



**SRI BHAGAWAN MAHAVEER JAIN COLLEGE**  
Vishweshwarapuram, Bangalore 560004  
**Mock Examination Question Paper-2 (January 2019)**

<b>Course:</b>	II PUC
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<b>Subject:</b>	Economics
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<b>Max. Marks:</b>	100
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<b>Duration:</b>	3:15 hrs.
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**PART-A**

**Instructions: Answering all the questions of Part-A is compulsory.**

**Choose the correct**

**I answer: 1 x 5 = 5**

- 1 Which of the following is an example of microeconomic study?  
(a) National Income (b) Consumer behaviour (c) Unemployment (d) Foreign Trade.
- 2 Ordinal Utility analysis expresses utility in:  
(a) Numbers (b) Returns (c) Ranks (d) Awards.
- 3 The individuals or institutions which take economic decisions are:  
(a) Economic variables (b) Economists (c) Economic agents (d) none of the above.
- 4 In the situation of excess demand  
(a) demand is less than the level of output  
(b) demand is more than the level of output  
(c) supply is less than the level of output  
(d) supply is more than the level of output.
- 5 In this standard all currencies were defined in terms of gold.  
(a) Metal standard (b) Silver standard (c) Gold Standard (d) None of the above.

**II Fill in the blanks:**

**1 x 5 = 5**

- 6 In the long run, all inputs are \_\_\_\_\_.
- 7 Competitive behaviour and competitive market structure are in general \_\_\_\_\_ related.
- 8 Macroeconomics tries to address situation facing the economy. \_\_\_\_\_
- 9 Revenue deficit = Revenue expenditure - \_\_\_\_\_.
- 10 The price of foreign currency in terms of Domestic currency has increased and this is called \_\_\_\_\_ of the domestic currency.

**III Match the following:**

**1 x 5 = 5**

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- | A                       | B                            |
|-------------------------|------------------------------|
| (a) Normative economics | (i) TR / Q                   |
| (b) Labour              | (ii) Short run average cost  |
| (c) AR                  | (iii) Evaluate the mechanism |
| (d) SAC                 | (iv) Trade in goods          |
| (e) Balance of Trade    | (v) Wages                    |

**IV Answer the following questions in a sentence each.**

**1 x 5 = 5**

- 12 What is Budget line?
- 13 Define Marginal revenue.
- 14 What does classical school of thought say?
- 15 Write the meaning of 'High powered Money'.
- 16 Give the meaning of progressive tax.

**PART-B**

**V Answer any NINE of the following questions in about four sentences each. 2 x 9 = 18**

- 17 What is opportunity cost?

- 18 What is monotonic preference?
- 19 Give the meaning of Isoquant.
- 20 Write the meaning of opportunity cost with an example.
- 21 Mention two determinants of a firm's supply curve.
- 22 Write any two possible ways in which simultaneous shift of both demand and supply curves.
- 23 How wage is determined in the labour market?
- 24 Write the difference between nominal and real GDP.
- 25 Mention the two motives of demand for money.
- 26 What is Marginal propensity to save (MPS)?
- 27 Why public goods must be provided by the government?
- 28 Why proportional income tax acts as automatic stabiliser?
- 29 Differentiate between depreciation and devaluation.

#### PART-C

**VI Answer any SEVEN questions in about twelve sentences each:**

**4 x 7 = 28**

- 30 Briefly explain the central problems of an economy.
- 31 Explain the difference between normal and inferior goods with examples.
- 32 What is AR or price line of a firm under perfect competition with the help of a diagram.
- 33 Write a note on price ceiling and price floor.
- 34 What is a demand curve? Draw a market demand curve for a monopoly firm.
- 35 Who are macro economic decision makers.
- 36 Write a short note on the concept of final goods.
- 37 What are the legal definitions of money?
- 38 Briefly explain consumption function.
- 39 Write the chart of the Government budget.
- 40 Explain the merits and demerits of Flexible and fixed exchange rate system.

#### PART-D

**VII Answer any FOUR questions in about twenty sentences each.**

**6 x 4 = 24**

- 41 Explain the LDMU with the help of a table and diagram.
- 42 What are various short run cost curves? Explain with the help of a table.
- 43 Suppose demand and supply curves of wheat are as follows:  $q_d = 200 - p$  and  $q_s = 120 + p$ .
  - (a) Find the equilibrium price.
  - (b) Find the equilibrium quantity of demand and supply.
  - (c) Find the quantity of demand and supply when  $p >$  equilibrium price.
  - (d) Find the quantity of demand and supply when  $p <$  equilibrium price.
- 44 Explain open market operations.
- 45 What is multiplier mechanism? explain.
- 46 Explain the classification of expenditure.
- 47 Write a note on gold standard.

#### PART-E

**VIII Answer any TWO of the following questions.**

**5 x 2 = 10**

- 48 A consumer wants to consume 2 goods. The price of Bananas is `4 and the price of Mangoes is `5. The consumer income is `20.
  - (a) How much bananas can she consume, if entire income is spent on this good?
  - (b) How much mangoes can she consume, if entire income is spent on this good?
  - (c) Is the slope of the budget line downward or upward?
  - (d) If you want to have more bananas you have to give up mangoes. Is it true?
  - (e) If you want to have more mangoes you have to give up bananas. Is it true?

49 Find the missing products in the following:

Factor	TP	MP	AP
0	0	0	0
1	10	-	10
2	24	-	12
3	40	16	13.33
4	-	10	-
5	-	6	11.2
6	57	1	9.5

50 Prepare a budget on monthly income and expenditure of your family.

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