

ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Economics)

WARNING

- 1. PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
- 2. SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

Course: Economics (402)
Level: B.A

Semester: Spring, 2014
Total Marks: 100
Pass Marks: 40

ASSIGNMENT No. 1
(Units 1-4)

- Q.1 Explain the definitions of economics given by the economists on the basis of wealth, welfare and scarce resources. Also differentiate between micro and macroeconomics. (20)
- Q.2 a) Explain the equilibrium of a consumer with the help of indifference curve and budget line. (10)
b) Explain the division of price effect into substitution effect and income effect in the cases of normal good and inferior good. (10)
- Q.3 a) What is meant by point elasticity and arc-elasticity? Explain with help of diagram and formula. (10)
b) With the increase in price of tomato from Rs. 60 per kg to Rs. 120 per kg in westrigh market, the demand for tomato has gone down from 40 kg to 30 kg. Calculate the demand elasticity. (10)
- Q.4 a) Differentiate between average cost and marginal cost with the help of a table and diagram. (10)
b) Differentiate between total revenue and average revenue under perfect competition and imperfect competition with the help of table and diagram. (10)
- Q.5 Write a note on the following: (10+10)
a) Law of Diminishing Marginal Utility.
b) Can Income Effect be Positive?

ASSIGNMENT No. 2

(Units 5-8)

Total Marks: 100

Pass Marks: 40

- Q.1 a) What is meant by a market? Also write a note on the types of market in detail. (10)
b) Discuss critically on the different shapes and forms of competition in the market. (10)
- Q.2 Explain the equilibrium of a firm under perfect competition in the short-run and long-run. (20)
- Q.3 a) Define organization. Also discuss in detail the importance of organization, functions of entrepreneur and types of organization. (10)
b) Explain the law of decreasing return with the help of table and diagram. (10)
- Q.4 a) What are derivatives? Explain their different types with the help of suitable examples. (10)
b) Write down the formulas of arithmetic mean and median. Calculate from the following table arithmetic mean and median. (10)

Class Interval	Frequency (f)
0 - 50	12
51 - 100	15
101 - 150	10
151 - 200	11
201 - 250	18
251 - 300	20
301 - 350	8
351 - 400	5
401 - 450	9

- Q.5 Write a short note on each of the following: (5+5+5+5)
- a) Simultaneous Equations
 - b) Factors of Production
 - c) Wage
 - d) Harmonic Mean

ASSIGNMENT No. 3

(Units 9-13)

Total Marks: 100

Pass Marks: 40

- Q.1 Explain different concepts of national income. Discuss different methods of measuring national income. Also differentiate among the two sectors, three sectors and four sectors economies. (20)
- Q.2 What is consumption? Also discuss different factors which effect consumption. (20)
- Q.3 What is money? Also discuss in detail the different functions of money. (20)
- Q.4 Discuss different types of banks. Also discuss in detail the functions of a central bank. (20)
- Q.5 Write a note on the following: (20)
- i) Merits and Demerits of International Trade
 - ii) Determination of Exchange Rate under Gold Standards.

ASSIGNMENT No. 4

(Units 14-18)

Total Marks: 100

Pass Marks: 40

- Q.1 What are the instruments of commercial policy? Also write a note on the types of custom duty and import quota. (20)
- Q.2 Write a detailed note on the importance, growth, principle and classification of government expenditures. (20)
- Q.3 Define fiscal policy. Also write a note on the importance and objectives of fiscal policy. (20)
- Q.4 What is meant by economic development? Also discuss in detail the different standards which determine the economic development of a country. (20)
- Q.5 Define planning? Discuss different types of planning. Also explain the objectives of economic planning. (20)