



**JAIN COLLEGE, J C Road Bangalore**  
**Mock Paper -1 January- 2016**  
**II PUC- Economics (22)**

**Time: 3 Hours 15 Minutes**

**Max. Marks: 100**

- I. Answer the following question in one sentence each** **1 × 10 = 10**
1. What is a cash credit?
  2. Give the meaning of supply
  3. What do you mean by variable cost?
  4. What do you mean by Shut down point?
  5. Expand MRTS?
  6. What is floating exchange rate system?
  7. What is budget deficit?
  8. Define capitalistic economy.
  9. What is duopoly?
  10. What is SLR?
- II. Answer any ten questions in four sentences each** **2 × 10 = 20**
11. Write any four limitations of diminishing marginal utility theory.
  12. Mention any four difficulties in measuring national income.
  13. Name any four difficulties of barter system.
  14. Distinguish between balance of trade and balance of payments
  15. Give four objectives of monetary policy
  16. What are the differences between fixed and variable costs?
  17. Suppose there are two consumers in a market and their individual demand functions are  $Q_d = 40 - 2P$  and  $Q_d = 45 - 3P$ . Find out the Market demand function.
  18. Mention the different types of loans advanced by the commercial banks
  19. Calculate the income elasticity of demand when income of a consumer increases Rs. 15,000 to Rs 18,000 and demand for Rice rises from 30 to 40 kilos.
  20. State any four relationships between AC and MC.
  21. What are the determinants of demand? Write the demand function.
  22. Give the meaning of social cost and private cost.
- III. Answer any eight of the following questions in fifteen sentences each.** **5 × 8 = 40**
23. Explain the Law of variable proportion with respect to production with the diagram
  24. Why does the demand curve slope downwards?
  25. Write a note on primary functions of commercial banks.
  26. What are the features of Monopoly?
  27. What are the features of oligopoly?
  28. What are the various methods of calculating National income?
  29. Give the components of the government budget. Explain briefly
  30. Explain the relationship between Savings and Investment. Give suitable reasons
  31. What are the different types of deficit? Explain
  32. What are the various systems of exchange rate management?
  33. What is law of supply? How is supply curve determined under perfect competition?
  34. Explain consumer's equilibrium through indifference curve analysis.
- IV. Answer any Two of the following in about forty sentences each.** **10 × 2 = 20**
35. Classify the price elasticity of demand and explain them with a diagram.
  36. Discuss the law of diminishing marginal utility with a suitable schedule and diagram.
  37. Explain the functions of RBI.
  38. Explain the components of fiscal policy.

V. Answer any two of the following in about fifteen sentences each

5 × 2 = 10

39. If the demand and supply function of sugar are  $Q_d = 300 - 60p$  and  $Q_s = 120 + 30p$ , find the equilibrium price and the equilibrium quantity demanded and supplied and prove that any price other than equilibrium price leads either excess demand or excess supply.
40. The market demand curve for a commodity and total cost for monopoly firm and producing the commodity is given by schedule below:

Qunatity	Price	TC
0	20	0
1	35	30
2	40	75
3	45	120
4	40	110
5	35	160
6	30	150
7	50	300
8	55	380
9	60	500

Use the information to calculate the following:

- The MR and MC schedules
  - The quantities for which the MR and MC are equal
  - The equilibrium quantity of output and equilibrium price of the commodity.
41. Calculate the missing costs:

Output	TFC	TVC	TC	AFC	AVC	AC	MC
1	80	60	140	?	60	140	?
2	80	120	?	40	60	?	60
3	?	180	260	?	60	86.67	60
4	80	200	?	20	?	70	?
5	80	?	380	16	60	?	100
6	?	420	?	13.33	70	83.33	120



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**Mock Paper - 2 January - 2016**  
**II PUC- Economics (22)**

**Time: 3 Hours 15 Minutes**

**Max. Marks: 100**

**PART A**

- I. Answer the following questions in one sentence each. 1 × 10 = 10**
- 1 What is budget set?
  - 2 What is iso-quant?
  - 3 Define marginal cost?
  - 4 What is perfect competition?
  - 5 What are intermediate goods?
  - 6 What is discounting of bill of exchange?
  - 7 Give the meaning of bank rate?
  - 8 Define public debt?
  - 9 What do you understand by flexible exchange rate?
  - 10 What is Multiplier?

**PART B**

- II. Answer any ten of the following questions in four sentences each. 2 × 10 = 20**
11. What is a giffen good? Give example.
  12.  $Q_d = 40 - 5p$  is a demand equation. Identify independent variable, dependent variable, constant and co-efficient variable.
  13. If 2 units of labour produce 50 units of 'x' product and 3 units of labour produce 60 units of 'x' product. Calculate marginal product and average product.
  14. What is market? Write the three essentials of a market?
  15. Give the meaning of a) normal profit b) shut down point
  16. What are selling cost? What are their main objectives?
  17. What are externalities? Explain with an example.
  18. Distinguish between broad and narrow money.
  19. What is budget deficit? Write their types.
  20. What is a government budget? Write any four objectives.
  21. What is fiscal policy? Write any four features.
  22. Distinguish between nominal and real exchange rates.

**PART C**

- III. Answer any eight of the following questions in fifteen sentences. 5 × 8 = 40**
23. Discuss the basic problems of an economy.
  24. Explain the properties of indifference curves.
  25. Explain the factors determining price elasticity of demand.
  26. Explain the law of returns to scale with the help of table and diagram.
  27. Explain the features of monopolistic competition.
  28. Explain the classification of price elasticity of supply.
  29. Discuss diagrammatically the short run equilibrium of monopolistic firm.
  30. Explain the uses and limitation of macro-economics.
  31. Describe circular flow of income in a simple economy.
  32. Explain the functions of money.
  33. Discuss the three motives of demand for money.
  34. What is investment function? Explain the types and determinants of investment.

**PART D**

- IV. Answer any two of the following questions in forty sentences. 10 × 2 = 20**
35. Explain the indifference curve and indifference map with the help of schedule and diagrams.

36. Show how the invisible hand guides the producers and the consumers towards equilibrium in a perfect competitive market.
37. Explain the instruments of monetary policy by RBI.
38. Explain the macroeconomic identities of national income.

**PART E**

**V. Answer any two of the following question.**

**5 × 2 = 10**

39. Calculate the missing costs and write formula.

Output	TFC	TVC	TC	AFC	AVC	AC	MC
1	60	20					
2	60	30					
3	60	50					
4	60	80					
5	60	120					
6	60	170					

40. If the demand and supply function of wheat are  $Q_d=60-2p$  and  $Q_s=40+8p$ . Find the equilibrium price and the equilibrium quantity demanded and supplied, then prove that any price other than equilibrium price leads either to excess supply and excess demand.
41. Assume that you are at the market with limited income of Rs.60. form the budget set and draw the budget line.