MASTER OF ARTS

(ECONOMICS)

ASSIGNMENTS 2019-20

Second Year Courses

(For July 2019 and January 2020 Sessions)

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

Master of Arts (Economics)

(TMA)

(2019-20)

Dear Student,

As explained in the programme guide for MEC, assignments carry 30 per cent weightage in a course and it is mandatory that you have to secure at least 40 per cent marks in assignments to complete a course successfully. Note that you have to submit the assignments before appearing in Term End Examination of a course.

Before attempting the assignments please read the instructions provided in the programme guide sent to you separately. In this booklet we have included the assignments for all the courses pertaining to the second year. In each course there is a Tutor Marked Assignment (TMA). You have to do the assignment for those courses for which you have registered. Do remember that you have to prepare and submit the assignments separately for each course. Make sure that you submit the assignments well in time for those courses in which you plan to appear in the Term End Examination.

Submission

For **July 2019** session, you need to submit the assignments by **March 31, 2020,** and for **January 2020** session by **September 30, 2020** for being eligible to appear in the term-end examination. Assignments should be submitted to the **Coordinator of your Study Centre**. Obtain a receipt from the Study Centre towards submission.

MEC-006: PUBLIC ECONOMICS
Assignment (TMA)

Note: Answer all the questions. While questions in Section A carry 20 marks each (to be answered in about 500 words each) those in Section B carry 12 marks each (to be answered in about 300 words each). In the case of numerical questions word limits do not apply.

Section A

1) In the context of policy coordination, state the two forms in which externalities might result. Also, discuss the implication of the term 'structural interdependence' in this regard.

2) Explain the concept of 'crowding of private investment' outlining its three types.

Section B

3) Outline the role of government in a 'mixed economy'.

4) Highlight the significance of Buchanan's Contractual Theory.

5) With suitable illustrations show how a disequilibrium in one aspect can bring about a chain of reactions with multiple equilibria in 'international policy coordination'.

6) Discuss the sources of 'internal debt' which facilitate the government in meeting its borrowing needs.

7) With the help of a suitable diagram, point out the welfare gains from 'decentralization'.

MEC-007: INTERNATIONAL TRADE AND FINANCE
Assignment (TMA)

Note: Answer all the questions. While questions in Section A carry 20 marks each (to be answered in about 500 words each) those in Section B carry 12 marks each (to be answered in about 300 words each). In the case of numerical questions word limits do not apply.

SECTION A

1) Critically discuss the Ricardian theory of Comparative Advantage. How is it different from Adam Smith's theory of Absolute Advantage?

2) Explain the various concepts of terms of trade. Critically examine the behavior of terms of trade as explained by Prebisch

SECTION B

3) Explain multilateral framework of international trade. Explain its main features.

4) What are the various forms of economic integration? How is trade diversion different from trade creation? Elucidate.

5) Describe the evolution of international monetary system. Examine the trends in the international monetary and financial systems.

6) Discuss the various instruments of trade protection. Differentiate between quotas and tariffs.

7) Critically examine the relative merits and demerits of the fixed and flexible exchange rates.

MEC-008: ECONOMICS OF SOCIAL SECTOR AND ENVIRONMENT
Assignment (TMA)

Note: Answer all the questions. While questions in Section A carry 20 marks each (to be answered in about 500 words each) those in Section B carry 12 marks each (to be answered in about 300 words each). In the case of numerical questions word limits do not apply.

Section A

1) With a suitable illustration, show that when externalities are present, the price-taking profit maximising behaviour of a producer will not necessarily lead to an efficient allocation of resources. Also, suggest remedies in such situation.

2) In case of forestry, outline how the optimal harvesting age is determined? Discuss how in this situation, Hartman's model yields higher rotation age than that of Faustmann's.

Section B

3) Bring out the crux of the concept of 'sustainable development'.

4) Explain briefly any three situations under which government intervention is necessary in public interest.

5) Briefly outline the current 'system of national accounts' pointing out its shortcomings from the point of view of environmentally sustainable national accounts.

6) Discuss briefly the limitations of the 'game theoretic approach' to 'common property resource management'.

7) Present a critique of the approach to studies of 'cost-benefit analysis'.

MEC-108: ECONOMICS OF SOCIAL SECTOR AND ENVIRONMENT
Assignment (TMA)

Note: Answer all the questions. While questions in Section A carry 20 marks each (to be answered in about 500 words each) those in Section B carry 12 marks each (to be answered in about 300 words each). In the case of numerical questions word limits do not apply.

Section A

1) Derive the optimality conditions for the supply of healthcare services in the presence of 'quality variable'.

2) Discuss the conditions under which a mining firm can realise maximum present value of its rent 'while extracting with constant marginal cost'?

Section B

3) Outline the 'theories of resource scarcity'. State the reasons for which Bowers (1977) rejected the 'scarcity hypothesis'.

4) Distinguish between the concepts of 'Hicksian-sustainability' and 'Hartwick-Solow sustainability'.

5) Explain the issues involved in the management of 'global commons'.

6) Define the concepts of 'asymmetric information', 'adverse selection' and 'moral hazard' in the context of health insurance market.

7) Indicate the efficacy of 'informal regulations' on environmental pollution.

MEC-109: RESEARCH METHODS IN ECONOMICS
Assignment (TMA)
(For the students who have taken admission from January 2015 session onwards)

Course Code: MEC-109
Assignment Code: MEC-109/AST/2019-20
Maximum Marks: 100

Note: Answer all the questions. While questions in Section A carry 20 marks each (to be answered in about 700 words each) those in Section B carry 12 marks each (to be answered in about 500 words each). In case of numerical questions, word limit does not apply.

SECTION-A

1. What are the aims of science as a cognitive enterprise? Discuss the characteristics of positivist philosophy as knowledge seeking activity. In what sense this approach is scientific, rational and progressive?

2. What is the distinction between quantitative research and qualitative research? Give an account of various tools and techniques used in collection and analysis of qualitative data under participatory method.

SECTION B

3. What do you mean by the term 'research process'? Explain the various steps involved in carrying out research in social sciences.

4. Explain how research design is a logical rather than logistical exercise?

5. State the various functional forms of Regression Model. In estimation of growth rate of a county, which form of regression model would you like to apply? Give illustration.

6. What is cluster analysis? Explain the various approaches followed in cluster analysis.

7. Which relationships are depicted in input output tables? How are these tables useful in research work?

MECE-001: ECONOMETRIC METHODS
Assignment (TMA)

Note: Answer all the questions. While questions in Section A carry 20 marks each, those in Section B carry 12 marks each.

Section A

1. In the case of a two-variable regression model show that TSS = ESS + RSS. Use appropriate diagram to explain your result. In this context define the concept of R-squared and interpret it.

2. a) What is meant by identification problem in a simultaneous equation model?

    b) In the following two-equation system check the identification status of both the equations.

    $$Y_1 = \propto_1 + \propto_2 Y_2 + \beta_1 Z_2 + u_1$$
    $$Y_2 = \beta_2 + \beta_3 Y_1 + \beta_4 Z_1 + \beta_5 Z_2 + u_2$$

    c) Explain how the first equation in the above model can be estimated.

Section B

3. What are the limitations of the linear probability model? Explain how the logit model can be used to overcome these limitations.

4. What are its consequences of heteroscedasticity? How do you detect it? Suggest a method you would follow to remove the heteroscedasticity problem in a dataset.

5. What are the advantages of dummy variables in a regression model? What is dummy-variable trap? Formulate a regression model with intercept and slope dummies.

6. Suppose the explanatory variable in a regression model is measured with error. What are its consequences? What steps will you take to solve the problem?

7. Write short notes on the following:

    a) Sampling distribution and standard error

    b) General Least Squares model

MECE-003: Actuarial Economics: Theory and Practice
Assignment (TMA)

Note: Answer all the questions. While questions in Section A carry 20 marks each (to be answered in about 500 words each) those in Section B carry 12 marks each (to be answered in about 300 words each). In the case of numerical questions word limits do not apply.

Section A

1) Discuss the theoretical rationale behind 'unit-linked insurance contracts' with a specific reference to case of no guarantee.

2) How are benefit reserves for life insurance and annuities determined? Discuss.

Section B

3) State Markov's theorem with examples. What condition should the random variable R possess for this result?

4) Define 'survival function'. How is a 'hazard function' defined?

5) How is 'ruin probability' a classical risk measure? Explain.

6) What is 'dynamic functional analysis' (DFA)? What are the practical issues you would consider for selecting the interest rate in a DFA model?

7) Write short notes on: (a) Compound-Poisson Process; (b) Black-Scholes Theorem; (c) Panjer Recursion; (d) Risk neutral evaluation.

MECE-004: FINANCIAL INSTITUTIONS AND MARKETS
Assignment (TMA)

Note: Answer all the questions. While questions in Section A carry 20 marks each (to be answered in about 500 words each) those in Section B carry 12 marks each (to be answered in about 300 words each). In the case of numerical questions word limits do not apply.

Section A

1) Describe the nature of the financial system in a modern economy giving the important types of constituent institutions, markets and instruments. Explain the concept of flow-of-funds in the financial markets

2) Discuss the Markowitz theory of efficient portfolio selection. How does the Capital Asset Pricing Theory (CAPM) theory build on it?

Section B

3) Critically examine the major theories that have been put forward to explain the term structure of interest rates.

4) Discuss the Black-Scholes formula on derivative pricing.

5) Discuss the concept of leverage for a firm. Discuss the important financial and leverage ratios used. Explain the Merton-Miller theorem.

6) Explain the need for, and role of depository systems in secondary markets. Explain the concept of custodial services.

7) Compare the impact of monetary policy under fixed exchange rates with those under flexible exchange rates.

MGSE-009: GENDER ISSUES IN WORK, EMPLOYMENT AND PRODUCTIVITY
Tutor Marked Assignment (TMA -01)

MWG 011 WOMEN IN THE ECONOMY
Tutor Marked Assignment (TMA -01)

For Assignments of above mentioned two courses,
download the assignments from
MA programme in Gender and Development Studies (MAGD)
(School of Gender and Development Studies)

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MEDSE-46 : **DEVELOPMENT ISSUES AND PERSPECTIVES**
Tutor-Marked Assignment-1 (TMA-1)

For Assignments of this course, download the assignments from
Post Graduate Diploma in Urban Planning and Development (PGDUPDL)
(School of Extension and Development Studies)