MASTER OF ARTS

(ECONOMICS)

(MAEC)

ASSIGNMENT 2026-27

For July 2026 and January 2027 Admission cycle

COURSE CODE: MEC 110

MONEY, FINANCIAL INSTITUTIONS AND MARKETS

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-endexamination. In the final result, assignments of a course carry 30% weightage while 70% weightageis 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 **MEC 110 MONEY, FINANCIAL INSTITUTIONS AND MARKETS** which is a six credit course.

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.

MEC 110: MONEY, FINANCIAL INSTITUTIONS AND MARKETS
Tutor Marked Assignments

Course Code: MEC- 110
Assignment Code: Asst /TMA /2026-27
Total Marks: 100

PART I

Answer the following questions. Each question carries 20 marks

$2 \times 20 = 40$

1. Describe the main features of the Capital Asset Pricing Model. Discuss the importance and role of the Capital Pricing Model in an economy.
2. a) How is a portfolio valued? What factors affect the valuation?
   b) What are the key points of Markowitz's portfolio theory? Discuss some of its limitations.

PART II

Answer the following questions. Each question carries 12 marks.

5 X 12=60

3. How do financial and economic factors interact during a crisis? What policy options can be used to fight a recession?
4. Discuss the importance of exchange rates in the international financial markets.
5. What reform measures RBI has adopted to diversify and strengthen the various instruments of the money market?
6. Explain the Black-Scholes Option Pricing Model with an example.
7. Write short notes on following:
   a) Yield to maturity
   b) Futures and forwards
   c) Efficient Market Hypothesis
   d) Swaps