![JGI] **SRI BHAGAWAN MAHAVEER JAIN COLLEGE** Vishweshwarapuram, Bangalore. **Mock Exam 1 - Feb.2016**	**Course:** II PUC **Subject:** Economics **Max. Marks:** 100 **Duration:** 3:15 Hrs.	

Section -A

I.   Answer all the following questions in a sentence or a word.   **10 x 1 = 10**

1.   Define economy.

2.   Mathematically define demand.

3.   Who introduced the concept of real cost?

4.   What is meant by product differentiation?

6.   Mention 2 primary functions of money

7.   State the meaning of MPC.

8.   Which policy was proved wrong by the great depression?

9.   State any 2 sources of non-tax revenue.

10. What do you mean by open economy?

Section - B

II.   Answer any Ten of the following questions in four sentences each.   **10 x 2 = 20**

11. Distinguish between Inductive & Deductive approach.

12. Write any 4 properties of IDC.

13. Give the meaning of AC. If the total cost of 5 chordates is ₹ 150, calculate AC incurred by the firm.

14. Who is a price taker in perfect competition? Why?

15. Mention 4 features of oligopoly.

16. Mention 4 limitations of Macro Economics.

17. Mention any four difficulties in measuring national Income.

18. Why people demand money according to Keynes?

19. What is propensity to consume & what are its 2 attributes or properties?

20. Write any 4 objective of fiscal policy.

21. What do you mean by direct & indirect tax?

22. Write the difference between open economy & closed economy.

Section - C

III.   Answer any eight of the following in 15 sentences each.   **8 x 5 = 40**

23. What is centrally planned economy? How does it solve basic problems?

24. Differentiate between cardinal & ordinal approach.

25. Write a note on budget line & budget set.

26. What is income elasticity of demand? Calculate the income elasticity of demand when income of a consumer increases from ₹ 22,000 & demand for Apples increases from 30 kgs to 40 kgs per month.

27. Explain long - run cost with the help of diagram.

28. Explain law of supply with the help of a diagram.

29. Explain features of monopolistic competition.

30. Describe problems in measurement of national income.

31. Explain the qualitative measures of credit control.

32. Explain the concept of multiplier.

33. Explain the tools of fiscal policy.

34. Explain theories of exchange rate determination.

Section - D

IV. **Answer any 2 of the following in 40 sentences each.**   **2 x 10 = 20**

35. Explain the properties of indifference curve analysis.

36. Explain the short -run & long- run equilibrium in perfect competition.

37. Explain short - run equilibrium within monopoly firm.

38. Explain the functions of commercial bank.

Section - E

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

39. If the demand & supply function of maize are.
$$Qd = 250 - 50P$$
$$Qs = 125 + 25P$$

Find the equilibrium price & quantify demand & supplied. Prove that any price other than equilibrium price leads to either excess demand or excess supply.

40. The market curve for commodity & total cost for monopoly firm producing the commodity is given in the schedule

Quantity	Price in ₹	TC in ₹
0	50	20
1	45	60
2	35	75
3	31	90
4	26	114
5	22	125
6	18	150

Use the above information to calculate the following.

a) MR & MC   b) Find the quantity at which MR = MC

41. Explain the process of credit creation.

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