



ଓଡ଼ିଶା ରାଜ୍ୟ ମୁକ୍ତ ବିଶ୍ୱବିଦ୍ୟାଳୟ, ସମ୍ବଲପୁର, ଓଡ଼ିଶା
Odisha State Open University, Sambalpur, Odisha
Established by an Act of Government of Odisha.

ASSIGNMENTS

ASSIGNMENT CODE:

Course Code: MEC-1(Assignment-1 & 2)

Course Code: MEC-2 (Assignment-1 & 2)

Course Code: MEC-3 (Assignment-1)

SESSION: 2019-20

Master of Arts (Economics)

MAEC

Please read the instructions carefully before attempting assignment questions.

INSTRUCTIONS

Dear Learner,

You are required to submit your assignment response within the stipulated time in order to become eligible to appear in the term-end examination. The assignments will be evaluated by the counsellors at your Study Centre. Please submit your assignment response to the Coordinator of your Study Center. For a 4 credit course, there is one Assignment and for 6 credit course, there must be minimum 02(two) Assignment.

Purpose of Assignments:

1. Assignments are part of the continuous evaluation process in Open and Distance Learning (ODL) system. Due weightage is given to the marks/grades you obtain in assignments. This will help you for better performance in the term-end examination. If you secure good grades/marks in assignments, your overall performance will improve.
2. Assignments are also a part of the teaching-learning process in the ODL system. Your assignment, after evaluation, will be returned back to you with specific and general comments by the evaluator. This will help you to know your strength as well as your weakness. Thus, it will establish two-way communication between learner and evaluator.

How to Write Assignments:

Please read the instructions for writing the response of an assignment before you start writing your answer.

1. Write your name, programme code, the course title, enrolment no. and study centre name with code in the top sheet of the assignment answer booklet. the format is given below.

PROGRAMME TITLE: _____

ENROLMENT No.: _____ **NAME:** _____

ADDRESS: _____

COURSE CODE: _____ **COURSE TITLE:** _____

ASSIGNMENT CODE: _____ **STUDY CENTRE:** _____

DATE: _____ **SIGNATURE:** _____

2. Before attempting the assignments, please go through the course materials carefully, understand the same and write answers in your own language and style.
3. **Write the answers in your own handwriting.** Give sufficient margin in the left side of each page so that the evaluator will give comments on each paragraph/page.
4. Your handwriting should be neat and readable.

Weightage for each Assignments:

For courses without having Practical

1. Each Theory Assignment will carry 25% weightage and term-end examination will carry 75% weightage.
2. Each assignment will be of 100 marks. But it will carry 25% weightage.
3. You have to score minimum pass mark i.e. 40% or P (Pass) Grade in 10-point scale for each assignment. In case you do not submit the assignment or get fail mark in the assignment you have to re-submit in the next year.

For courses having Practical

1. Each Theory Assignment will carry 15% weightage and each Practical Assignment will carry 10% weightage and term-end examination will carry 75% weightage.
2. Each assignment will be of 100 marks. But it will carry 25% weightage.
3. You have to score minimum pass mark i.e. 40% in each assignment. In case you do not submit the assignment or get fail mark in the assignment you have to re-submit in the next year.

SUBMISSION DATES FOR ASSIGNMENTS

July-2019 Session

Sl. No.	Course Code	Name of the Course	Last Date of Submission	Day (As per Calendar)
Assignment-I				
1	MEC-1	Micro Economic Analysis	20th October 2019	Sunday
2	MEC-2	Macro Economic Analysis		
3	MEC-3	Quantative Methods for Economic Analysis		
Assignment-II				
4	MEC-1	Micro Economic Analysis	3rd November 2019	Sunday
5	MEC-2	Macro Economic Analysis		

NOTE:

For 4 Credit Course (one Assignment)

Submission dates: Third Sunday in the month of October

For 6/8 Credit Course (two Assignment)

Submission dates: 1st Assignment Submission: Third Sunday (**October**)

2nd Assignment Submission: First Sunday (**November**)

ASSIGNMENTS-1

MICRO ECONOMIC ANALYSIS

(MEC-1)

Full Mark – 100

(Answer all the questions, which is Compulsory)

GROUP- 'A'

Q. No. 1 Answer within one word or one sentence each

Marks: 1 × 10= 10

- a) Define Consumer Surplus.
- b) Define Compensated Demand Curve.
- c) Define Marginal Rate of Substitution.
- d) Define Economies of Scale.
- e) What do you mean by Decreasing Returns to Scale?
- f) What do you mean by Production Function?
- g) Which feature of Perfect Competition allows the firms in the long-run, to just break even ?
- h) What do you mean by Cartel ?
- i) What do you mean by Product Group in the context of Monopolistic Competitions ?
- j) What do you mean by Merger ?

Group 'B'

Q. No 2. Solve the below Problems

Marks:5 X 4 = 20

- a) Suppose a firm's estimated demand curve is $Q=220-P$,

and its Total Cost (TC) function is:

$$TC = 1000 + 80Q - 3Q^2 + \frac{Q^3}{3}$$

Calculate the firm's profit or loss (as the case may be) at the optimum point.

- b) The total cost (TC) function of the firm is estimated as follows:

$$TC = 200 + 150Q - 20Q^2 + Q^3$$

Where, Q is quantity. What would be the price below which the firm will should shut down its operations?

- c) A firm in an oligopoly industry faces a kinked demand curve for its product, which is characterized by the following equations:

$$Q_1 = 82 - 8P$$

$$Q_2 = 44 - 3P$$

Suppose further that the firm's total cost equation is

$$TC = 8 + Q + 0.05Q^2$$

Determine the range of values within which marginal cost may vary without affecting the prevailing price and output level.

- d) If $U(x_1, x_2) = 10x_1^{0.5}x_2^{0.5}$, $M=100$, $p_1=2$ and $p_2=4$ calculate the consumer equilibrium.

Group 'C'

Q. No 3. Medium answer-type Questions (Word Limit: 200 Words) Marks: 10 X 4 = 40

- a) Explain the relationship between Marginal Product (MP) and Average Product (AP).
- b) Why is the LRAC called the — envelope of the SACs? Explain whether LRAC contains the minimum points of each SAC curve? (use Suitable Graph)
- c) Discuss consumer behaviour using revealed preference theory.
- d) What is price discrimination? Explain various degrees of price discrimination with Suitable examples.

Group 'D'

Q. No 4. Long answer-type Questions (Word Limit: 300 Words) Marks: 15 X 2 = 30

- a) Explain with appropriate diagram the Sweezy Model of Kinked Demand Curve.
- b) Describe the relationship between the direct and indirect utility functions using duality theorems.

ASSIGNMENTS-1
MACRO ECONOMIC ANALYSIS
(MEC-2)

Full Mark – 100

(Answer all the questions, which is Compulsory)

GROUP- 'A'

Q. No. 1 Answer within one word or one sentence each

Marks: 1 × 10 = 10

- a) Who developed the theory of multiplier ?
- b) Why LM curve is upward sloping?
- c) Under what condition does an economy realise steady state growth.
- d) Define the concept of conditional convergence.
- e) What is stagflation?
- f) What does phillip curve signifies?
- g) What is transitory income?
- h) Which condition is known as no - ponzi game?
- i) Who first developed the overlapping generations framework?
- j) What do you mean by consumption smoothing?

Group 'B'

Q. No 2. Short answer-type Questions (Word Limit: 100 Words)

Marks: 5 X 4 = 20

- a) What do you mean by liquidity trap ? Explain with the help of diagram.
- b) What are the properties of endogenous growth model?
- c) Discuss the criticisms of macro econometric models by Lucas.
- d) Explain the Capital Asset Pricing rule for a risky asset.

Group 'C'

Q. No 3. Medium answer-type Questions (Word Limit: 200 Words)

Marks: 10 X 4 = 40

- a) Explain the working of Investment Multiplier with the help of an example.
- b) Discuss the impact of changes in the rate of saving to achieve golden rule steady state.
- c) Explain unemployment inflation trade-off on the basis of rational expectations.
- d) Explain dynamic inefficiency under overlapping generations model with the help of diagram.

Group 'D'

Q. No 4. Long answer-type Questions (Word Limit: 300 Words) Marks: 15 X 2 = 30

- a) Critically evaluate the Solow model of growth.
- b) Explain Ramsay's Optimal growth model in the context of centralized economy.

ASSIGNMENTS-1

QUANTATIVE METHODS FOR ECONOMIC ANALYSIS

(MEC-3)

Full Mark – 100

(Answer all the questions, which is Compulsory)

GROUP- 'A'

Q. No. 1 Answer within one word or one sentence each

Marks: 1 × 10= 10

- a) Define constant function.
- b) Define range of a function.
- c) What do you mean stationary point?
- d) What is the necessary condition for unconstrained optimization?
- e) What is the second rule of integration?
- f) What do you mean by consumer surplus?
- g) Evaluate $\int e^x dx$.
- h) Define null vector.
- i) If $a = (2,5)$, find norm.
- j) Define Hawkins- Simon condition.

Group 'B'

Q. No 2. Solve the following problems:

Marks: 5 X 4 = 20

- a) Total cost of a firm is $C = x^2 + 2x + 5$. Find out the equilibrium level of output.
- b) Find the extreme values of $Z = x^2 - 2x - y^2$ and determine whether they are maximum or minimum.
- c) Suppose the demand function of the consumer is given by $P = 80 - q$, where $P = 60$. Find consumer surplus.
- d) Find the value of the determinant

$$\begin{vmatrix} 3 & 4 & 7 \\ 2 & 1 & 3 \\ 7 & 2 & 1 \end{vmatrix}$$

Group 'C'

Q. No 3. Answer the following:

Marks: 10 X 4 = 40

- a) If $f(x,y) = x^3 + y^5 + 4x^2y^5 + 2xy$. Find f_{xy} , f_{yx} .
- b) Explain Kuhn – Tucker (KT) theorem.
- c) Find the general solution of the differential equation $y(t) - 3y(t) = 5y'(t) - 3y(t) = 5$ if the initial value given as $y(0) = 1$.
- d) Explain dynamic input-output model.

Group 'D'**Q. No 4. Long answer-type Questions****Marks: 15 X 2 = 30**

- a) Derive Elasticity of substitution through total differential. (Word Limit: 300 Words)
- b) What is linear programming? Solve the following linear programming by using simplex method.

$$\begin{array}{ll} \text{Maximise} & Z = 6X_1 + 7X_2 \\ \text{Subject to} & 2X_1 + 3X_2 \leq 12 \\ & 2X_1 + X_2 \leq 8 \\ & (X_1, X_2) \geq 0 \end{array}$$

ASSIGNMENTS-2
MICRO ECONOMIC ANALYSIS
(MEC-1)

Full Mark – 100

(Answer all the questions, which is Compulsory)

GROUP- 'A'

Q. No. 1 Answer within one word or one sentence each

Marks: 1 × 10= 10

- a) What is equity – efficiency trade-off?
- b) Who introduce the concept of Economic Welfare function?
- c) What do you mean by Offer Curve?
- d) Define production possibility frontier.
- e) What is VNM utility function?
- f) Define Risk pooling.
- g) Define No Shirking Solution(NSC) in efficiency wage model.
- h) Define zero sum game.
- i) What is dominant strategy?
- j) What do you mean by discount factor?

Group 'B'

Q. No 2. Short answer-type Questions (Word Limit: 100 Words)

Marks:5 X 4 = 20

- a) Distinguish between SPO and WPO.
- b) What are the recommendations of Coase to the problem of externality?
- c) Explain the two Fundamental Welfare Theorems of economics.
- d) What is the difference between pure strategy and mixed strategy?

Group 'C'

Q. No 3. Medium answer-type Questions (Word Limit: 200 Words)

Marks: 10 X 4 = 40

- a) Illustrate Bergson – samuelson SWF with the help of GUPF.
- b) What is Marginal Rate of Transformation (MRT)? Show that MRT of one good for another is equal to the ratio of the marginal cost of producing the two goods.
- c) How would you find second best solutions in the context of asymmetry information?
- d) Explain friedman theorem. Why this theorem is important in game theory?

Group 'D'

Q. No 4. Long answer-type Questions (Word Limit: 300 Words)

Marks: 15 X 2 = 30

- a) Critically examine the efficiency conditions of pareto.
- b) In the context of risk , state Expected Utility theory?

ASSIGNMENTS-2
MACRO ECONOMIC ANALYSIS
(MEC-2)

Full Mark – 100

(Answer all the questions, which is Compulsory)

GROUP- 'A'

Q. No. 1 Answer within one word or one sentence each

Marks: 1 × 10= 10

- a) Natural Rate of Unemployment
- b) Frictional Unemployment
- c) Ponzi Financing
- d) Transmission Mechanism
- e) Efficiency Wage
- f) Depreciation
- g) Devaluation
- h) Balance of Payment
- i) Fixed Exchange Rate
- j) Phillips Curve

Group 'B'

Q. No 2. Short answer-type Questions (Word Limit: 100 Words)

Marks:5 X 4 = 20

- a) Explain why currency appreciates , when exports rise?
- b) Explain the Contracting and Insider-Outsider Unemployment
- c) Explain the difference between Frictional, Structural and Cyclical Unemployment.
- d) What do you Mean by theory of Purchasing Power Parity (PPP)

Group 'C'

Q. No 3. Medium answer-type Questions (Word Limit: 200 Words)

Marks: 10 X 4 = 40

- a) What do you mean by menu costs? How can the concept of menu costs be used to rationalize nominal price rigidities?
- b) Distinguish between capital account and current account of Balance of Payment.
- c) Distinguish between Real and Nominal Exchange rate
- d) Highlight the costs of Unemployment and Inflation

Group 'D'

Q. No 4. Long answer-type Questions (Word Limit: 300 Words)

Marks: 15 X 2 = 30

- a) Outline the views of Schumpeter on economic fluctuations;
- b) Explain how under a flexible exchange rate regime, market demand for and supply of a country's currency determines the changes in exchange rate. Highlight various factors affecting flexible exchange system.
