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VENKATESWARA PUBLICATIONS

GUNTUR - 522 001

ASSIGNMENTS-2026

Dr. B.R. Ambedkar Open University

Faculty of Social Sciences

M.A. Ist Year Semester-I

Subject : Economics

Course-I : Micro Economics-I

Assignment-1

Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

1. Explain the Law of Diminishing Marginal Utility and the Law of Equi-Marginal Utility.

Law of Diminishing Marginal Utility :

Refer to Q. 1, Study Material, Page I/3

Law of Equi-Marginal Utility :

Refer to Q. 2, Study Material, Page I/6

2. Discuss Samuelson's Revealed Preference Theory.

Refer to Q. 2, Study Material, Page I/21

3. Discuss short-run cost curves and explain the relationship between Average Cost and Marginal Cost curves.

Short-run cost curves :

Refer to Q. 1, Study Material, Page I/56

Relationship between Average Cost and Marginal Cost curves :

Refer to Q. 2, Study Material, Page I/59

Assignment-2

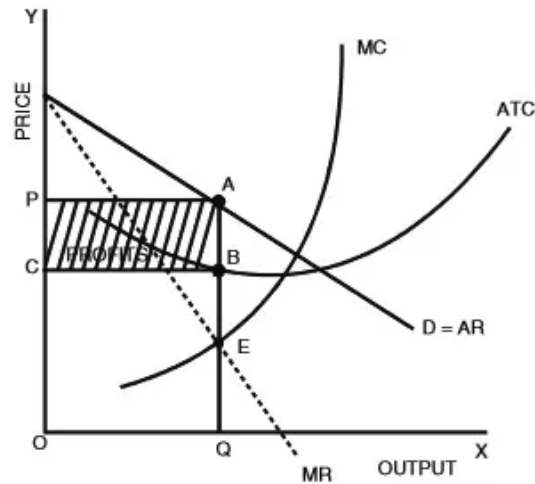
Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

1. Explain price and output determination under monopolistic competition in the short run and long run.

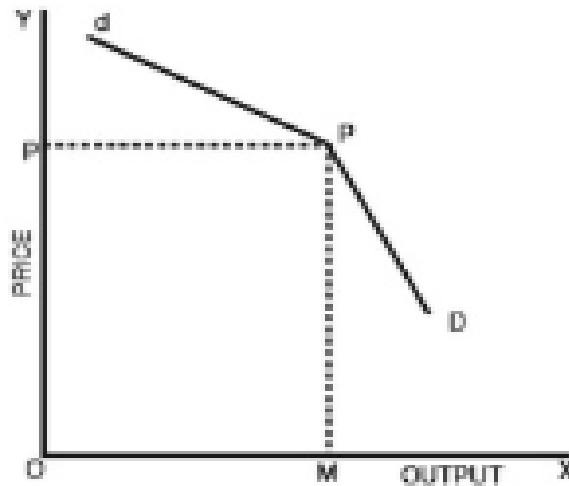
Monopolistic competition involves many firms selling differentiated products. In the **short run**, because of product differentiation (branding), a firm has some control over its price. It maximizes profit by producing where **MR = MC**. Depending on market demand, the firm may earn supernormal profits, normal profits, or even incur losses. The demand curve (AR) is downward sloping and relatively elastic.



In the **long run**, the ease of entry and exit changes the landscape. If firms are making supernormal profits, new competitors enter the market, drawing away customers and shifting the original firm's demand curve to the left. This continues until the demand curve is tangent to the **Long-Run Average Cost (LAC)** curve. In the long run, firms earn only **normal profits**. A significant feature here is "excess capacity," as the firm does not produce at the minimum point of its AC curve, leading to slightly higher prices than under perfect competition.

2. Explain the Kinked Demand Curve model of oligopoly.

The **Kinked Demand Curve** model, proposed by Paul Sweezy, explains price rigidity in oligopolistic markets. It assumes that if a firm raises its price, its rivals will not follow (leading to a highly elastic demand curve for price increases). However, if a firm lowers its price, rivals will follow to maintain their market share (leading to an inelastic demand curve for price decreases). This creates a "kink" in the demand curve at the current price level.



Due to this kink, the **Marginal Revenue (MR)** curve has a vertical break or gap. As long as the **Marginal Cost (MC)** curve shifts within this gap, the firm has no incentive to change its price or output. This explains why prices in oligopolies remain stable even when production costs fluctuate. However, the model is criticized because it describes why prices stay the same but does not explain how the initial price was set.

3. What is Bain's Limit Pricing Theory ? State its assumptions and criticisms.

Refer to Q. 1, Study Material, Page I/136



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M.A. Ist Year Semester-I

Subject : Economics

Course-II : Macro Economics-I

Assignment-I

Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

1. Explain the Nature and Scope of Macro - economics.

Refer to Q. 3, Study Material, Page II/14

2. Discuss the circular flow of income in a four - sector economy.

Refer to Q. 4, Study Material, Page II/20

3. Explain the determination of national income in view of the Keynesian analysis ?

Refer to Q. 5, Study Material, Page II/113

Assignment-II

Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

1. Explain the various types of investment and state the determinants of investment.

Various types of investment :

Refer to Q. 1, Study Material, Page II/161

Determinants of investment :

Refer to Q. 2, Study Material, Page II/163

2. Critically examine the Keynes demand for money.

Refer to Q. 7, Study Material, Page II/211

3. Critically discuss Milton Friedman's Modern Quantity Theory of Money.

Refer to Q. 3, Study Material, Page II/229



ASSIGNMENTS-2026

Dr. B.R. Ambedkar Open University

Faculty of Social Sciences

M.A. Ist Year Semester-I

Subject : Economics

Course-III : Quantitative Methods-I

Assignment-I

Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

1. Explain the uses of quantitative methods in Economics.

Refer to Q. 2, Study Material, Page III/3

2. Describe linear and non-linear functions.

Refer to Q. 2, Study Material, Page III/5

3. Describe diagrammatic and graphic representation of data and state their advantages.

Refer to Q. 1, 2 Study Material, Page III/49

Assignment-II

Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

1. Explain the Cramer's rule from the following data

$$2x + y = 5$$

$$x - y = 1$$

Refer to Q. 4, Study Material, Page III/37

2. What are measures of dispersion ? Explain Range and Mean Deviation.

Refer to Q. 1, Study Material, Page III/66

Refer to Q. 2, Study Material, Page III/67

Refer to Q. 3, Study Material, Page III/67

3. Calculate Laspeyres Price Index and Paasche Price Index of the following data.

Commodity	P_0	Q_0	P_1	Q_1
A	10	5	12	6
B	8	4	9	5
C	6	6	7	7

Refer to Q. 5, Study Material, Page III/91



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Faculty of Social Sciences

M.A. Ist Year Semester-I

Subject : Economics

Course-IV : Public Economics

Assignment-1

Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

1. **Discuss whether Public Finance is a Positive Science or Normative Science.**

Refer to Q. 2 & 3, Study Material, Page IV/9

2. **Explain Dalton's Principle of Maximum Social Advantages.**

Refer to Q. 1, Study Material, Page IV/12

3. **Describe the canons of taxation and the features of a good tax system.**

Canons of taxation : Refer to Q. 1, Study Material, Page IV/29

Features of a good tax system : Refer to Q. 5, Study Material, Page IV/27

Assignment-2

Answer **All** the following questions in about **30 lines**.

Each question carries **05** marks.

Marks : $3 \times 5 = 15$

4. **Distinguish between external and internal debt.**

Refer to Q. 1, Study Material, Page IV/62

5. **Explain the methods of redemption of public debt and state the principles of public debt management.**

Methods of redemption of public debt : Refer to Q. 1, Study Material, Page IV/69

Principles of public debt management : Refer to Q. 3, Study Material, Page IV/70

6. **Explain the objectives and principles of Federal Finance and Centre-State financial relations in India.**

Objectives and principles of Federal Finance : Refer to Q. 1, Study Material, Page IV/80

Centre-State financial relations in India : Refer to Q. 2, Study Material, Page IV/82