

**MEC**

**MASTER OF ARTS  
(ECONOMICS)**

**ASSIGNMENTS 2023-24**

**Second Year Courses**

**(For July 2023 and January 2024 Sessions)**



**SCHOOL OF SOCIAL SCIENCES  
INDIRA GANDHI NATIONAL OPEN  
UNIVERSITY, MAIDAN GARHI-110068**

# Master of Arts (Economics)

(TMA)

(2023-24)

Dear Student,

As explained in the Programme guide for MEC, assignments carry 30 per cent weightage in a course and it is mandatory that you have to secure at least 40 per cent marks in assignments to complete a course successfully. Note that you have to submit the assignments before appearing in Term End Examination of a course.

Before attempting the assignments, please read the instructions provided in the Programme guide sent to you separately. In this booklet we have included the assignments for all the courses pertaining to the second year. In each course there is a Tutor Marked Assignment (TMA). You have to do the assignment for those courses for which you have registered. Do remember that you have to prepare and submit the assignments separately for each course. Make sure that you submit the assignments well in time for those courses in which you plan to appear in the Term End Examination.

It is important that you write the answers to all the TMA questions in your own words. Your answers should be within the approximate range of the word-limit set for a particular section.

As mentioned in the Programme Guide, you need to submit all the assignments within the stipulated time for being eligible to appear in the term-end examination to the **Coordinator of your study centre**. This assignment is valid for two admission cycles (**July 2022** and **January 2023**).

**The assignments should be submitted to the Coordinator of your Study Centre:**

1. **By 30<sup>th</sup> April 2024**, for the students willing to appear in June 2024 term end examination.
2. **By 31<sup>st</sup> October 2024**, for the students willing to appear in December 2024 term end examination

You must obtain a receipt from the Study Centre for the assignments submitted and retain it. If possible, keep a xerox copy of the assignments with you.

The Study Centre will have to return the assignments to you after they are evaluated. Please insist on this. The Study Centre has to send the marks to the Student Evaluation Division at IGNOU, New Delhi.

We expect you to answer each question as per guidelines for each category as mentioned in the assignment. You will find it useful to keep the following points in mind:

- **Planning:** Read the assignments carefully, go through the Units on which they are based. Make some points regarding each question and then rearrange them in a logical order.
- **Organisation:** Be a little selective and analytic before drawing up a rough outline of your answer. Give adequate attention to your introduction and conclusion. Make sure that your answer:
  - is logical and coherent;
  - has clear connections between sentences and paragraphs, and
  - is written correctly giving adequate consideration to your expression, style and presentation.
- **Presentation:** Once you are satisfied with your answer, you can write down the final version for submission, writing each answer neatly and underlining the points you wish to emphasize. Make sure that the answer is within the stipulated word limit.

**MEC-006: Public Economics**  
**Tutor Marked Assignment (TMA)**  
(For the Students who have taken admission up to January 2020 Academic Cycle)

**Course Code: MEC-006**  
**Asst. Code: MEC-006/TMA/2023-24**  
**Total Marks: 100**

**Note: Answer all the questions.**

**SECTION A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

1. a) Define externalities. Briefly discuss the types of externalities.  
b) How is inefficiency related to both the negative externalities as well as positive externalities? Explain with the help of appropriate diagrams. (8 +12=20)
2. a) What do you understand by partial welfare improvements? Discuss.  
b) Explain the Ramsey tax model in detail. (8+12=20)

**SECTION B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

3. How is voting with feet relevant in context of provision of local public goods? Discuss.
4. Bring out the difference between Buchanan's Contractual Theory and the Kolm's theory of 'liberal social contract.
5. Voting models attempt to translate individual preferences in terms of Public Choice. Explain how the majority voting works in this context.
6. Discuss the decision mechanism in terms of of policy agenda setting, information agenda setting and policy convergence.
7. Analyse the impact of internal public debt on the economy.
8. Write short notes on the following: (3X4 = 12)
  - (i) Arrow's Impossibility Theorem
  - (ii) Laffer Curve
  - (iii) Problem of free riding

**MEC-106: Public Economics  
Tutor Marked Assignment (TMA)**

**Course Code: MEC-106  
Asst. Code: MEC106/TMA/2023-24  
Total Marks: 100**

**Note: Answer all the questions.**

**SECTION A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

1. Define Externalities. Present a brief about types of externalities. Explain how internalisation of negative externalities could be a solution to externalities through the instruments of taxation and property rights. (4+6+10 = 20)
  
2. a) Explain the scope of mechanism design relating it to implementation theory and game theory.  
b) Illustrate some applications of 'mechanism design' with an identification of their attendant problems. (10 +10 = 20)

**SECTION B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

3. Explain how by redistribution, a socially more desired welfare level can be attained by considering the Utility Possibility Frontier.
  
4. Outline how imperfect competition leads to welfare loss stating the policy options open to government to rectify the situation.
  
5. Describe the Nozick's 'entitlement theory' and the theory of 'justice in distribution'.
  
6. Discuss the public debt situation of India. Is there a way to finance the deficit in the government budget? How?
  
7. Write short notes on the following: (3 X 4 = 12)
  - a. Multi-part Tarif
  - b. Public Goods
  - c. Median Voter Theorem

**MEC-007: INTERNATIONAL TRADE AND FINANCE**  
**Tutor Marked Assignment (TMA)**  
**(For the Students who have taken admission up to January 2023 Academic Cycle)**

**Course Code: MEC-007**  
**Asst. Code: MEC-007 / AST/2023-2024**  
**Total Marks: 100**

**Note: Answer all the questions.**

**SECTION A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

- 1) Critically discuss the Ricardian theory of Comparative Advantage. How is it different from Adam Smith's theory of Absolute Advantage?
- 2) Explain the various concepts of terms of trade. Critically examine the behavior of terms of trade as explained by Prebisch

**SECTION B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

- 3) Explain multilateral framework of international trade. Explain its main features.
- 4) What are the various forms of economic integration? How is trade diversion different from trade creation? Elucidate.
- 5) Describe the evolution of international monetary system. Examine the trends in the international monetary and financial systems.
- 6) Discuss the various instruments of trade protection. Differentiate between quotas and tariffs.
- 7) Critically examine the relative merits and demerits of the fixed and flexible exchange rates.

**INTERNATIONAL TRADE AND FINANCE**  
**Tutor Marked Assignment (TMA)**  
**(For the Students who have taken admission in July 2023 Academic Cycle)**

**Course Code: MEC 107**  
**Assignment Code: Asst /TMA /2023-24**  
**Total Marks: 100**

**Note: Answer all the questions.**

**SECTION A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

1. a. Discuss India's transformation from GATT to WTO. What is India's contribution to WTO concerning agriculture?  
  
b. Describe the role that WTO plays in achieving sustainable development and protecting the environment.
2. a. Country A is a large country while Country B is a small country. Both countries decided to impose tariffs on their imports. What will be the impact of this decision on their producers, suppliers and economy as a whole? Explain with the help of diagrams.  
  
b. Is trade still possible between two nations if they have identical production possibilities curves? Explain with the help of a diagram.

**SECTION B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

3. Why do countries engage in Intra-Industry trade? Explain Intra-Industry trade in horizontally and vertically differentiated Commodities.
4. Explain the causes behind the global financial crisis of 2008. What were its macroeconomic effects? What were the policy responses initiated by the U S government to combat the global financial crisis of 2008?

5. a. What does the Rybczynski theorem postulate? Point out the important factors which could be analysed in the context of Rybczynski's theorem.  
  
b. Point out five major assumptions of the Heckscher-Ohlin theory.
6. Why is a persistent deficit in the balance of payments undesirable? What policy measures are available to achieve an improvement in a country's BoP?
7. Write short notes on the following:
  - a) Outward-oriented development strategies
  - b) Environmental Kuznets Curve hypothesis
  - c) The Impossible Trinity
  - d) Fixed versus floating exchange rate

**MEC-008: ECONOMICS OF SOCIAL SECTOR AND ENVIRONMENT**  
**Tutor Marked Assignment (TMA)**  
**(For the Students who have taken admission up to January 2017 Academic Cycle)**

**Course Code: MEC-008**  
**Assignment Code: MEC-008/AST/2023-24**  
**Maximum Marks: 100**

**Note: Answer all the questions.**

**SECTION A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

- 1) In the context of Market Failure, discuss the situation where it results in ‘non-optimality of competitive outcomes’.
- 2) Discuss the Faustmann model for maximisation of Present Value of net benefits.

**Section B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

- 3) Explain the flaws in the conventional system of national income accounts.
- 4) Can poverty result in ‘social conflict’? Explain.
- 5) Present a critique of the cost-benefit approach.
- 6) Bring out the impact of technological change on the cost of health services.
- 7) Write a note on the Transaction Costs Theory.



**MEC-108: ECONOMICS OF SOCIAL SECTOR AND ENVIRONMENT**  
**Tutor Marked Assignment (TMA)**

**Course Code: MEC-108**  
**Assignment Code: MEC-108/AST/2023-24**  
**Maximum Marks: 100**

**Note: Answer all the questions.**

**Section A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

- 1) Describe the concept behind the Material Balance Model.
- 2) Discuss the implications of alternative sources of health financing for efficiency and equity.

**Section B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

- 3) Explain the nature of demand for educational services.
- 4) What is meant by the 'supplier induced demand' in the context of healthcare services? Discuss.
- 5) Explain the Hotelling condition for the optimal depletion of exhaustible resources.
- 6) Write a note on the 'development of green indicators'.
- 7) What is ENRAP? In what respects does ENRAP differ from SEEA?

**MEC-109: RESEARCH METHODS IN ECONOMICS**  
**Tutor Marked Assignment (TMA)**

**Course Code: MEC-109**  
**Assignment Code: MEC-109/AST/2023-24**  
**Maximum Marks: 100**

**Note: Answer all the questions.**

**SECTION-A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

1. ‘The inductive strategy begins with the collection of data from which generalization is made’- In the light of this statement formulate a research proposal indicating the various steps involved in research process.
2. Distinguish between Cluster sampling and Multi-stage sampling. In order to find out the incidence of Malnutrition among rural households in a given district, how would you collect the data by multi-stage sampling? Illustrate.

**SECTION B**

**Answer the following questions in about 400 words each. The word limits do not apply in case of numerical questions. Each question carries 12 marks.**

3. Suppose you want to study the behavior of sales of automobiles over a number of years and someone suggests you to try the following models:

$$y_t = B_0 + B_1 t$$

$$y_t = a_0 + a_1 t + a_2 t^2$$

Where  $y_t$  = sales at time  $t$  and  $t$  = time. The first model postulates that sales is a linear function of time, whereas the second model states that it is a quadratic function of time.

- (a) Discuss the properties of these two models.
  - (b) How would you decide which model is appropriate between these two models?
  - (c) In what situation will the Quadratic Model be useful.
4. Try to obtain data on automobile sales from any company in India over the past 20 years and examine which of the two models (Linear and Quadratic) fits the data better?
  5. What is Canonical Correlation Analysis? State the similarity and difference between multiple regression and canonical correlation.

6. What is action research? What are the advantages of strategy of action research over conventional research? Illustrate.
7. Write a short note on the following:
  - i. Traditional Method and Structural Equation Modeling.
  - ii. Input-output table
  - iii. Data generation
  - iv. Paradigm

**MECE-001: ECONOMETRIC METHODS**  
**Tutor Marked Assignment (TMA)**

**Course Code: MECE-001**  
**Asst. Code: MECE-001/AST/2023-24**  
**Maximum Marks: 100**

**Note: Answer all the questions.**

**Section A**

**Answer the following questions in about 700 words each. The word limits do not apply in case of numerical questions. Each question carries 20 marks.**

1. Consider the following data:

$Y$	$X$
14	5
16	6
21	7
23	8
28	9
24	11
29	12
28	13
32	14
35	15

- (a) Estimate the regression model:  $Y_i = \alpha + \beta X_i + u_i$ , where  $u$  a stochastic error term with classical assumptions.
- (b) Find out the percentage variation in  $Y$  that is explained by  $X$ .
2. Explain why an error term is added to the regression model. What assumptions are made about the error term? What are the implications of such assumptions? What will happen to the estimators of the parameters of the regression model, if these assumptions are violated?

**Section B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

3. What is meant by autocorrelation? Explain one of the remedial measures for the problem of heteroscedasticity.
4. What is meant by identification problem in a simultaneous equation system? How do you decide whether an equation is identified?

5. What is meant by dummy variable model? Illustrate how dummy variable is used in logit model. How do you interpret the parameters of logit model?
6. Describe how a distributed lag model is specified and estimated.
7. Write short notes on the following:
  - (a) Best Linear Unbiased Estimator
  - (b) Reduced form of a Simultaneous Equation System

**MECE-003: Actuarial Economics: Theory and Practice**  
**Tutor Marked Assignment (TMA)**  
**(For the Students who have taken admission up to January 2022 Academic Cycle)**

**Course Code: MECE-003**  
**Assignment Code: MECE-003/AST/2023-24**  
**Maximum Marks: 100**

**Note: Answer all the questions.**

**Section A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

- 1) How is pricing done in the case of Unit-Linked Insurance Contracts? Explain with particular reference to cases of (i) no guarantee and (ii) guaranteed benefit.
- 2) What is meant by Stochastic Claims Reserving? Discuss this in the contexts of (i) Chain-Ladder Models and (ii) Over-Dispersed Poisson Model.

**Section B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

- 3) What are Mean Reversion Models? How is this different from Mean Reversion Jumps Models?
- 4) Distinguish between 'Stop-Loss Reinsurance' and 'Excess of Loss Reinsurance'.
- 5) Write a note on 'Yield Curves' with examples.
- 6) Discuss the concept of Maximum Domain of Attraction (MDA) with examples.
- 7) What are 'non-catastrophic losses'? How is the 'total loss amount' in respect of such a loss determined?

**MECE-103: Actuarial Economics: Theory and Practice**  
**Tutor Marked Assignment (TMA)**

**Course Code: MECE-103**  
**Assignment Code: MECE-103/AST/2023-24**  
**Maximum Marks: 100**

**Note: Answer all the questions.**

**Section A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

- 1) Discuss the approach to 'Geometric Brownian Motion' with its applications to the Mean Reversion Models.
- 2) Explain the concept of Classical Credibility.

**Section B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

- 3) Write a note on the concept of Martingales with illustrations.
- 4) Show that the 'Linear Accumulation Function' is valid for all real numbers.
- 5) Distinguish between the terms 'annuity-certain' and 'contingent annuities'.
- 6) Explain the significance of a 'probability density function' in the measurement of death.
- 7) Define the concept of 'loss function' with suitable expressions for different cases.

**MECE-004: FINANCIAL INSTITUTIONS AND MARKETS**  
**Tutor Marked Assignment (TMA)**

**Course Code: MECE-004**  
**Asst. Code: MECE-004 / AST/2023-2024**  
**Total Marks: 100**

**Note: Answer all the questions.**

**SECTION A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

- 1) Describe the nature of the financial system in a modern economy giving the important types of constituent institutions, markets and instruments. Explain the concept of flow-of-funds in the financial markets
- 2) Discuss the Markowitz theory of efficient portfolio selection. How does the Capital Asset Pricing Theory (CAPM) theory build on it?

**SECTION B**

**Answer the following questions in about 400 words each. Each question carries 12 marks.**

- 3) Explain the Arbitrage Pricing Theory.
- 4) Explain the need for, and role of depository systems in secondary markets. Explain the concept of custodial services.
- 5) Give a theoretical model of central banking, bringing out the relationship between the monetary base and monetary aggregates. What are instruments of monetary policy used by central banks?
- 6) Compare the impact of monetary policy under fixed exchange rates with those under flexible exchange rates.
- 7) Discuss the concept of leverage for a firm. Discuss the important financial and leverage ratios used. Explain the Merton-Miller theorem.



**MGSE-009: GENDER ISSUES IN WORK, EMPLOYMENT AND PRODUCTIVITY**  
**Tutor Marked Assignment (TMA)**

**Course Code: MGSE-009**  
**Assignment Code: MGSE-009/AST-01/TMA/2023-24**  
**Maximum Marks: 100**

**Section A**

**Note: Write short notes on the following in 200 words each. Each question carries 10 marks.**

1. What is the concept of work? Define unpaid work. Discuss the way to measure unpaid work. What are the reasons for the undervaluation or under-enumeration of women's work?
2. Discuss the role played by the Trade Union to address the issues of women workers by drawing examples from India.
3. Provide a comprehensive picture of establishing shelters for domestic workers and waste pickers as part of the social security measures for the workers in the informal economy of urban India.
4. Does social protection bring gender equity and equality? Discuss.

**SECTION B**

**Note: Answer any TWO of the questions given below in 1000 words each. Each question carries 30 marks.**

5. Explain Becker's "Rational choices within families" and Hakim's "Preference theories" in details.
6. Define the care economy. Discuss the role of the care economy in the national economy in the era of a globalized economy in developing nations.
7. Explain theories related to wage exploitation in detail.

## MWG 011: Women in the Economy Tutor Marked Assignment (TMA)

Course Code: MWG 011  
Assignment Code: MWG011/AST/TMA-2023-24  
Maximum Marks: 100

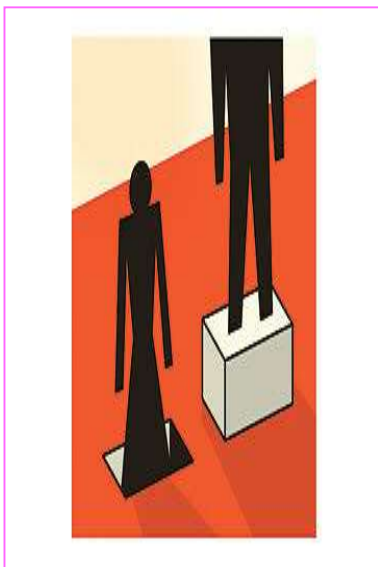
Note: Answer all the questions.

### Section A

Attempt any one of the two questions in about 1500 words each. Each question carries 40 marks. Please write your answers in your own words. Assignments with plagiarized material will not be accepted. Watch the video or look at the pictures pasted below and make a note of the issues dealt in the question. Read up the same issues in the course material and explain them by giving examples from incidents happening around you.

1. Watch the following video at the given link [https://www.youtube.com/watch?v=gxsyDyyk\\_WI](https://www.youtube.com/watch?v=gxsyDyyk_WI) (Women, Housework and the Price of Invisible Labour) Discuss the issues that have been taken up in the video and relate them to the theoretical understanding given in your course material.

2. Look at the pictures below:



Discuss “women and work” by analyzing these pictures. Give examples in support of your arguments from both personal and professional life situations that affect women workers.

## SECTION B

**Attempt following questions in about 1000 words each. Each question carries 20 marks.**

- a. Describe the inter-linkages between gender, migration and labour in both national and international contexts.
- b. Explain the 'Sectorization' of women's employments. Give suitable examples in support of your answer.
- c. How has globalisation led to "Feminization of labour" especially in global south? Explain.

**MEDSE 046: Development: Issues and Perspectives  
Tutor Marked Assignment (TMA)**

**Course Code: MEDSE 046  
Assignment Code: MEDSE046/AST/TMA-2023-24  
Maximum Marks: 100**

**Note: Answer all the questions. Each question carries 20 marks.**

1. What is human development index? Describe the factors determining human development.
2. What is measurement of inequality? Describe causes and effects of inequality.
3. What are causes of development disparities and what measures to be taken to overcome development disparities?
4. Briefly describe theories of education development. What are various issues and challenges of education development?
5. What are the causes of industrial backwardness in India? Describe the role of industry in development.