



CENTRE FOR DISTANCE & ONLINE EDUCATION

UNIVERSITY OF JAMMU

JAMMU

INTERNAL ASSESSMENT ASSIGNMENT (IAA) BOOKLET

(MA ECONOMICS SEMESTER-1, SESSION 2026-27)

INSTRUCTIONS

1. Assignments should be prepared on A4 size (ruled on one side, plain on the other) sheets only.
2. Write on one side of the sheet only.
3. Figures should be drawn on plain sheets.
4. Only cardboard files (with only tags) shall be used. Plastic files with clips shall not be accepted.
5. The candidates shall fill complete details on the index page.
6. A photocopy of the enrolment card should be attached before the index page of each file.
7. The candidates shall put signatures on each page.
8. No cutting/overwriting on any part of the Page shall be accepted.
9. Assignments have to be written by the candidates themselves.
10. There is no re-evaluation. So attempt all the assignments very carefully.
11. Assignments have to be submitted in the concerned section (MA Economics) of Centre for Distance & Online Education from **6th-16th October, 2026** during working hours and on working days.
12. No files shall be accepted after the last date notified for the purpose.
13. Enrolment no. as well as course no. should be written carefully on the outer cover page as well as on the index page.
14. Only blue pen should be used. **DON'T USE RED PEN**, as it is used by the evaluators. Pencil should be used for drawing neat and well labelled figures.

Sd/-

Coordinator.

NOTE FOR ATTEMPTING THE ASSIGNMENTS IN ALL THE COURSES

IAA1 is a Long answer type question (of maximum 1200 words) of 10 marks (one to be attempted, out of two).

IAA2. Both the short answer type questions have to be attempted (of about 600 words), each of 5 marks.

IAA3. All the four very short answer type questions (of about 250 words) have to be attempted, each of 2.5 marks.

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ECO 101

MICROECONOMICS

TOTAL MARKS: 30

IAA1.

Explain the Production Possibilities Frontier (PPF). How does it illustrate opportunity cost, economic efficiency, inefficiency and economic growth?

Or

Discuss the assumptions and properties of indifference curves. Explain the conditions of consumer equilibrium and derivation of the demand curve through indifference curves.

IAA2.

- a) Discuss in brief the concept of a Production Function and short-run production decisions with special reference to the Law of Marginal Returns to Labour and its stages.
- b) Define monopoly. Discuss the causes of monopoly and compare monopoly with perfect competition regarding price, output and profits.

IAA3.

- a) Write a note on budget line and factors that cause shifts in it.
- b) What do you mean by Diminishing MRS_{xy} ? What does it signify
- c) Write a note on traditional and modern approaches to shapes of cost curves.

d) What is oligopoly? State its main characteristics.

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ECO 107

MACROECONOMICS

IAA1

Derive the IS and LM curves and explain how the general equilibrium of the product and money markets is determined in the IS-LM model.

Or

Q2. Explain the theories of business cycles propounded by Kaldor, Samuelson and J.R. Hicks.

IAA2

- a) Discuss Friedman's Permanent Income Hypothesis of the consumption function.
- b) What is the crowding-out effect? Discuss its implications for fiscal policy.

IAA3

- a) Explain the circular flow of income in a four-sector economy.
 - b) What is the Rational Expectations Hypothesis? State its policy implications.
 - c) Explain Duesenberry's Relative Income Hypothesis.
 - d) Write a short note on the Real Business Cycle Theory.
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ECO 103

MATHEMATICAL METHODS IN ECONOMICS

IAA 1

The equilibrium condition for three related markets is given by the equations:

$$3p_1 - p_2 + p_3 = 2$$

$$-15p_1 + 6p_2 - 5p_3 = 5$$

$$5p_1 - 2p_2 + 2p_3 = 1$$

Find p_1 , p_2 and p_3 using Cramer's rule.

Or

- a) Find the value of x and y which maximises the utility function: $U = X^2Y^3$ subject to the budget constraint $x + 4y = 10$
- b) Under perfect competition, the demand and supply laws for a commodity are: $p_d = 10 - x - x^2$ and $p_s = x + 2$ respectively, find the consumer surplus and the producer surplus at equilibrium price.

IAA2

- a) A company during the festival season combines two items A and B to form gifts pack. Each pack must weigh 5Kg and should contain at least 2kg of A and not more than 4kg of B. The net profit to the company is Rs. 10 per kg of A and Rs. 12 per kg of B. The company wants to determine the optimum mix. Formulate the above as a LP problem to maximise net profit per pack and solve the same using Simplex Method.
- b) The demand and supply functions for the cobweb model are given below:

$$Q_{dt} = 60 - 4P_t; Q_{st} = -20 + 2P_{t-1}$$

What is intertemporal equilibrium price and time path. Also discuss the nature of time path.

IAA3

- a) Show that $f(x) = \begin{cases} x^2 & \text{when } x \neq 1 \\ 2 & \text{when } x = 1 \end{cases}$ is discontinuous at $x = 1$.
- b) If the marginal cost for some product is given by: $MC = 1 + 2x + 6x^2$. Find the total cost and average cost when fixed cost = Rs.100.
- c) Solve the differential equation: $\frac{dy}{dx} = -\frac{A}{B} \cdot \frac{y+b}{x+a}$
- d) Explain the Hawkins Simon conditions for the Input Output Model.

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ECO 104

DEVELOPMENT ECONOMICS

IAAI

Define economic growth and economic development. Explain the different indicators of economic development.

Or

Explain the Schumpeter's theory of economic development. How does innovation play an important role in this theory?

IAA2

- a) Discuss the relationship between population growth and economic development.
- b) Critically analyse an MNC's activity in developing countries.

IAA3

- a) Define poverty.
- b) Explain PQLI.
- c) What are the static gains from trade?
- d) What is inverted U shaped curve?