

Kerala Plus 2 Economics Question Paper 2022

PART – I

(4 × 1 = 4)

A. Answer any 4 questions from 1 to 6. Each carries 1 score.

✓ 1. The book 'General Theory of Employment, Interest and Money' was written by

- | | |
|-----------------|---------------------|
| (a) Adam Smith | (b) Alfred Marshall |
| (c) J.M. Keynes | (d) David Ricardo |

2. Profit is the difference between

- (a) Total Revenue and Total Cost
- (b) Total Revenue and Total Variable Cost
- (c) Total Revenue and Total Fixed Cost
- (d) Marginal Revenue and Marginal Cost

3. At the Break-even-point, the firm faces

- | | |
|-------------------------|-------------------|
| (a) Super normal profit | (b) Normal profit |
| (c) Abnormal profit | (d) Loss |

4. The want satisfying capacity of a commodity is known as

- | | |
|-------------|--------------------------|
| (a) Demand | (b) Supply |
| (c) Utility | (d) Elasticity of demand |

5. Which one of the following is a Stock Variable ?

- | | |
|----------------|------------|
| (a) Wealth | (b) Income |
| (c) Investment | (d) GDP |

✓ 6. Which of the following is included in the current account of balance of payment (BoP) ?

- | | |
|-------------------------------|------------------------|
| (a) External borrowing | (b) Purchase of assets |
| (c) Foreign Direct Investment | (d) Trade in goods |

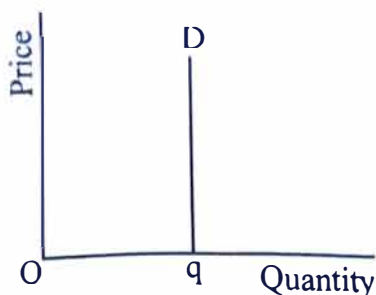
B. Answer all questions from 7 to 10. Each carries 1 score.

(4 × 1 = 4)

✓ 7. The market with a few sellers is known as :

- | | |
|------------------------------|----------------|
| (a) Perfect competition | (b) \Oligopoly |
| (c) Monopolistic competition | (d) Monopoly |

8. The price elasticity of the following demand curve is



- (a) $e^D > 1$ (b) $e^D < 1$
(c) $e^D = \infty$ (d) $e^D = 0$
9. In a perfectly competitive market with free entry and exit, the equilibrium price is
(a) equal to min AC (b) greater than AC
(c) less than AC (d) equal to min MC
10. The ratio of nominal GDP to real GDP is
(a) Consumer Price Index (b) Wholesale Price Index
(c) GDP Deflator (d) Producer Price Index

PART – II

A. Answer any 3 questions from 11 to 15. Each carries 2 scores.

(3 × 2 = 6)

11. Write two examples for substitute goods and complementary goods.
12. Distinguish between short-run and long-run in the production process.
13. What do you mean by market equilibrium ?
14. Elucidate intermediate goods with example.
15. Write the appropriate economic term for the following :
(a) The rate of change of consumption as income changes.
(b) The rate of change of saving as income changes.

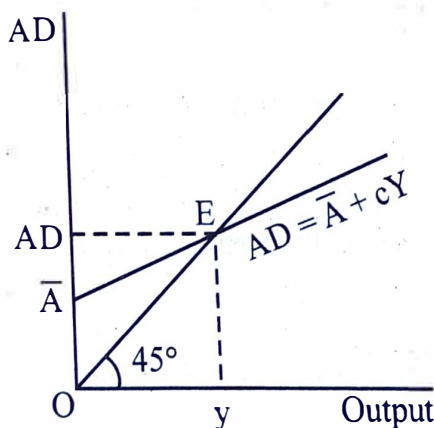
B. Answer any 2 questions from 16 to 18. Each carries 2 scores. (2 × 2 = 4)

16. List the major sectors in an economy according to the macro economic point of view.
17. When price of Apple increased by 20 percent, the quantity supplied of Apple increased by 30 percent. Calculate the price elasticity of supply.
- ✓ 18. Mention two motives behind the demand for money.

PART – III

A. Answer any 3 questions from 19 to 23. Each carries 4 scores. (3 × 4 = 12)

19. Distinguish between centrally planned economy and market economy.
- ✓ 20. What are the main functions of money ?
21. (a) List the characteristics of monopoly market. (2)
(b) Draw the average revenue and marginal revenue curves of the monopoly market. (2)
22. Equilibrium output and aggregate demand are determined in the following diagram :
(a) Identify the components of Aggregate Demand. (2)
(b) Show the changes in the equilibrium when autonomous expenditure increases. (2)



- ✓ 23. Explain the objectives of government budget.

B. Answer any 1 question from 24 to 25. Carries 4 scores. (1 × 4 = 4)

24. (a) Draw Marginal Product Curve and Average Product Curve in a single diagram. (2)
(b) Identify any two relationship between them. (2)

25. Match the following :

A	B
GDP at Factor Cost	$GNP_{MP} - \text{Depreciation}$
NNP at Factor Cost	$GDP_{MP} - \text{Depreciation}$
NDP at Market Price	$NDP_{FC} + NFIA$
NNP at Market Price	$GDP_{MP} - \text{Net Indirect Tax}$

PART – IV

A. Answer any 3 questions from 26 to 29. Each carries 6 scores.

(3 × 6 = 18)

26. (a) Complete the short-run costs table.

(3)

Output	TFC	TVC	TC	SAC	SMC
0	20	0		—	—
1	20	20			
2	20	30			
3	20	34			
4	20	40			
5	20	60			
6	20	100			

(b) Draw SAC and SMC curves in a single diagram.

(3)

27. Distinguish Price Ceiling and Price Floor with the help of diagrams.

28. Differentiate the following with examples :

(a) Revenue Receipts and Capital Receipts

(3)

(b) Revenue Expenditure and Capital Expenditure

(3)

29. (a) What do you mean by Exchange Rate ?

(2)

(b) Briefly explain Flexible Exchange Rate and Fixed Exchange Rate.

(4)

B. Answer any 2 questions from 30 to 32. Each carries 6 scores.

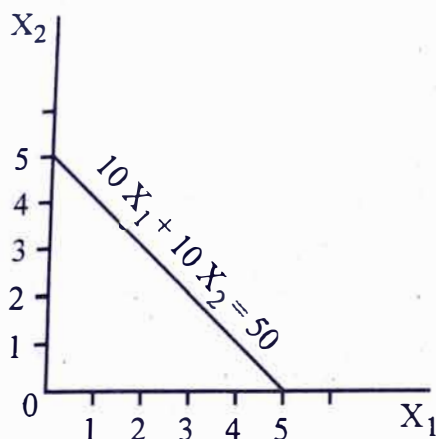
(2 × 6 = 12)

30. Explain the monetary policy tools of RBI to control money supply in the Indian Economy.

31. (a) Compare Open Economy and Closed Economy. (2)

(b) Explain the three ways in which an economy interact with rest of the world. (4)

32. Observe the following diagram :



Draw the changes in budget line when

(a) Income increased from ₹ 50 to ₹ 70. (3)

(b) Price of X_1 decreased from ₹ 10 to ₹ 5. (3)

PART – V

Answer any 2 questions from 33 to 35. Each carries 8 scores.

(2 × 8 = 16)

33. (a) What are the features of indifference curve ? (3)

(b) Diagrammatically explain the optimal choice of the consumer. (5)

34. (a) Identify the three methods of measuring National Income. (3)

(b) Explain any two methods of measuring National Income. (5)

35. (a) What are the features of a perfect competitive market. (3)

(b) Diagrammatically explain the profit maximisation conditions of perfect competitive firm in the short-run. (5)