

**Bachelor's Degree Programme  
(BDP)**

**ASSIGNMENT  
2020-2021**

**Elective Course in Commerce  
ECO – 06: Economic Theory**

**For July 2020 and January 2021 admission cycle**



**School of Management Studies  
Indira Gandhi National Open University  
Maidan Garhi, New Delhi -110068**



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**Elective Course in Commerce  
ECO – 06: Economic Theory  
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Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (**July 2020 and January 2021**). The validity is given below:

1. Those who are enrolled in **July 2020**, it is valid up to **June 2021**.
2. Those who are enrolled in **January 2021**, it is valid up to **December 2021**.

You have to submit the assignment of all the courses to The Coordinator of your Study Centre. For appearing in June Term-End Examination, you must submit assignment to the Coordinator of your study centre latest by **15<sup>th</sup> March**. Similarly for appearing in December Term-End Examination, you must submit assignments to the Coordinator of your study centre latest by **15<sup>th</sup> September**.

**TUTOR MARKED ASSIGNMENT**

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<b>COURSE CODE</b>	<b>:</b>	<b>ECO-06</b>
<b>COURSE TITLE</b>	<b>:</b>	<b>ECONOMIC THEORY</b>
<b>ASSIGNMENT CODE</b>	<b>:</b>	<b>ECO-06/TMA/2020-21</b>
<b>COVERAGE</b>	<b>:</b>	<b>ALL BLOCKS</b>

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**Maximum Marks: 100**

**Attempt all the questions:**

1. Explain the exceptions to the Law of demand using the distinction between substitution and income effects. **(20)**
  
2. What is the meaning of the term 'Monopoly'? In what way does it differ from perfect competition? **(20)**
  
3. What do you understand by production possibility curve? Illustrate it with the help of a suitable example. **(20)**
  
4. What is long-run cost curve? Why is short-run Average Cost Curve U-shaped? **(20)**
  
5. Write short notes on the following : **(4X5)**
  - (a) Opportunity cost
  - (b) Quasi Rent
  - (c) Consumer's surplus
  - (d) Indifference curves