consumption  
b) Wasteful consumption  
c) induced consumption  
d) past consumption
- The main function of money is  
a) Supply  
b) Medium of exchange  
c) expenditure  
d) investment

### II. Fill in the blanks.

**05x1= 05**

- Price taking behavior is the single most distinguishing feature of \_\_\_\_\_ Market.
- In a perfectly competitive market, equilibrium occurs when demand \_\_\_\_\_ Market supply
- 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 \_\_\_\_\_
- \_\_\_\_\_ account records all the international transactions of assets.

### III. Match the following.

**05x1= 05**

- | <b>A</b>                          | <b>B</b>               |
|-----------------------------------|------------------------|
| 1. Normative economics            | lower limit on price   |
| 2. Perfect competition            | Evaluate the mechanism |
| 3. Price floor                    | APC                    |
| 4. Domestic service               | Non monetary exchange  |
| 5. Consumption per unit of income | Perfect information    |

**IV. Answer the following in a sentence or word.****05×1= 05**

1. What is demand?
2. What is total fixed cost?
3. What is oligopoly market?
4. Give the meaning of imports.
5. What are public goods?

**PART-B****V. Answer any 9 of the following in 4 sentences each.****09×2= 18**

1. What do you mean by price elasticity of demand?
2. What are long run costs?
3. What are isoquants?
4. Mention the 2 different approaches which explain the consumer behavior.
5. Mention the 3 methods of measuring GDP.
6. Mention the 2 motives of demand for money.
7. Name and write the meaning of 2 kinds of trade in external sector.
8. Write the differences between current account and capital account.
9. Differentiate between devaluation and depreciation.
10. Mention the 3 types of returns to scale.
11. What are inferior goods? Give examples.
12. Differentiate between consumer goods and capital goods.

**PART C****VI. Answer any 7 of the following in 15 sentences each.****07×4=28**

1. Briefly explain the production possibility frontier.
2. Write the differences between total utility and marginal utility.
3. Explain the working of the economy of a capitalist country.
4. Write a note on externalities.
5. Write a note on balance of trade.
6. Briefly explain the budget set with the help of a diagram.
7. Briefly explain the functions of RBI.
8. Explain the features of perfect competition.
9. Explain the average revenue or price line of a firm under perfect competition with the help of a diagram.
10. The following table gives the TP schedule of labour. Find the corresponding AP and MP schedules.

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

11. Calculate TR and MR from the following table.

Q	1	2	3	4	5	6	7	8	9	10
P	100	90	80	70	60	50	40	30	20	10

**PART- D**

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

**04×6= 24**

1. Explain the LDMU with the help of a table and a diagram
2. Explain the law of variable proportions with the help of a table and a diagram.
3. Explain the open market operations.
4. Write down some of the limitations of using GDP as an index of welfare of a country.
5. Explain the classification of receipts.
6. Write a short note on gold standard.
7. The market demand curve for a commodity and TC for a monopoly firm producing the commodity is given in 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
TC	10	60	90	100	102	105	109	115	125

- a) The MR and MC schedules.
- b) The quantities for which the MR and MC schedules are equal.
- c) The equilibrium quantity of output and equilibrium price of the commodity.
- d) The TR, TC and TP in equilibrium.

**PART- E**

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

**05×2= 10**

1. A consumer wants to consume 2 goods . The price of bananas is Rs. 4 and the price of mangoes is Rs. 5. The consumer's income is Rs. 20.
  - a) How many bananas can she consume if she spends her entire income on that good?
  - b) How many mangoes can she consume if she spends her entire income on that good?
  - c) Is the slope of budget line downward or upward?
  - d) If you want to have more bananas you have to give up mangoes. Is it true?
  - e) Are the bundles on the budget line equal to the consumer's income or not?
2. Write a note on Demonetisation.
3. Name the currencies of any 5 countries of the following.  
USA, UK, UAE, Germany, Japan,China, Argentina, Bangladesh, Russia.