



JAIN COLLEGE, v v puram

Test / Exam:	Mock -2	Month & Year:	2020-2021
Class:	II PUC	Subject:	Economics
Duration:	3:15 hours	Max. Marks:	100

- Instructions :** (a) Write question number legibly in the margin
(b) Answer for the question 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

1. Which of the following is an example of micro economic study?

- (a) National Income
- (b) Consumer behaviour
- (c) Unemployment
- (d) Foreign trade

2. In the short run, a firm

- (a) Can change all the inputs
- (b) Cannot vary all the inputs
- (c) Can keep the inputs fixed
- (d) None of the above

3. The increase in total revenue for a unit increase in the output is

- (a) Marginal Revenue
- (b) Average Revenue
- (c) Total Revenue
- (d) Fixed Revenue

4. The study of national income is related

- (a) Micro Economics
- (b) Macro Economics
- (c) Both Micro and Macro
- (d) None of the above

5. The point where ex-ante aggregate demand is equal to ex-ante aggregate supply will be

- (a) Equilibrium
- (b) Disequilibrium
- (c) Excess Demand
- (d) Excess supply

II. Fill in the blanks

1x5= 5

6. As income increases, the demand curve for normal goods shifts towards _____

7. _____ is defined as the output per unit of variable input.

8. The point of minimum AVC where the SMC curves cuts the AVC curve is called _____.

9. _____ is a stock variable
 10. _____ is the only institution which can issue currency in India

III. Match the following**1x5=5**

11.

Centrally planned economy	Pen and Ink
Complementary goods	Government
CRS	TR – TC
π	Government of India
Circulation of coin	Constant returns to scale

IV. Answer the following questions in a sentence each.**1x5=5**

12. What do you mean by positive economics?
 13. Write the meaning of cost function of the firm.
 14. To which side does supply curve shift due to technological progress?
 15. What is Fiat Money?
 16. What is depreciation?

Part B**V. Answer any 9 of the following questions in 4 sentences each.****2x9=18**

17. Distinguish between positive and normative economics
 18. State the law of demand.
 19. Give the meaning of shut down point.
 20. Mention the two dimensions of the firm's supply curve
 21. What are features of capitalistic economy?
 22. Name and write the meaning of two kinds of trade in external sector.
 23. What are the four factors of production? Mention their rewards.
 24. Mention any two functions of money.
 25. Mention the two motives of demand for money.
 26. Give the meaning of investment multiplier. Write its formula
 27. Give the meaning of Paradox of thrift.

Part-C**VI. Answer any 7 of the following questions in 12 sentences each.****4x7= 28**

28. Write a short note on market economy.
 29. Explain the derivation of slope of budget line.
 30. Explain the differences between normal and inferior goods with examples
 31. The following table gives the TP schedule of labor. Find the average product and marginal product schedules.

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

32. Explain the average revenue or price line of a firm under perfect competition with the help of a diagram.

33. Explain the role of government (states) and household in both developed and developing countries.
34. Write a short note on the concept of final good.
35. Illustrate unplanned accumulation and decumulation of inventories with an example
36. Write a note on legal definition of money.
37. Write the meaning of Transaction Motive and Speculative motive of demand for money and Liquidity trap.
38. Give the meaning of Aggregate demand function. How can it be obtained graphically?

Part -D

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

6x4=24

39. Explain the derivation of demand curve in the case of single commodity
40. Explain the shapes of long run cost curves.
41. Explain the long run supply curve of a firm with the help of diagram
42. Explain a numerical example to show that all the three methods of estimating GDP gives us the same answer.
43. Write down some of the limitations of using GDP as an index of welfare of a country.
44. Explain the open market operation
45. Explain the supply side of macroeconomic equilibrium.

Part- E

VIII. Answer any 2 of the following questions in 15 sentences each.

5x2=10

46. A consumer wants to consume two goods. The price of bananas is Rs.4 and the price of mangoes he is Rs.5 the consumer income is Rs.20.
- 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 line are 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?

47. Find the missing products in the following table.

Factor 1	TP	MP	AP
0	0		
1	20		
2	44		
3	60		
4	70		
5	74		
6	76		

48. Compute the total revenue, marginal revenue and average revenue schedules in the following table when market price of each unit of good is Rs.25.

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