**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD**

**(Department of Economics)**

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| **Warning**  1. Plagiarism or hiring of a ghost writer(s) for solving the assignment(s) will debar the  student from the award of degree/certificate if found at any stage.  2. Submitting assignments borrowed or stolen from other(s) as one’s own will be penalized  as defined in the “AIOU plagiarism policy”. |

**Course: Economics (9335) Semester Spring, 2025**

**Level BS**

## Please read the following instructions for writing your assignments. (AD, BS, BEd, MA/MSc, MEd) (ODL Mode).

1. All questions are compulsory and carry equal marks but within a question the marks are distributed according to its requirements.

2. Read the question carefully and then answer it according to the requirements of the questions.

3. Avoid irrelevant discussion/information and reproducing from books, study guide or allied material.

4. Handwritten scanned assignments are not acceptable.

5. Upload your typed (in Word or PDF format) assignments on or before the due date.

6. Your own analysis and synthesis will be appreciated.

7. Late assignments can’t be uploaded at LMS.

8. The students who attempt their assignments in Urdu/Arabic may upload a scanned copy of their handwritten assignments (in PDF format) on University LMS. The size of the file should not exceed 5MP.

**Total Marks: 100 Pass Marks: 50**

## Assignment No. 1

**Units 1-4**

Q.1 What is meant by an economic system? On what grounds socialism is different from capitalism? **(20)**

Q.2 Explain the division of price effect into substitution and income effects in the case of

normal goods with the help of the indifference curve and budget line.  **(20)**

Q.3 What is meant by elasticity? Explain with the help of an example. Also, enumerate the factors that determine the elasticity of demand.

Q.4 (a) What is meant by total cost? Also, differentiate between inputs and their cost with the help of a table. **(10)**

(b) Enumerate the relationship between production and total cost with the help of a table and diagram.  **(10)**

Q.5 Write a note on the following: **(5+5+5+5)**

a. Professor Alfred Marshal’s definition of economics.

b. Law of equi-marginal utility.

c. Is the substitution effect always negative?

d. Fixed and variable costs.

**Total Marks: 100 Pass Marks: 50**

## Assignment No. 2

**Units 6-9**

Q.1 What is Gross National Product (GNP)? ٓ Also explain the process of measuring national income by expenditure method. **(20)**

Q.2 Discuss the history of the evolution of banks. Also, explain the role of the central bank in the process of credit creation. **(20)**

Q.3 Differentiate between supply and stock of money. Also, discuss the ingredients of the supply of money in detail. **(20)**

Q.4 What are the objectives of fiscal policy? Show and explain the effect of transfer payments on the national income with the help of a diagram. **(20)**

Q.5 Write notes on the following:

1. Gross National Product and Disposable Income **(10)**
2. Modern theory of international trade. **(10)**