

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

**ASSIGNMENT  
2022-2023**

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

**For July 2022 and January 2023 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 2022 and January 2023**). The validity is given below:

1. Those who are enrolled in **July 2022**, it is valid up to **June 2023**.
2. Those who are enrolled in **January 2023**, it is valid up to **December 2023**.

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/2022-23</b>
<b>COVERAGE</b>	<b>:</b>	<b>ALL BLOCKS</b>

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**Maximum Marks: 100**

**Attempt all the questions:**

1. Explain the law of demand with the help of a demand schedule and a demand curve. Explain the exceptions to the law of demand using the distinction between substitution and income effects. (20)
2. What are the main determinants of Elasticity of Supply of a Commodity? Distinguish between Perfectly Elastic, Perfectly Inelastic, Unit Elastic, Inelastic and Elastic supply curves with the help of diagrams. (20)
3. State the Law of Diminishing Marginal Utility and its limitations. Is the Law of Diminishing Marginal Utility applicable to money? Explain your answer. (20)
4. What is interdependence in an oligopolistic market? What kind of problems does it create for oligopoly equilibrium? (20)
5. **Write short notes on the following:** (4×5)
  - (a) Income Consumption Curve
  - (b) Economies of Scale
  - (c) Non-competitive Wages
  - (d) Consumer's Surplus