

MAEC

**MASTER OF ARTS  
(ECONOMICS)**

**ASSIGNMENTS 2025-26  
Third Semester Courses  
(For July 2025 and January 2026 Sessions)**



**SCHOOL OF SOCIAL SCIENCES  
INDIRA GANDHI NATIONAL OPEN UNIVERSITY  
MAIDAN GARHI-110068**

**Master of Arts (Economics)**  
**(TMA)**  
**(2025-26)**

Dear Student,

As explained in the programme guide for MAEC, assignments carry 30 per cent weightage in a course and it is mandatory that you must secure at least 40 per cent marks in assignments to complete a course successfully. Note that you must submit the assignments before appearing in Term End Examination of a course.

Before attempting the assignments, please read the instructions provided in the programme guide sent to you separately. In this booklet, we have included the assignments for all the courses pertaining to the **Third semester**. In each course there is a Tutor Marked Assignment (TMA). You must do the assignment for those courses for which you have registered. Do remember that you must prepare and submit the assignments separately for each course. Make sure that you submit the assignments well in time for those courses in which you plan to appear in the Term End Examination.

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**. This assignment is valid for two admission cycles (**July 2025 and January 2026**).

**The assignments should be submitted to the Coordinator of your Study Centre:**

1. **By 31<sup>st</sup> March 2026**, for the students willing to appear in June 2026 term-end examination.
2. **By 30<sup>th</sup> September 2026**, for the students willing to appear in December 2026 term end examination.

**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.

**MEC 110: MONEY, FINANCIAL INSTITUTIONS AND MARKETS**  
**Tutor Marked Assignments**

**Course Code: MEC- 110**  
**Assignment Code: Asst /TMA /2025-26**  
**Total Marks: 100**

**Section-A**

**Answer the following questions in about 700 words each. Each question carries 20 marks.**  
**2X20=40**

1. Provide a comprehensive analysis of India's financial system. Critically examine the rationale behind regulating financial institutions in India. Support your answer with recent examples or cases which have highlighted the need for regulating or not regulating the financial institutions.
2. Critically examine the Capital Asset Pricing Model (CAPM). How does it contribute to investment decision-making and financial market efficiency? Illustrate your answer with some applications of CAPM in real-world scenario.

**Section B**

**Answer the following questions in about 400 words each. Each question carries 12marks.**  
**5X12=60**

3. What are the key points of Markowitz's portfolio theory? Discuss some of its limitations.
4. Explain monetary policy transmission mechanism. What are its different forms? Is it important for the success of monetary policy?
5. What is yield to maturity? How do we calculate the expected stream of cash flows arising from bonds?
6. a) How are bonds valued?  
b) A bond with a face value of ₹ 5,000 matures at the end of 5 years, the rate of interest on the bond being 15% p.a. paid annually. Find the value of the bond to yield a return of 10% p.a. Further, if the bond is trading at ₹ 6,000, then is it worth buying it? Assume that the bond will be redeemed at par.
7. Write short notes on following:
  - a) Call option and Put option
  - b) Instruments of Monetary policy
  - c) Efficient Market Hypothesis
  - d) Swaps