BACHELOR'S OF ARTS (ECONOMICS HONOURS) PROGRAMME

(BAECH)

ASSIGNMENT 2026-27

For July 2026 and January 2027 Admission cycle

COURSE CODE: BECC-108

INTERMEDIATE MICROECONOMICS - II

SCHOOL OF SOCIAL SCIENCES

INDIRAGANDHINATIONALOPENUNIVERSITY

MAIDAN GARHI, NEW DELHI-68

Dear Student,

As explained in the Programme Guide, evaluation at IGNOU consists of two parts: i) continuous evaluation through assignments, and ii) term-end examination. In the final result, assignments of a course carry 30% weightage while 70% weightage is given for term-end examination. You will have to do three Tutor Marked Assignments (TMA) for a six credit course and two TMAs for a four credit course. This Assignment booklet has TMAs for the core course **BECC- 108 INTERMEDIATE MICROECONOMICS – II** which is a six credit course.

Assignment One has Descriptive Category Questions (DCQs) along with the application part. These questions are framed to check your understanding of various introductory concepts of Economics along with your ability to solve the application based questions in a systematic, to-the-point and coherent manner.

Assignment Two has Middle Category Questions (MCQs). These questions require you to first analyse the topic in terms of arguments and explanations and then write the answers in a concise manner.

Assignment Three has Short Category Questions (SCQs). These questions are meant to improve your skill of recalling in brief the relevant/precise information about various economic concepts and processes.

Before you attempt the assignments, please read the instructions carefully provided in the Programme Guide. It is important that you write the answers to all the TMA questions in your own words. Your answers should be within the approximate range of the word-limit set for a particular section.

As mentioned in the Programme Guide, you need to submit all the assignments within the stipulated time for

being eligible to appear in the term-end examination to the **Coordinator of your study centre**. **The assignments should be submitted to the Coordinator of your Study Centre as per the following schedule:**

1. **By 31st March, 2027 by the students who took admission in the Academic Cycle July, 2026**.

2. **By 30th September, 2027 by the students who took admission in the Academic Cycle January, 2027**.

You must obtain a receipt from the Study Centre for the assignments submitted and retain it. If possible, keep a xerox copy of the assignments with you.

The Study Centre will have to return the assignments to you after they are evaluated. Please insist on this. This Study Centre has to send the marks to the Student Evaluation Division at IGNOU, New Delhi.

We expect you to answer each question as per guidelines for each category as mentioned in the assignment. You will find it useful to keep the following points in mind:

Planning: Read the assignments carefully, go through the Units on which they are based. Make some points regarding each question and then rearrange them in a logical order.

Organisation: Be a little selective and analytic before drawing up a rough outline of your answer. Give adequate attention to your introduction and conclusion.

1)

2) Make sure that your answer:

   a) is logical and coherent;

   b) has clear connections between sentences and paragraphs, and

   c) is written correctly giving adequate consideration to your expression, style and presentation.

3) **Presentation:** Once you are satisfied with your answer, you can write down the final version for submission, writing each answer neatly and underlining the points you wish to emphasize. Make sure that the answer is within the stipulated word limit.

BECC-108: INTERMEDIATE MICROECONOMICS - II

Tutor Marked Assignments

Course Code: BECC-108
Assignment Code: BECC-105/2026-27
Total Marks: 100

Assignment One

Answer the following Descriptive Category questions in about 500 words each. Each question carries 20
marks. Word limit does not apply in case of numerical questions
2×20 = 40

1. a) Distinguish between Partial equilibrium and General equilibrium analysis.
   b) Define general equilibrium in product mix in an economy with perfect competition in product and factor market. Clearly state all the conditions for existence of such an equilibrium

2. An amusement park owner opts for two-part tariff. He/she charges for an entry ticket and then for every ride. Suppose AC = MC = 6. The market-demand curves for the two separable markets are: $Q_1=60-P_1$ and $Q_2=60-2P_2$

   (i) The firm can follow a two-part tariff. What will be the fixed one-time fee provided by
   a) Oi's solution and
   b) Alternate method using the Profit maximising unit price.
   (ii) Calculate the monopolist's profit in both the situations.

Assignment Two

Answer the following Middle Category questions in about 250 words each. Each question carries 10 marks. Word limit does not apply in application part of the question.

3× 10 = 30

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3. Explain the conditions for the prevalence of a Natural monopolistic form of market structure and also identify the several pricing options possible under such form.
4. Consider a Cournot duopoly of firm 1 and 2 producing output Q_1 and Q_2, respectively. Let market demand curve be $P = 60 – Q$, where $Q = Q_1 + Q_2$. Assume marginal cost of production is null for both the firms. Calculate Cournot-Nash equilibrium output of both the firms.
5. How does externality leads to market failure? What are the different ways of correcting the market failure resulting in the presence of negative externality?

Assignment Three

Answer the following Short Category questions in about 100 words each. Each question carries 6 marks. Word limit does not apply in application part of the question.

5 × 6 = 30

6. Explain Bergson-Samuelson Social Welfare Function
7. What is meant by the principal-agent problem? What leads to principal agent problem?
8. Differentiate between:

   a) Non-cooperative and Cooperative Games

   b) Simultaneous-move and Sequential-move Games

9. Differentiate welfare loss of a monopolistic competition with that resulting in case of a monopoly.
10. Prove that allocation under welfare maximisation is also a Pareto efficient allocation.