

GOVERNMENT OF KARNATAKA

KARNATAKA SCHOOL EXAMINATION AND ASSESSMENT BOARD

Class: II PUC

MODEL QUESTION PAPER-2

Academic Year:2024-25

Subject: ECONOMICS (22)

Maximum Marks: 80

Time: 3 Hours

No. of Question: 43

(English Version)

Instructions: 1. Write the question numbers legibly in the margin.

2. Answer for the questions should be continuous.

3. For PART –A questions only the first written answer will be considered for evaluation.

PART-A

I. Choose the correct answer (Each question carries 1 mark).

(5x1=5)

1. Which of the following is an example of Micro Economic Study?
(a) National income (b) Consumer behaviour
(c) Unemployment (d) Foreign trade
2. The shape of the indifference curve is normally
(a) Convex to the origin (b) Concave to the Origin
(c) Horizontal (d) Vertical
3. In 1936 British economist J M Keynes published his celebrated book
(a) Wealth of Nations (b) General Theory of Employment, Interest and Money
(c) Theory of Interest (d) Theory of Employment
4. By deducting Undistributed Profit from National Income, we get
(a) Personal Disposable Income (b) Personal Income
(c) Private Income (d) Subsidies
5. The main function of money is
(a) Saving (b) Expenditure
(c) Medium of Exchange (d) Investment

II. Fill in the blanks by choosing correct answer from the bracket.

(5x1=5)

(Each question Carries 1 mark.)

(autonomous, utility, income tax, value addition, an invisible hand, unit tax)

6. Wants satisfying capacity of commodity is _____

7. _____ is a tax that the Government imposes per unit sale of output.
8. It is assumed that, in a perfectly competitive market _____ is at play.
9. The net contribution made by a firm is called its _____
10. \bar{I} is a positive constant which represents the _____ investment in the economy.

III. Match the following (Each question Carries 1 mark)

(5x1=5)

11.

A	B
a) Indifference Map	i) $\Delta TC/\Delta Q$
b) SMC	ii) Wage
c) Labour	iii) A Family of Indifference curves
d) M3 and M4	iv) Trade in goods
e) Balance of Trade	v) Broad money
	vi) TR-TC

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

(5x1=5)

(Each question carries 1 mark)

12. What is Total Fixed Cost?
13. To which side does a supply curve shift due to the technological progress?
14. Through which legislation, the government ensures that the wage rate of the labourers does not fall below a particular level?
15. Mention two fiscal variables which influence aggregate demand.
16. Give the meaning of official reserve sale.

PART-B

V. Answer any Six of the following in 4 sentences each

(6x2=12)

(Each question carries 2 marks)

17. Distinguish between positive and normative economics.
18. Define price elasticity of demand.
19. What is Isoquant?
20. How wage is determined in the labour market?
21. Distinguish between stock and flow with an example.
22. What do you mean by Externalities? Mention its types.
23. What role of RBI is known as 'Lender of Last Resort'?
24. Give the meaning of Investment multiplier and write its formula.

25. Write the difference between public provision and public production.
26. Why the proportional income tax acts as automatic stabilizer?

PART-C

VI. Answer any five of the following questions in 12 sentences each. (5x4=20)
(Each question carries 4 marks)

27. Briefly explain the production possibility frontier with the help of a diagram.
28. List out the differences between Total Utility and Marginal Utility.
29. Write about Shut down point, Normal profit and Break- Even Point.
30. Explain the role of the Government and household sector in both developed and developing nations.
31. Explain the circular flow of income of an economy.
32. 'Money acts as a convenient unit of account'. Justify this statement with example.
33. Give the meaning of Aggregate demand function. How can it be obtained graphically?
34. Write about legal definitions of money.
35. Represent the impact of an increase in demand for imports in the foreign exchange market with the help of a diagram.

PART-D

VII. Answer any three of the following questions in 20 sentences each. (3x6=18)
(Each question carries 6 marks)

36. Illustrate the movement along the demand curve and shift in demand curve with the help of two diagrams.
37. A firm's SMC schedule is shown in the following table. TFC is Rs.100. Find TVC, TC, AVC and SAC schedules of the firm.

Q	0	1	2	3	4	5	6
SMC	-	400	200	100	200	400	700

38. Suppose the demand and supply curve of wheat are given by $Q^D = 250 - P$ and $Q^S = 150 + P$
 - a. Find the equilibrium price.
 - b. Find the equilibrium quantity of demand and supply.
 - c. Find the quantity of demand and supply when P is greater than equilibrium price.
 - d. Find the quantity of demand and supply when P is lesser than equilibrium price.
39. Explain the Macro Economic Identities.

40. Briefly explain the foreign exchange market with fixed exchange rate with the help of a diagram.

PART-E

VIII. Answer any two of the following project and assignment oriented questions.
(Each question carries 5 marks) (2x5=10)

41. A consumer wants to consume two goods. The Price of Good A is Rs.20 and price of Good B is Rs.40. The consumer income is Rs.200.
- a) How much Good A can he consume if he spends his entire income on that good?
 - b) How much Good B can he consume if he spends his 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 Good A you have to give up Good B. Is it true?
42. Compute the Total Revenue, Marginal Revenue and Average Revenue schedules from the following table when market price of each unit of good is Rs.50.

Quantity sold (q)	TR	MR	AR
0			
1			
2			
3			
4			
5			

(For Blind students only)

Explain the meaning of TR, MR and AR.

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