

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – HISTORY & ENG. LITT.

THIRD SEMESTER – NOVEMBER 2007

AN 5

EC 3204 - PRINCIPLES OF ECONOMICS

Date : 05/11/2007
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each. (5 x 4 = 20 marks)

1. Define Price Elasticity of Demand.
2. What is meant by Land in Economics?
3. Write a short note on Average Cost and Marginal Cost.
4. If MPC = 0.7 and income is Rs. 10,000. Find out Marginal Propensity to Save, Consumption expenditure and Savings.
5. What do you understand by Open Market Operation?
6. List out the subjective factors influencing savings.
7. Distinguish between development and non-development expenditure.

PART – B

Answer any FOUR questions in about 250 words each. (4 x 10 = 40 marks)

8. Analyse the various definitions of economics.
9. Explain the term Effective Demand.
10. Briefly explain the Laws of Returns to Scale.
11. Enumerate the objective factors affecting consumption expenditure.
12. Explain the determinants of money supply.
13. Elaborate the functions of money.
14. Bring out the various types of budget.

PART – C

Answer any TWO questions in about 900 words. (2 x 20 = 40 marks)

15. Illustrate the determination of price in a monopoly market.
16. Explain the methods of measuring National Income and the difficulties involved in it.
17. Define Inflation and elaborate the various methods of controlling it.
18. Distinguish between direct and indirect tax and bring out their merits and demerits.
