

BACHELOR'S OF ARTS PROGRAMME
(B.A.G)

ASSIGNMENT 2023-24

For July 2023 and January 2024 Admission cycle

COURSE CODE: BECC-133

PRINCIPLES OF MACROECONOMICS - I



SCHOOL OF SOCIAL SCIENCES
INDIRAGANDHINATIONALOPENUNIVERSITY
MAIDAN GARHI, NEW DELHI-68

Dear Students,

As we have informed you in the Programme Guide, evaluation at IGNOU consists of two parts: i) continuous evaluation through assignments, and ii) term-end examination. In the final result, assignments of a course carry 30% weightage while 70% weightage is given for term-end examination.

You will have to do three Tutor Marked Assignments (TMA) for a six credit course and two TMAs for a four credit course. This Assignment booklet has TMAs for the core course **BECC-133 Principles of Macroeconomics- I** which is a six-credit course. The booklet therefore has three TMAs whose total marks add up to 100 and carry a weightage of 30%.

Assignment One has Descriptive Category Questions (DCQs). These are meant for writing essay type answers, with an introduction and a conclusion. These are intended to test your ability to describe your understanding/knowledge about the topic in a systematic, to-the-point and coherent manner.

Assignment Two has Middle Category Questions (MCQs). These questions require you to first analyse the topic in terms of arguments and explanations and then write the answers in a concise manner. They are meant to test your ability to distinguish, compare and contrast, or clear understanding of the concepts and processes.

Assignment Three has Short Category Questions (SCQs). These questions are meant to improve your skill of recall in brief the relevant/precise information about persons, writing, events, or clear understanding of concepts and processes.

Before you attempt the assignments, please read the instructions carefully provided in the Programme Guide. 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. Remember, writing answers to assignment questions will improve your writing skills and prepare you for the term-end examination.

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. .

The assignments should be submitted to the Coordinator of your Study Centre as per the following schedule:

- 1. By 30th April, 2024 by the students who took admission in the Academic Cycle July, 2023.**

2. By 31st October, 2024 by the students who took admission in the Academic Cycle January, 2024.

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:

- 1) **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.
- 2) **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:

- a) is logical and coherent;
 - b) has clear connections between sentences and paragraphs, and
 - c) is written correctly giving adequate consideration to your expression, style and presentation.
- 3) **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.

PRINCIPLES OF MACROECONOMICS I
Tutor Marked Assignments

Course Code: BECC-133
Assignment Code: Asst /TMA /2023-24
Total Marks: 100

ASSIGNMENT ONE

Answer the following Descriptive Category questions in about 500 words each. Each question carries 20 marks. Word limit does not apply in case of numerical questions.

$2 \times 20 = 40$

1. (a) Explain the changes in the consumption function when government sector is introduced in the National income model.

(b) How does Aggregate Demand curve changes when there is change in government spending? Does it also change equilibrium level of income and output?

2. (a) What are the precautions taken while calculating National income by value added method and income method?

(b) Calculate Net Domestic income

Particulars		₹ in crores
(i)	Compensation of employees	2000
(ii)	Rent and interest	800
(iii)	Indirect taxes	120
(iv)	Corporation tax	460
(v)	Consumption of fixed capital	100
(vi)	Subsidies	20
(vii)	Dividend	940
(viii)	Undistributed profits	300

(ix)	Net factor income from abroad	150
(x)	Mixed Income	200

ASSIGNMENT TWO

Answer the following Middle Category questions in about 250 words each. Each question carries 10 marks. Word limit does not apply in case of numerical questions.

3 X 10=30

3. Derive the labour demand and labour supply curves. Explain the relationship of labour with output in the short run as per classical view.
4. Explain the following:
 - a. Stock and Flow
 - b. Measures of Money supply in India
 - c. Production possibility curve
 - d. Liquidity preference curve.
5. Differentiate between:
 - a. Economic growth and Economic development.
 - b. Money flow and Real flow

ASSIGNMENT THREE

Answer the following Short Category questions in about 100 words each. Each question carries 6 marks.

5 X 6=30

6. What is investment multiplier? Find out the value of investment multiplier if $mpc=0.6$
7. Explain how equilibrium is attained in the money market. How does an increase in nominal income affect the money market equilibrium?
8. Explain Keynesian theory of demand for money.
9. Explain how is equilibrium output determined in an open economy?
10. Discuss various instruments of monetary policy.