

Dear Student,

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- 101 Introductory Microeconomics** 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, 2026 by the students who took admission in the Academic Cycle July, 2025.
2. **By 30th September, 2026** by the students who took admission in the Academic Cycle January, 2026.

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.

Tutor Marked Assignments

Course Code: BECC-101
Assignment Code: BECC-101/2025-26
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 law of demand and price elasticity of demand. Identify the factors on which price elasticity of demand depend. How does elasticity of demand help the economic agents in decision making.

(b) Given the following information, find out the price elasticity of demand and cross elasticity of demand:

$$Q_d = 10 - 2P + P_s$$

where Q_d is the quantity demanded, P is the price of the product which is given as Rs. 10, and P_s is the price of the substitute good which is given as Rs 20.

2. (a) What do you understand by the term 'market failure'? Explain the various sources of market failure. Which policy instruments can be resorted to regulate the inefficient market situations?
- (b) What is production possibility frontier? How does the marginal rate of transformation relate to the production possibility frontier?

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

3. (a) Discuss the various shapes of isoquants that may be assumed depending on the degree substitutability. What are the properties of Isoquants?
- (b) Can a firm have a production function that exhibits increasing returns to scale, constant returns to scale and decreasing returns to scale as output increases? Give reasons in support of your answer.
4. Suppose a competitive firm has a total cost function $TC(q) = 450 + 15q + 2q^2$ and marginal cost function $MC(q) = 15 + 4q$. If the market price is $P = \text{Rs } 115$ per unit,
- (i) Find the level of output produced by the firm.
- (ii) Find the level of profit and the level of producer surplus.
5. How does equilibrium in an oligopolistic market is distinct from equilibrium in perfectly competitive market and monopolistic competition? Explain the Cournot's model of price and output determination under oligopoly.

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. $5 \times 6 = 30$

6. Given the following supply and demand functions of a commodity X, determine its equilibrium price and quantity.

$$Q_d = 8000 - 1000P_x$$

$$Q_s = -4000 + 2000P_x$$

7. Explain with diagrams the approaches that are used to decompose the price effect into substitution effect and income effect.
8. Identify the distortions that lead to failure in achieving the efficiency in perfectly competitive market.
9. In an economy of two commodities (X and Y) and two factors (L and K), how is general equilibrium of production reached?
10. Distinguish between any two of the followings:
- (i) Marginal physical product and marginal revenue product.
 - (ii) Adverse selection and moral hazards.
 - (iii) Normal profit and abnormal profit.