



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com.DEGREE EXAMINATION – COMMERCE

FIRSTSEMESTER – APRIL 2018

17/16UEC1AL01- BUSINESS ECONOMICS

Date: 30-04-2018
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART–A

Answer any FIVE questions in about 75 words each

(5x4=20)

1. Define 'Velocity of Money'.
2. What is marginal propensity to consume?
3. Write a short note on – 'price taker'.
4. State the relationship between AC and MC.
5. Distinguish between development and non-development expenditure.
6. What is a Budget deficit? Does it mean the same as Fiscal deficit?
7. Comment on the AR and MR curves under Monopoly.

PART–B

Answer any FOUR questions in about 250 words each

(4x10=40)

8. Explain the factors that determine demand.
9. Define money. Explain the functions of money.
10. Explain the process of credit creation by commercial banks.
11. Illustrate the concept of 'Inflationary Gap' with the aid of a diagram.
12. Enumerate the difficulties in the estimation of National Income.
13. What is elasticity of demand? Explain the various types of price elasticities of demand.
14. Explain the reasons for growth of public expenditure.

PART–C

Answer any TWO questions in about 900 words each

(2x20=40)

15. Explain the various types of inflation. Suggest remedial measures.
16. Discuss the various methods of credit control by the RBI.
17. Explain how price and output are determined in a Monopoly market.
18. Distinguish between direct and indirect taxes. What are their merits and demerits?

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