

OCTOBER 2012

P/ID 17439/RBV

Time : Three hours

Maximum : 75 marks

PART A — (5 × 5 = 25 marks)

Answer ALL questions.

1. (a) State and explain the law of demand.

Or

(b) Indicate the role of demand and supply in price determination.

2. (a) Explain the kinked demand curve.

Or

(b) 'The goal of a firm is profit maximisation' - Discuss.

3. (a) State the various concepts of national income.

Or

(b) Distinguish between internal and international trade.

4. (a) Explain the features of Indian money market.

Or

- (b) Briefly explain the principle of Accelerators.

5. (a) List out the aims of profit policies.

Or

- (b) Distinguish between skimming price and penetrating price.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

6. Explain the types of elasticity of demand and point out its importance in business.
7. Illustrate the various short run cost curves.
8. Narrate the principle of multiplier and point out its leakages.
9. Explain the phases of trade cycle and explain its effects and methods of controlling it.
10. Discuss the methods of correcting disequilibrium in the balance of payments.
11. Describe the functions of commercial banks.

12. List out the various pricing methods.
 13. How is price-output is determined under monopoly?
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