

**HALF YEARLY - MODEL QUESTION PAPER 2 (Full Portion)****DURATION 2.30 HRS****ECONOMICS (+2)****MAX. MARKS : 90****PART A****I. Choose the best answers****(20 x 1 = 20)**

1. \_\_\_\_\_ cost are those which are independent of output  
(a) variable (b) opportunity (c) fixed (d) transfer
2. Red-tapism and corruption lead to (a) Inefficiency of production (b) Equality of income and wealth (c) Absence of technology (d) Efficient use of resources
3. The utility is a (a) social concept (b) subjective/psychological concept (c) political concept (d) scientific concept
4. The law of demand establishes (a) inverse relationship between price and quantity (b) positive relationship between price and quantity (c) both (d) None
5. Factors determining supply of goods (a) production technology (b) prices of factors of production (c) Taxes and subsidies (d) All the above.
6. During boom demand will \_\_\_\_\_ and during depression demand will \_\_\_\_\_  
(a) static and dynamic (b) equal and constant (c) expand and contract (d) none
7. A successful entrepreneur is one who is ready to accept (a) Loss (b) Risks (c) Deciding the location of the production unit (d) None

8. Average fixed cost is obtained by dividing (a)  $TC/Q$  (b)  $TFC/Q$  (c)  $TVC/Q$  (d) None
9. Under perfect competition the demand curve is a) upward sloping b) Horizontal c) Downward sloping d) vertical
10. The demand for labour is (a) effective demand (b) direct demand (c) derived demand (d) elastic demand
11. The macro economic thinking was revolutionized by a) David Ricardo b) JM Keynes c) Adam Smith d) Malthus
12. The marginal propensity to consume a)  $\Delta S/\Delta Y$  b)  $C/Y$  .  
 $\Delta P/\Delta Q$  c)  $\Delta P/\Delta Q$  d)  $\Delta C/\Delta Y$
13. During inflation a) businessmen gain b) wage earners gain c) salaried people gain d) Rentiers gain
14. Tax revenue deals with the a) fees b) Taxes c) fines d) non tax revenue
15. An examples of free goods\_\_\_\_\_
- a) Chalk b) book c) Air d) bike
16. What is the result of over production?
- a) Boom b) Depression c) Prosperity d) growth
17. What is the other name for the law of equi marginal utility?
- a) Gossen's second law b) Gossen's first law c) Gossen's third law
- d) Marshall Utility
18. What is the basic assumption of economic theory?
- a) ceteris paribus condition b) change c) society d) price constant
19. Give an example for fixed input?

- a) Fuel      d) Electricity                                      c) Heavy machinery                                      d) Daily

Wages

20. Give the condition for producer's equilibrium.

- a)  $MRTS_{xy} = P_x / P_y$       b)  $MRS_{xy} = P_x / P_y$                                       c)  $MR_n = P_x / P_y$   
 d)  $MRST_{xy} = P_x / P_y$

### Part B

**II. Write any of following seven question (Q.N.30 - compulsory) (7x2 = 14)**

21. Distinguish between free goods and economic goods
22. Write the meaning of Ricardian theory of rent.
23. List the basic features of socialism
24. What are the classifications of goods?
25. Enumerate the determinants of demand other price.
26. What is equilibrium price?
27. Differentiate the short period from the long period.
28. What is effective demand?
29. State the four components of money supply in India
30. What are the subject matters public finance?

### Part C

**III. Write any of following seven question (Q.N.40:compulsory)(7 x 3 = 21)**

31. What are the merits and demerits of a mixed economy?
32. How is the equilibrium price determined in the market period?
33. Mention any five of the characteristics of capital.
34. Explain the relationship between SAC and SMC

35. Write a note on long run average cost
36. What are the methods of controlling monopoly?
37. Describe the consumption function with a diagram
38. Explain the determinants of Investment.
39. Differentiate between the direct and indirect tax
40. Explain the canons of taxation.

### Part D

#### IV. Write all the following questions

(7 x 5 = 35)

41. a. Discuss the objectives and instrument of monetary policy. (OR)  
b. Explain the producer's equilibrium by using isoquants.
42. a. Discuss the nature and scope of economics (OR)  
b. What are the objectives and limitations of fiscal policy ?
43. a. Discuss the law of Demand with suitable diagram. (OR)  
b. Describe Loanable funds theory of interest.
44. a. How is the price and output determined in the short run under perfect competition? (OR)  
b. Distinguish between micro economics and macro economics.
45. a. Explain any five of the characteristics of human wants (OR)  
b. Critically examine J.B.Say's Law of Markets.
46. a. Discuss marginal productivity theory of distribution with suitable diagrams. (OR)  
b. Write any five merits of socialist economy.
47. a. Explain the law of variable proportions. (OR)  
b. Describe the flatter long run supply curve.

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