



JAIN COLLEGE

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Rajarajeshwari Nagar, Bangalore - 560 098

SUBJECT: ECONOMICS

**II PUC
MOCK - I**

Timings Allowed: 3 Hrs 15 Minutes

Total Marks: 100

- Instructions:** i) Question paper contains five parts.
ii) Answer all the questions.
iii) Number the answer properly.
iv) Draw the diagrams wherever necessary.

PART- A

- 1. Answer the following questions in a sentence each. 1X10=10**
1. Define an economy.
 2. What is a Budget Line?
 3. Define isoquant.
 4. What is a Market?
 5. Give the meaning of Macro Economics.
 6. What is Monopolistic Competition?
 7. What are externalities?
 8. What do you mean by Psychological Law of Consumption?
 9. What is Flexible Exchange Rate?
 10. Give the meaning of Multiplier.

PART- B

- 2. Answer any ten of the following questions in four sentences each. 2X10=20**
1. Write any 4 practical importances of Macro Economics.
 2. Distinguish between Balance of Trade and Balance of Payments.
 3. Distinguish between Primary Deposits and Derivative Deposits.
 4. What is Opportunity Cost?
 5. Distinguish between Direct and Indirect Tax.
 6. Give the meaning of Diminishing Returns.
 7. Name any 4 determinants of Supply.
 8. State any 4 functions of Central Bank.
 9. Distinguish between Closed and Open Economy.
 10. Name any 4 objectives of Fiscal Policy.
 11. What do you mean by Open Market Operations?
 12. Write the meaning of Normal Profit.

PART-C

- 3. Answer any eight of the following questions in fifteen sentences each. 5X8=40**
1. Briefly explain the uses of Micro Economics.
 2. Explain the Law of Variable Proportions.
 3. Discuss the concept of Multiplier of Keynes
 4. Discuss the various methods of measurement of National Income.

5. What are Iso-quants? Explain with the help of diagram.
6. Explain the stages of Returns to Scale.
7. Explain the Consumption and Investment Function.
8. Explain any 2 instruments of Fiscal Policy.
9. Examine the structure of Balance of Payments.
10. Explain the factors which determine Price Elasticity of Demand.
11. Write a note on the scope of Macro Economics.
12. Explain any 5 properties of Indifference Curves.

PART- D

4. Answer any 2 of the following questions in 40 sentences each. 10X2=20

1. Describe the short run equilibrium of a monopolistic firm.
2. Explain the functions of RBI.
3. Diagrammatically explain how a perfect competitive market attains equilibrium.
4. Explain how a consumer reaches equilibrium using indifference curve technique.

PART- E

5. Answer any 2 of the following questions in 15 sentences each. 5X2=10

1. If the demand and supply function of raw cotton are $Q_d = 250 - 50p$ and $Q_s = 25 + 25p$, find the equilibrium price and the equilibrium quantity demanded and supplied and prove that any price other than equilibrium price leads either to excess supply or excess demand.
2. Calculate Total Cost, Average Fixed Cost, Average Variable Cost and Average Cost with the help of the given data and derive the Total Cost and Average Cost Curves.

Output in Units	TFC	TVC	TC	AFC	AVC	AC
1	50	?	70	50	?	?
2	?	30	?	25	?	40
3	50	?	90	?	13.33	30
4	50	60	110	12.5	15	27.5
5	50	90	?	10	18	?

3. The market demand curve for commodity and total cost for a monopoly firm producing the commodity is given in the schedule below:

Quantity	0	1	2	3	4	5	6	7	8
Price in Rs.	52	44	37	31	26	22	19	16	13
Total Cost in Rs.	20	60	85	100	102	105	109	115	125

