

**SRI BHAGAWAN MAHAVEER JAIN COLLEGE**

Vishweshwarapuram, Bangalore.

**II PUC Mock Question Paper - 2****Course:** II PUC**Subject:** Economics**Max. Marks:** 100**Duration:** 3 hours, 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. The scarce resources of an economy have  
(a) Competitive usages (b) Single usages  
(c) Unlimited usages (d) None of the above
2. Which of the following is an example of micro economic study?  
(a) National income (b) Consumer behavior  
(c) Unemployment (d) foreign trade
3. The study of consumer behavior is related to  
(a) Micro economics (b) Macro economics  
(c) Both Micro and Macro (d) None of the above
4. A vertical demand curve is  
(a) Perfectly elastic (b) Perfectly inelastic  
(c) Unitary elastic (d) None of the above
5.  $TC =$   
(a)  $TVC$  (b)  $TFC + TVC$  (c)  $TFC$  (d)  $AC + MC$
6. A market structure which produces heterogeneous products is called  
(a) Monopoly (b) monopolistic competition  
(c) Perfect competition (d) none of the above
7. The individuals or institution which take economic decisions are  
(a) Economic variables (b) Economic agents  
(c) Economics (d) None of the above
8. 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
9. Which of the following is the example of paper tax.  
(a) Income tax (b) Custom tax  
(c) Wealth tax (d) Excise duty
10. Balance of payment record these transaction between residents and with the rest of the world  
(a) Goods (b) Assets (c) Services (d) All of the above

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

(Horizontal summation, free riders, mixed economies, variable, negative)

11. In reality, all economies are .....
12. Method of adding two individual demand curves is called.....
13. In the long run all inputs are .....
14. Non paying users of public goods are known as -----
15. Pollution is example for ----- externalities.

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

16.

A	B
Positive Economics	ed =1
CRS	D(P)=a-bp
Linear demand curve	Statutory liquidity ratio
Unitary elasticity of demand	Functioning of mechanism
SLR	Constant returns to scale

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

17. Write the meaning of opportunity cost with the help of an example.
18. Mention two different approaches which explain consumer behaviour.
19. What is monotonic preferences?
20. What do you mean by price elasticity of demand?
21. Give the meaning of shut down point.
22. What is price floor?
23. How price is determined, when fixed number of firms exist in perfect competition.
24. How wage is determined in the labour market.
25. State the relationship between marginal revenue and price elasticity of demand.
26. Who are the macroeconomic decision makers?
27. Write the difference between real and nominal GDP.
28. Give the meaning of paradox of thrift.
29. Why public goods must be provided by the government?
30. What are the types of balance of trade?

**Part-C****V. Answer any SEVEN of the following questions in 12 sentences each.****4 x 9 = 28**

31. Briefly explain the central problems of an economy.
32. Explain indifference map with a diagram?
33. Write the differences between substitute and complementary goods.
34. Explain long run costs.

35. Write a note on price floor.
36. Briefly explain the monopolistic competition.
37. Explain the examples of planned accumulation and decumulation of inventories.
38. Explain circular flow of income in a simple Economy
39. Give the meaning of aggregate demand function. How can it be obtained graphically?
40. Write a short note on Ricardian equivalence.
41. Write the chart of components of capital account.

**Part -D**

**VI. Answer any FOUR of the following questions in 20 sentences each. 6 x 4 = 24**

42. Explain the features of indifference curves with the help of diagrams.
43. Explain simultaneous shift in the demand and supply curves in perfect competition with help of diagram.
44. A firm's SMC schedule is shown in the following table. TFC is Rs. 100, Find TVC, TC, AVC, & SAC schedules of the firm.

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

45. Suppose the demand and supply curves of wheat are given by  $Q_d = 200 - P$  and  $Q_s = 120 + P$   
Find the equilibrium price.
  - a) Find the equilibrium quantity of demand and supply.
  - b) Find the quantity of demand and supply when  $P >$  equilibrium price.
  - c) Find the quantity of demand and supply when  $P <$  equilibrium.
  - d) Give the equilibrium value of TR, TC and profit.
46. Explain the expenditure method of calculating national income.
47. Write a note on open market operations.
48. Briefly explain the foreign exchange market with fixed exchange rates with the help of a diagram.

**Part- E**

**VII. Answer any TWO of the following questions in 15 sentences each. 5 x 2 = 10**

49. Calculate the AP and MP with the help of following data.

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

50. Write a note on demonetization
51. Name the currencies of any five countries of the following:  
USA, UK, Germany, Japan, China, Argentina, UAE, Bangladesh, Russia.

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