Date: *SUBJECT: ECONOMICS*

II PUC
Mock paper I

Timings Allowed: 3 Hrs15mMinutes.   *Total Marks: 100*

PART- A

1. Answer the following questions.   **1×10=10**
   1. State the meaning of exchange rate.
   2. State any 2 sources of non tax revenue.
   3. What is Multiplier?
   4. What is Cash Reserve Ratio?
   5. Give the meaning of National Income.
   6. What is laissez faire policy?
   7. What is Product Differentiation?
   8. What is a Market?
   9. What is Fixed Cost?
   10. Write the formula to calculate income elasticity of demand.

PART- B

2. Answer any 10 of the following questions.   **2×10=20**
   1. Give the meaning of direct and indirect tax.
   2. Write the difference between open and closed economy.
   3. Write any 4 properties of indifference curves.
   4. Write any 4 features of oligopoly.
   5. Distinguish between average propensity to consume and marginal propensity to consume.
   6. Write any 4 objectives of fiscal policy.
   7. Write any 2 differences between micro and macro economics.
   8. Distinguish between balance of trade and balance of payments.
   9. Distinguish between final goods and intermediate goods.
   10. Differentiate between primary deposits and derivative deposits.
   11. What is Break Even Point?
   12. Why is Marginal Cost Curve 'U' shaped?

PART- C

3. Answer any 8 of the following questions.   **5×8=40**

   1. Bring out the uses of micro economics.

   2. Why the demand curve slopes downwards?

   3. Explain the factors which determine the price elasticity of demand.

   4. Briefly explain the law of diminishing marginal utility.

   5. Briefly explain the structure of balance of payments.

   6. What is National Income? Explain briefly the methods of measuring national income.

7. Calculate the TC, AFC, AVC, AC with the help of the given data .

Units	TFC	TVC	TC	AFC	AVC	AC
1	50	20	?	?	?	?
2	50	30	?	?	?	?
3	50	40	?	?	?	?
4	50	60	?	?	?	?
5	50	90	?	?	?	?

8. Briefly explain the Consumption Function.
9. What is a Budget ? Explain the components of a Budget.
10. Briefly explain the stages of returns to scale.
11. Explain the nature and scope of Macro Economics.
12. Explain any 2 instruments of Fiscal Policy.

PART- D
4. Answer any 2 of the following questions.   **2×10=20**

1. Explain the classification of price elasticity of supply with the help of diagrams.
2. Describe the functions of money.
3. Explain how a consumer reaches equilibrium using indifference curve technique.
4. Explain the quantitative methods of Credit Control.

PART-E
5.   Answer any 2 of the following Questions.   **5×2=10**

1. If the demand and supply function of raw cotton are Qd=250-50P and Qs=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. The market demand curve for commodity and total cost for monopoly firm producing the commodity is given by the schedule below:

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

Use the information to calculate the following:

a) The MR and MC schedules

b) The quantities for which the MR and MC are equal

c) The equilibrium quantity of output and equilibrium price of the commodity.

3. As per the demand function Qd=30-25P,when the price of tomato per Kg is Rs.8,10,12,14,16 then calculate the quantity of demand and derive an individual demand curve.

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