

Economics Syllabus for Class 12

ECONOMICS Class-XII (2020-21)

Theory: 80 Marks

Duration: 3 Hours

Project: 20 Marks

Units	Topics	Marks
Part A	Introductory Macroeconomics	
	National Income and Related Aggregates	10
	Money and Banking	6
	Determination of Income and Employment	12
	Government Budget and the Economy	6
	Balance of Payments	6
		40
Part B	Indian Economic Development	
	Development Experience (1947-90) and Economic Reforms since 1991	12
	Current Challenges facing Indian Economy	22
	Development Experience of India – A Comparison with Neighbours	6
	Theory Paper (40+40 = 80 Marks)	40
Part C	Project Work	20

Part A: Introductory Macroeconomics

Unit 1: National Income and Related Aggregates

- What is Macroeconomics?
- Basic concepts in macroeconomics: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.
- Circular flow of income (two sector model); Methods of calculating National Income –
- Value Added or Product method, Expenditure method, Income method.
- Aggregates related to National Income:
- Gross National Product (GNP), Net National Product (NNP), Gross Domestic Product (GDP) and Net Domestic Product (NDP) – at market price, at factor cost; Real and Nominal GDP.
- GDP and Welfare

Unit 2: Money and Banking

- Money – meaning and supply of money – Currency held by the public and net demand deposits held by commercial banks.
- Money creation by the commercial banking system.
Central bank and its functions (example of the Reserve Bank of India): Bank of issue, Govt. Bank, Banker's Bank.

Unit 3: Determination of Income and Employment

- Aggregate demand and its components.
- Propensity to consume and propensity to save (average and marginal).
- Short-run equilibrium output; investment multiplier and its mechanism.
- Meaning of full employment and involuntary unemployment.
- Problems of excess demand and deficient demand; measures to correct them – changes in government spending, taxes and money supply.

Unit 4: Government Budget and the Economy

- Government budget – meaning, objectives and components.
- Classification of receipts – revenue receipts and capital receipts; classification of expenditure – revenue expenditure and capital expenditure.
- Measures of government deficit – revenue deficit, fiscal deficit, primary deficit their meaning.

Unit 5: Balance of Payments

- Balance of payments account – meaning and components; balance of payments deficit meaning.
- Foreign exchange rate – meaning of fixed and flexible rates and managed floating.

Part B: Indian Economic Development

Unit 6: Development Experience (1947-90) and Economic Reforms since 1991

- A brief introduction of the state of Indian economy on the eve of independence.
- Indian economic system and common goals of Five Year Plans.
- Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade.
- **Economic Reforms since 1991:**
Features and appraisals of liberalisation, globalisation and privatisation (LPG policy); Concepts of demonetization and GST

Unit 7: Current challenges facing Indian Economy –

- Poverty- absolute and relative; Main programmes for poverty alleviation: A critical assessment.
- Human Capital Formation: How people become resource; Role of human capital in economic development.
- Rural development: Key issues – credit and marketing – role of cooperatives; agricultural diversification.

- Employment: Growth and changes in work force participation rate in formal and informal sectors; problems and policies
- Infrastructure: Meaning and Types: Case Studies: Health: Problems and Policies – A critical assessment.
- Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming

Unit 8: Development Experience of India

- A comparison with neighbours
- India and Pakistan
- India and China
- Issues: economic growth, population, sectoral development and other Human
- Development Indicators

Part C: Project in Economics 20 Periods

Prescribed Books:

1. Statistics for Economics, NCERT
2. Indian Economic Development, NCERT
3. Introductory Microeconomics, NCERT
4. Macroeconomics, NCERT