



JAIN COLLEGE

463/465, 18th Main Road, SS Royal, 80 Feet Road, Rajarajeshwari Nagar,
Bangalore - 560 098

Date: Dec-2017

SUBJECT: ECONOMICS

**II PUC
MOCK-II**

Timings Allowed: 3Hrs.

Total Marks: 100

PART A

1. Answer the following questions in one sentence each.

1×10=10

1. What is normative economics?
2. Give the meaning of elasticity of demand.
3. Define production function.
4. Give the meaning of average revenue.
5. What is product differentiation?
6. What is laissez faire policy?
7. What are intermediate goods?
8. Give the meaning of supply of money.
9. Explain the role of public expenditure as an instrument of fiscal policy.
10. Give the meaning of foreign trade.

PART- B

2. Answer any 10 of the following in 4 sentences each.

2×10=20

1. Name the basic problems of an economy.
2. Why does the demand curve slope downwards?
3. Write the production function in the form of an equation.
4. What is break even point?
5. Distinguish between consumer goods and capital goods.
6. Give 4 objectives of monetary policy.
7. What is fixed exchange rate?
8. Give any 2 examples of direct tax.
9. Name the 2 accounts of a government budget.
10. What is income according to Keynes?
11. Name any 4 objectives of fiscal policy.
12. State any 2 sources of non tax revenue.

PART- C

3. Answer any 8 of the following in 15 sentences each.

5×8=40

1. Explain the various limitations of micro economics.
2. Explain the main types of economic systems.
3. Explain any 5 properties of indifference curves.
4. What are the factors determining price elasticity of demand?
5. Explain the law of variable proportions with a diagram.
6. Discuss various methods of measurement of national income.
7. Discuss the advantages of open economy.
8. Explain the theories of determination of exchange rate.
9. Explain the role of public expenditure as an instrument of fiscal policy.

10. Discuss various types of short run costs.
11. What is money? Explain the functions of money.
12. Discuss the functions of commercial banks.

PART- D

4. Answer any 2 of the following in 40 sentences each.

10×2=20

1. Explain the functions of RBI.
2. Discuss the short run equilibrium under monopoly when the cost of production is positive by total revenue and total cost approach.
3. Explain the monetary policy of RBI.
4. Describe the instruments of fiscal policy.

PART- E

5. Answer any 2 of the following questions.

5X2=10

1. Write the process of credit creation by commercial banks with the help of an example.
2. The market demand curve for commodity and total cost for 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
TC in Rs.	20	60	85	100	102	105	109	115	125

3. Classify the following into stocks and flows-

Bank Deposits, Salary, Wealth, Food Grain stock, Exports, Imports, Foreign Exchange Reserves, National Income, Net Investment and Capital.
