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”.

ASSIGNMENT No. 1
(Units: 1–4)

Q. 1 Explain in detail the process of evolution of money and payment system? (20)
Q. 2 Discuss Cagan’s demand for money model for hyper inflation countries? (20)
Q. 3 Explain in details Asset pricing model of capital markets? (20)
Q. 4 Differentiate between Keynesian and monetarist views of demand for money? (20)
Q. 5 Discuss in detail the role of money in classical and Keynesian macroeconomic models? (20)

ASSIGNMENT No. 2
(Units: 5–9)

Total Marks: 100 Pass Marks: 50

Q. 1 Explain in detail the monetarist and structuralists views about inflation? (20)
Q. 2 What is monetary policy? Discuss current government experience in conduct of monetary policy? (20)
Q. 3 Explain diagrammatically the effectiveness of monetary policy under different exchange rate regimes? (20)
Q. 4 Explain the effects of financial crises of 2008-09 on the balance of payments of Pakistan? (20)
Q. 5 Write short notes on the following: (10+10)
   (a) Great depression of 1929-30
   (b) Long-run Phillips curve in case of rational expectations