



SRI BHAGAWAN MAHAVEER JAIN COLLEGE
Vishweshwarapuram, Bangalore 560004
Mock Examination Question Paper-1 (January 2019)

Course:	II PUC
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Subject:	Economics
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Max. Marks:	100
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Duration:	3:15 hrs.
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PART-A

I. Choose the correct answer.

1x5=5

1. The consumption bundles that are available to the consumer depend on
(a) Colour & Shape (b) Price & Income
(c) Income & Quality (d) None of the above
2. $TC =$
(a) TVC (b) TFC
(c) $TFC + TVC$ (d) $AC + MC$
3. When the supply curve is vertical the elasticity of supply is
(a) $es = 1$ (b) $es > 1$
(c) $es = 0$ (d) $ex = 00$
4. The year of Great Depression
(a) 1920 (b) 1889
(c) 1929 (d) 2018
5. Easy availability of credit encourages
(a) Saving (b) investment
(c) Rate of interest (d) none of the above

II. Fill in the blanks.

1x5=5

6. Two indifference curves never _____ each other
7. _____ is defined as the output per unit of variable input.
8. The point of minimum AVC where the SMC curves cuts the AVC curves is called _____
9. In monopoly market, the goods which are sold have no _____
10. Savings is that part of income that is _____

III. Match the following

1x5=5

- | | |
|------------------------|---------------------------------|
| 11. A | B |
| (a) SMC | (i) $P \times Q$ |
| (b) $TR =$ | (ii) ATC/AC |
| (c) Balance of payment | (iii) $Y - C$ |
| (d) Market equilibrium | (iv) Trade in goods and service |
| (e) Savings | (v) $QD = QS$ |

IV. Answer the following questions in a sentence/word.

1x5=5

12. What do you mean by centrally planned economy?

13. What do you mean by Indifference curve?
14. Give the meaning of Marginal product.
15. What is price ceiling?
16. Write the meaning of monopolistic competition and give an example.

PART-B

V. Answer any NINE of the following questions in about 4 sentences.

2x9=18

17. State the law of demand.
18. Mention the types of Returns to scale.
19. Give the meaning of shut down point.
20. What is marginal Revenue product of labour (MRPL).
21. What are the features of capitalistic economy?
22. What do you mean by externalities? Mention its two types.
23. When do surplus and deficit arise in Capital Account?
24. What is the difference between consumer goods and capital goods?
25. Give the meaning of CRR and SLR.
26. Write the meaning of excess demand and deficient demand.
27. Give the meaning of investment multiplier. Write its formula.
28. Why public goods must be provided by the Government?
29. What is the difference between current account and capital account?

PART-C

VI. Answer any SEVEN of the following questions in 12 sentences.

4x7=28

30. Briefly explain the central problems of an economy.
31. Explain the indifference map with a diagram.
32. Write the differences between substitutes and complements
33. Explain TP, MP and AP with the examples.
34. Explain the features of perfect competition.
35. Briefly explain in what way Macro Economics is different from Micro Economics.
36. Explain the circular flow of income of an economy.
37. Briefly explain the functions of RBI.
38. Explain consumption and investment function with the help of graphs.
39. Does public debt impose a burden? Explain.
40. Write a note on balance of trade.

PART-D

VII. Answer any FOUR of the following questions in 20 sentences.

6x4=24

41. Explain the optimal choice of consumer with the help of a diagram.
42. Explain the market equilibrium with the fixed number of firms with the help of diagram.
43. Explain the short run equilibrium of a monopolist firm, when the cost of production is positive by using TR & TC curves with the help of a diagram.
44. Briefly explain the expenditure method of measuring GDP.
45. Explain the open market operation.
46. Explain the classification of receipts.
47. Write a note on balance of payment.

PART-E

VIII. Answer any TWO of the following questions. 5x2=10

48. A Consumer wants to consume two goods. The price of Bananas is Rs.4 and the price of Mangoes is Rs.5. The consumer income is Rs.20.
- (a) How much Bananas can she consumes if she spends her entire income on that good?
 - (b) How much Mangoes can she consumes if she spends her entire income on that good?
 - (c) Is the slope of budget line downward or upward?
 - (d) Are the bundles on the budget line equal to the consumer's income or not?
 - (e) If you want to have more of Bananas you have to give up Mangoes. Is it true?
49. Compute the total revenue, marginal revenue and average revenue schedules in the following table when market price of each unit of goods is Rs.10.

Quantity sold	TR	MR	AR
0			
1			
2			
3			
4			
5			
6			

50. Explain the changes in taxes with the help of diagrams.