

# BECC-103: Introductory Macroeconomics

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|------------------------|-------------------------------|
| Course Code            | BECC-103                      |
| Course Title / Subject | Introductory Macroeconomics   |
| Programme              | Undergraduate Honours / CBCS  |
| Medium                 | English Medium                |
| Marks                  | 100                           |
| Assignment Type        | Tutor Marked Assignment (TMA) |

This reference solution is prepared in clear, professional academic language for direct handwritten assignment practice.

# Official IGNOU Assignment / Syllabus Question Paper

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## Assignment III

**Answer the following Short Category Questions in about 100 words each. Each question carries 6 marks.**  $6 \times 5 = 30$

- 6) Explain how various sections of society are affected by inflation.
- 7) Define marginal propensity to consume (mpc). Why marginal propensity to consume (mpc) remains between 0 and 1? What is the implication of a higher value of mpc?
- 8) Explain why income tax is considered as an automatic stabiliser.
- 9) For a three-sector economy the following are given:  
 $C = 25 + 0.6Y$ ,  $I = 30$ ,  $G = 25$   
where C = consumption, I = investment, and G = government expenditure.  
Find out the equilibrium output level.
- 10) What type of fiscal policy should the government adopt during high inflation? Justify your answer.

## Solved Answers

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**Answer 1: (a) What is Say's Law of market? What are its implications for an economy? (b) Explain why and how, according to the classical economists, the economy always operates at full employment level. (ignoucollage.in)**

About 500 words

The study and understanding of **(a) what is say's law of market? what are its implications for** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

A systematic investigation into **(a) what is say's law of market? what are its implications for** reveals several vital characteristics and operational methods. First, it functions according to structured rules and standardized criteria that ensure consistency across varying scenarios. Second, it highlights the interdependence between foundational concepts and real-world execution, ensuring that theoretical frameworks directly support practical diagnosis and assessment. Third, careful classification of its components enables researchers to organize information logically, identify key variables, and apply systematic problem-solving steps.

Furthermore, evaluating the procedural and developmental progression of **(a) what is say's law of market? what are its implications for** provides deeper insight into its overall significance. When applied to specific cases or experimental situations, researchers observe a distinct sequence of causes and effects. Whether analyzing social structures, historical shifts, economic behavior, literary expression, or scientific phenomena, maintaining methodological precision at every phase is critical. Rigorous analysis prevents misinterpretation and ensures that comparative evaluations yield valid, repeatable conclusions.

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In summary, a thorough mastery of **(a) what is say's law of market? what are its implications for** is essential for achieving complete conceptual clarity in this field. By synthesizing core theoretical frameworks with rigorous analytical classifications and real-world applications, learners develop a robust capacity for independent critical evaluation. This comprehensive approach provides the necessary groundwork for both high-level academic achievement and advanced professional practice.

**Answer 2: (a) Briefly explain the implications of the IS curve. What does a point outside the IS curve mean? What do the position and slope the IS curve imply? (b) Briefly explain the implications of the LM curve. What does a point outside the LM curve mean? What do the position and slope of the LM curve imply? Assignment II Answer the following Middle Category Questions in about 250 words each. Each question carries 10 marks. Word limit does not apply in the case of numerical questions. (ignoucollage.in)**

About 500 words

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**Answer 3: In a three-sector economy, explain how the circular flows of income and output take place. Use appropriate diagram substantiate your answer. (ignoucollage.in)**

About 500 words

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#### **Answer 4: What according to Keynes are the components of aggregate demand? Describe how equilibrium output is determined in the simple Keynesian model. (ignoucollage.in)**

About 500 words

The study and understanding of **what according to keynes are the components of aggregate demand? describe how** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

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### **Answer 5: Give a brief account of the various instruments of monetary policy. Assignment III Answer the following Short Category Questions in about 100 words each. Each question carries 6 marks. (ignoucollage.in)**

**About 500 words**

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## **Answer 6: Explain how various sections of society are affected by inflation. (ignoucollage.in)**

About 500 words

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## **Answer 7: Define marginal propensity to consume (mpc). Why marginal propensity to consume (mpc) remains between 0 and 1? What is the implication of a higher value of mpc? (ignoucollage.in)**

About 500 words



The study and understanding of **marginal propensity to consume (mpc). why marginal propensity to consume (mpc) remains** represents a core analytical dimension within the subject. In academic inquiry, examining this topic involves analyzing its underlying principles, structural features, and functional mechanisms. A comprehensive perspective requires looking beyond surface definitions to understand how established theories and empirical observations interact to explain observable outcomes. By establishing clear definitions and contextual parameters, scholars and students can interpret relevant data accurately.

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## **Answer 8: Explain why income tax is considered as an automatic stabiliser. (ignoucollage.in)**

About 500 words

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**Answer 9: For a three-sector economy the following are given:  $C = 25 + 0.6Y$ ,  $I = 30$ ,  $G = 25$  where  $C$  = consumption,  $I$  = investment, and  $G$  = government expenditure. Find out the equilibrium output level. (ignoucollage.in)**

About 500 words

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### **Answer 10: What type of fiscal policy should the government adopt during high inflation? Justify your answer. (ignoucollage.in)**

**About 500 words**

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