LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**B.A.** DEGREE EXAMINATION – **HISTORY, ENGLISH LIT.,**

THIRD SEMESTER – **NOVEMBER 2012**

# EC 3204/3203 - PRINCIPLES OF ECONOMICS

Date : 09/11/2012 Dept. No. Max. : 100 Marks

Time : 9:00 - 12:00

**PART - A**

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

1. Define Economics.
2. State the difficulties in measuring National Income.
3. Define the term money.
4. List out the agents of factors of production?
5. What is meant by Budget?
6. What are the limits to the power of banks to create credit?
7. Differentiate between Developmental and Non-developmental expenditure.

**PART - B**

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

1. Briefly explain the factors affecting velocity of circulation of money.
2. Explain the short run price output determination of Monopoly.
3. Explain the process of credit creation.
4. What are the major functions of Reserve Bank of India?
5. Discuss the various causes of inflation.
6. Write a note on commercial bank and its functions.
7. State and explain various kinds of money.

**PART - C**

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

1. Describe the determinants of Saving, Investment and Consumption.
2. Discuss the various instruments of credit control.
3. Describe the merits and demerits of direct and indirect taxes.
4. Discuss the components of national income and various methods to compute the same.

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