

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMMERCE

FIRST SEMESTER – NOVEMBER 2018

16/17/1816UEC1AL01 – BUSINESS ECONOMICS

Date: 31-10-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART – A

Answer any FIVE questions in about 75 words each:

(5 x 4=20 marks)

1. What do you mean by National Income?
2. Distinguish between Average Propensity to save and Marginal Propensity to save.
3. List out the various factors of Production.
4. Define the term velocity of money.
5. Differentiate between Fixed Cost and Average Cost.
6. What is meant by legal tender money?
7. Differentiate between Development and Non-Development Expenditure.

PART – B

Answer any FOUR questions in about 300 words each:

(4X10=40 marks)

8. Discuss the various functions performed by a bank.
9. Explain the determinants of consumption in the short run.
10. Comment on the various roles money plays in a modern economy.
11. Describe the various measures of money supply in the Indian Economy.
12. Examine the various determinants of Investments.
13. Write short notes on:
 - a) How do banks create credit?
 - b) What are the limitations on the power of banks to create credit?
14. Discuss the essential function of the central bank.

PART – C

Answer any TWO questions in about 900 words each:

(2X20= 40 marks)

15. Discuss the causes of inflation. Suggest remedial measures for the same.
16. Elucidate the nature and scope of Economics.
17. Bring out the role of the Central Bank in promoting economic growth in a developing country.
18. Examine the various methods of measuring National Income and highlight their limitations.



