**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: Macroeconomic Dynamics (9308) 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)**

Q 1. Explain the Solow growth model. Why might an economic policymaker choose the Golden Rule level of capital? (20)

Q 2. What is the impact of economic and noneconomic factors on economic growth? How change in culture is important to achieve prosperity? (20)

Q 3. What are the assumptions of the Ramsey–Phelps–Koopman Model of Economic Growth? Also, explain the dynamics of the economy’s welfare. (20)

Q 4. In the Solow model, what determines the steady-state rate of growth of income per worker? How can policymakers influence a nation’s saving rate? (20)

Q.5 What is Samuelson’s approach to dynamic economics? Explain the dynamics of Economics. (20)

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

**ASSIGNMENT No. 2**

**(Units 6-9)**

Q 1. Define the assumption of Permanent Income and Optimal Consumption. Also, Elaborate the consumption and financial return. (20)

Q 2. What is dynamic economics? Also, explain the difference between monetary and fiscal policy. (20)

Q 3. What is the difference between partial and general equilibrium? Discuss in detail

(20)

Q 4. What is the Dynamic IS–LM Model? How will you explain irreversible investment under uncertainty? (20)

Q 5. Highlight the importance of women's contribution to the process of economic growth. Provide examples of the importance of natural resources to economics. (20)