LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**B.A.** DEGREE EXAMINATION – **COMMERCE & STATISTICS**

THIRD SEMESTER – **NOVEMBER 2012**

# EC 3105 - GENERAL ECONOMICS

Date : 07/11/2012 Dept. No. Max. : 100 Marks

Time : 9:00 - 12:00

**PART – A**

**Answer any FIVE questions in about 75 words each: (5X4=20 marks)**

1. State the scarcity definition.
2. Define law of supply.
3. What are the two technical properties of consumption function?
4. What is meant by velocity of money?
5. List out any four functions of an entrepreneur.
6. What is developmental expenditure?
7. What are the different types of budget deficit?

**PART – B**

**Answer any FOUR questions in about 250 words each: (4X10=40 marks)**

1. What are the characteristic features of labour?
2. Explain the concept of National Income Accounting.
3. Calculate the TC, AFC, AVC, ATC and MC from the following data with Total Fixed Cost for all units is Rs. 300.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Total Output** | **0** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
| **TVC** | **0** | **300** | **400** | **450** | **500** | **600** | **720** | **890** | **1100** | **1350** | **2000** |

1. Explain the process of credit creation by the commercial banks.
2. Briefly explain the measurement of money supply in India.
3. What are the functions of central bank?
4. What are the reasons for increasing public expenditure in India?

**PART – C**

**Answer any TWO questions in about 900 words each: (2X20=40 marks)**

1. What is elasticity of demand? Diagrammatically explain the types of Price Elasticity of Demand.
2. Discuss the methods of measuring National Income and explain the difficulties for the same.
3. Examine the causes and remedial measures of Inflation in India.
4. Analyze the merits and demerits of direct taxes in India.

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