



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – NOVEMBER 2016

16UEC1AL01 – BUSINESS ECONOMICS

Date: 09-11-2016

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

PART - A

Answer any FIVE questions in about 75 words each.

(5×4=20 marks)

1. What are the different types of price elasticity?
2. State the relationship between AC and MC curves.
3. Explain Marginal Propensity to Consume.
4. Define M3.
5. Define the term 'Velocity of Money'.
6. What is meant by 'Real income'?
7. Differentiate developmental and non-developmental expenditure.

PART - B

Answer any FOUR questions in about 250 words each.

(4×10=40 marks)

8. What are the factors determining demand? - Explain.
9. Emphasize the determinants of consumption and investment.
10. Define money and briefly explain the functions of money.
11. Examine the process of credit creation.
12. Explain in detail how the RBI controls money supply.
13. Illustrate the inflationary gap.
14. Explain the various types of 'Budgetary deficits' of financing in India.

PART – C

Answer any TWO questions in about 900 words each.

(2×20=40 marks)

15. Illustrate the short-run and long-run equilibrium under Monopolistic competition.
16. Explain the various methods of computing National Income and enumerate the difficulties involved in national income estimation.
17. What are the causes of inflation and suggest remedies?
18. Discuss in detail the merits and demerits of direct and indirect taxes levied in India.
