

MEC

**MASTER OF ARTS
(ECONOMICS)**

ASSIGNMENTS 2025-26

First Year Courses

**(For the students who took admission prior to January 2023 or in
January 2023)**



**SCHOOL OF SOCIAL SCIENCES
INDIRA GANDHI NATIONAL OPEN UNIVERSITY MAIDAN
GARHI-110068**

Master of Arts (Economics)

(TMA)

(2025-26)

Dear Student,

As explained in the programme guide for MEC, assignments carry 30 percent weightage in a course and it is mandatory that you have to secure atleast 40 percent marks in assignments to complete a course successfully. Note that you have to submit the assignments before appearing in Term End Examination of a course.

Before attempting the assignments, please read the instructions provided in the programme guide sent to you separately. In this booklet, we have included the assignments for all the courses pertaining to the **First year**. In each course there is a Tutor Marked Assignment (TMA). You have to do the assignment for those courses for which you have registered. Do remember that you have to prepare and submit the assignments separately for each course. Make sure that you submit the assignments well in time for those courses in which you plan to appear in the Term End Examination.

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:

1. **By 31st March 2026**, for the students willing to appear in June 2026 term-end examination.
2. **By 30th September 2026**, for the students willing to appear in December 2026 term end examination.

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. The 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:

- 1) **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.
- 2) **Organisation:** Be a little selective and analytic before drawing up a rough outline of your answer. Give adequate attention to your introduction and conclusion.

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.

MEC-002: MACROECONOMIC ANALYSIS
Tutor Marked Assignments
(For the Students who have taken admission up to July 2022 Academic Cycle)

Course Code: MEC-002
Assignment Code: MEC-002/AST/2025-26
Maximum Marks: 100

Note: Answer all the questions. While questions in Section A carry 20 marks each, those in Section B carry 12 marks each.

Section A

1. What is meant by steady state in the Solow model? Derive the conditions for steady state in an economy. What is the significance of decreasing returns in the Solow model?
2. Consider the overlapping generations model where each member lives for two time periods 't' and (t+1). Assume that individuals work in time period 't' and earn wage income, while they do not work in time period (t+1) and survive on interest income. Explain the impact of an increase in interest rate on consumption during time period 't'.

Section B

3. By using appropriate diagram, explain why inflation unemployment trade-off is not possible in the long run.
4. Critically evaluate the relevance and implications endogenous growth theory.
5. What do the IS and LM curves signify? Why is it called the neoclassical synthesis?
6. By using relevant macroeconomic theory, explain why prices and wages may not be flexible in an economy.
7. Write short notes on the following:
 - a) Lucas Critique
 - b) Absolute and Conditional Convergence