

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

EEC-11

ASSIGNMENTS

**For Old Students admitted
Prior or Up to January 2019 Academic Session**

**Course Code: EEC-11
Title of Course: Fundamentals of Economics**



**School of Social Sciences
Indira Gandhi National Open University
Maidan Garhi, New Delhi-110 068**

EEC-11
FUNDAMENTALS OF ECONOMICS
Assignment (TMA)
2023-24

Dear Student,

As explained in the Programme Guide for BDP, you will have to do one assignment for this Elective course in Economics (EEC-11). This is a Tutor Marked Assignment (TMA) and carries 100 marks.

It is important that you write answers to all the questions in your own words. The TMA is designed to enable you to answer different categories of questions. Here evaluation is made keeping in view your ability to present your answer in a systematic, precise and coherent manner. The assignment is divided into three Sections. Remember that all questions are compulsory. Section A comprises two long answer questions of 20 marks each. Section B comprises four questions of 12 marks each while in Section C you have to answer two questions of 6 marks each.

Submission: The completed assignments should be submitted to the Coordinator of your Study Centre on or before **March 31, 2024 for the students who are planning to appear in the Term-end Examinations June, 2024 and 30th September, 2024 for the students who are planning to appear in the Term-end Examinations December, 2024.**

EEC – 11
FUNDAMENTALS OF ECONOMICS
TMA
(Coverage: Blocks 1 to 10)

Programme Code: BDP
Course Code: EEC-11
Asst. Code: EEC-11/AST/TMA/2023-24
Maximum Marks: 100

Note: Answer all the questions.

Section- A

Long Answer Questions (Answer in about 500 words each)

2 x 20 = 40

1. Distinguish (with graphical illustration) between price elasticity of Demand and cross elasticity of demand. How can you measure the elasticity of demand? Explain with example how the concept of elasticity of demand is useful for an industry in its decision making process?

2. What are the advantages of International trade? Explain Heckscher-Ohlin's (version) approach of international trade.

Section-B

Medium-Answer Questions (Answer in about 250 words each)

4 x 12 = 48

3. What do you mean by 'National Income'? Explain how production flow, income flow and expenditure flow in an economy are related to each other?
4. What is the distinction between law of returns and returns to scale? Explain why the law of diminishing returns operates?
5. (a) State the relationship between Average Cost and Marginal Cost

(b) From a given cost function

$$TC = 60 + 0.5q + 0.3q^2$$

Find out Fixed Cost, Average Variable Cost and Marginal Cost

6. What is propensity to consume (MPC)? Explain with example and diagram how MPC influences the multiplier?

Section C

Short Answer Questions (Answer in about 100 words each) 2 x 6 = 12

7. Distinguish between any four of the following: 2 x 3 = 6

- i. Inferior goods and Giffin goods
- ii. Economic law and economic theory
- iii. Multiplier and Accelerator
- iv. Perfect Competition and Monopolistic Competition
- v. External Economies and Internal Economies

8. Explain any three of the followings: 2 x 3 = 6

- i. Crowding-out Effect
- ii. Real Cash Balances
- iii. Investment Multiplier
- iv. Economic Welfare
- v. Personal Disposable Income
- vi. Stagflation
- vii. Positive Economics