Bachelor's Degree Programme
(BDP)

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)
2024-25

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, 2025 for the students who are planning to appear in the Term-end Examinations June, 2025 and 30th September, 2025 for the students who are planning to appear in the Term-end Examinations December, 2025.**

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

Note: Answer all the questions.

Section- A

Long Answer Questions (Answer in about 500 words each)   **2 x 20 = 40**

1. (i)   State the conditions to be satisfied for consumer's equilibrium under cardinal and ordinal approach.

   (ii)   What is production possibility curve (PPC)? How does a PPC provide an economy's menu of choices?

2. Identify the constituents of national income in three phases-production, income and expenditure. Which methods are used to estimate national income of India.

Section-B

Medium-Answer Questions (Answer in about 250 words each)   **4 x 12 = 48**

3. Distinguish between positive and normative economics? In what sense is economics a science?

4. Discuss the three stages of production. Why does the law of diminishing returns operate?

5. What is the difference between monopoly and monopolist competition? Explain the characteristics of firm's equilibrium under monopolistic competition.

6. (i) State the relationship between total cost and marginal cost.

   (ii) From a given total cost
   TC= $100+0.5q+0.4q^2$
   Find out the fixed cost, average variable cost, and marginal cost.

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.   Income effect and substitution effect
    ii.   General equilibrium and partial equilibrium
    iii. Demand and Demand function
    iv.   Independent and dependent variables
    v.   Consumption function and Investment function

8. Explain any three of the followings: **2 x 3 = 6**
    i.   Cross elasticity of Demand
    ii.   Marginal efficiency of capital
    iii. Implicit costs
    iv.   Hyper inflation
    v.   Permanent Income