

**MAEC**

**MASTER OF ARTS  
(ECONOMICS)**

**ASSIGNMENTS 2025-26  
Third Semester Courses  
(For July 2025 and January 2026 Sessions)**



**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 MAEC, assignments carry 30 per cent weightage in a course and it is mandatory that you must secure at least 40 per cent marks in assignments to complete a course successfully. Note that you must 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 **Third semester**. In each course there is a Tutor Marked Assignment (TMA). You must do the assignment for those courses for which you have registered. Do remember that you must 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**. This assignment is valid for two admission cycles (**July 2025** and **January 2026**).

**The assignments should be submitted to the Coordinator of your Study Centre:**

1. **By 31<sup>st</sup> March 2026**, for the students willing to appear in June 2026 term-end examination.
2. **By 30<sup>th</sup> 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-107: INTERNATIONAL TRADE AND FINANCE**  
**Tutor Marked Assignment**

Course Code: MEC-107  
Asst. Code: MEC-107 / AST-1/2025-2026  
Total Marks: 100

**Note: Answer all the questions.**

**SECTION A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**

**2X20=40**

- 1) (a) Why is 'free trade' between two countries considered to be better than no trade? Explain with the help of a diagram.  
(b) Using the Ricardian theory of international trade as a framework, illustrate how nations derive benefits from engaging in trade.
- 2) What factors prompted the development of intra-industry trade? Explain. How does this theory contribute to our understanding of international trade?

**Section B**

**Answer the following questions in about 400 words each. Each question carries 12marks.**  
**5X12=60**

- 3) How would you apply technological gap model to explain the pattern of international trade? Explain.
- 4) Examine the impact of environmental standards and logistics cost on the location of the production and international trade.
- 5) What would be the effect of tariff on the volume of trade and terms of trade in the case of (i) a small country and (ii) a large country? Use a diagram to explain
- 6) How is capital account convertibility (CAC) different from current account convertibility? In the case of developing countries, what are some situations when capital account convertibility can have adverse effects?
- 7) List the different types of international financial markets. Explain the importance of international instruments and financial markets.