ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD

**(Department of Economics)**

**WARNING**

1. **PLAGIARISM OR HIRING OF 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 ASSIGNMENT(S) BORROWED OR STOLEN FROM OTHER(S) AS ONE’S OWN WILL BE PENALIZED AS DEFINED IN THE “AIOU PLAGIARISM POLICY”.**

## **Course: Institutional Economics (9332) Semester: Spring, 2025**

## **Level: BS Economics**

## **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 guides, 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 1–5)**

Q1. Differentiate between institutions and organizations. Write in detail the functions of social institutions. (20)

Q2. How do Old Institutional Economics and New Institutional Economics differ in their evaluation of market outcomes and government intervention? (20)

Q3. Explain the concept of the Legal Enforcement Mechanism. Discuss in detail the shortcomings of the Legal Enforcement Mechanism. (20)

Q4. Distinguish between different types of property rights. Explain how well-defined property rights can reduce conflicts and promote economic development. (20)

Q5. How can a combination of controlling agents, incentive contracts, bonding, and the Do-It-Yourself method effectively reduce moral hazard in a business environment? (20)

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

**ASSIGNMENT No. 2**

**(Units 6–9)**

Q1. Describe different types of institutions and explain in detail their specific roles and functions within a society. (20)

Q2. How does the New Institutional Economics differ from Neoclassical economics in its view of the firm’s behavior and its role in the economy? (20)

Q3. Discuss in detail the key dimensions of the Regulatory role of the State in the Russian Economy. (20)

Q4. Describe how the North's model of state provides insights into how institutional arrangements influence the behavior of individuals, organizations, and governments. (20)

Q5. What are the main sources of Institutional change? Explore the role of the state in the process of institutional changes in any economy. (20)