

OCTOBER 2011

P/ID 17439/RBV

Time : Three hours

Maximum : 75 marks

PART A — (5 × 5 = 25 marks)

Answer ALL questions.

All questions carry equal marks.

1. (a) Define cross elasticity of demand and state its importance.

Or

- (b) Define demand schedule, explain with suitable diagram.

2. (a) Distinguish between primary and secondary markets.

Or

- (b) “Risk and return are the two sides of the same coin”. Justify this statement.

3. (a) Why long run average cost curve (LAC) is known as the envelope curve.

Or

- (b) What do you mean by Balance of payment(BOP)? How will you differentiate it from Balance trade (BOT)?

4. (a) What are the major functions of stock exchange.

Or

- (b) Briefly explain the major features of oligopoly.

5. (a) State the role and importance of pricing policies.

Or

- (b) What are the different methods of measuring national income.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

6. How will you measure the gains from international trade?
7. Explain briefly about the determination of price in monopoly market
8. What are the causes of disequilibrium in the balance of payment.
9. Discuss the major money market instruments.
10. What is the role of quantity while decision making.

11. Distinguish between aggregate demand and aggregate expenditure.
 12. What do you mean by risk. And discuss the major types of risks.
 13. "Investments are the life blood of every country". Substantiate this statement.
-