17. ECONOMICS (Code No. 030)
(2016-17)

Rationale

Economics is one of the social sciences, which has great influence on every human being. As economic life and the economy go through changes, the need to ground education in children's own experience becomes essential. While doing so, it is imperative to provide them opportunities to acquire analytical skills to observe and understand the economic realities.

At senior secondary stage, the learners are in a position to understand abstract ideas, exercise the power of thinking and to develop their own perception. It is at this stage, the learners are exposed to the rigour of the discipline of economics in a systematic way.

The economics courses are introduced in such a way that in the initial stage, the learners are introduced to the economic realities that the nation is facing today along with some basic statistical tools to understand these broader economic realities. In the later stage, the learners are introduced to economics as a theory of abstraction.

The economics courses also contain many projects and activities. These will provide opportunities for the learners to explore various economic issues both from their day-to-day life and also from issues, which are broader and invisible in nature. The academic skills that they learn in these courses would help to develop the projects and activities. The syllabus is also expected to provide opportunities to use information and communication technologies to facilitate their learning process.

Objectives:

● Understanding of some basic economic concepts and development of economic reasoning which the learners can apply in their day-to-day life as citizens, workers and consumers.

● Realisation of learners' role in nation building and sensitivity to the economic issues that the nation is facing today.

● Equipment with basic tools of economics and statistics to analyse economic issues. This is pertinent for even those who may not pursue this course beyond senior secondary stage.

● Development of understanding that there can be more than one view on any economic issue and necessary skills to argue logically with reasoning.

ECONOMICS
CLASS – XI (2016-17)

Paper 1

3 Hours
90 Marks

Units		Marks	Periods
Part A	**Statistics for Economics**		
	1. Introduction	13	7
	2. Collection, Organisation and Presentation of Data		27
	3. Statistical Tools and Interpretation	27	66
		40	**100**

Part B	Indian Economic Development		
	4. Development Experience (1947-90) and Economic Reforms since 1991	18	34
	5. Current Challenges facing Indian Economy	22	60
	6. Development Experience of India - A Comparison with Neighbours **(OTBA)**	10	14
	Theory Paper (40+50 = 90 Marks)	50	108
Part C	Project Work	10	12

Note: The question paper will include a Section on Open Text Based Assessment (OTBA) of 10 marks from unit-6 of Part-B. From this unit, no other questions will be asked in the theory examination. The OTBA will be asked only during the annual examination to be held in the March 2017. The open text material on the identified unit will be supplied to students in advance. The OTBA is designed to test the analytical and higher order thinking skills of students.

Part A: Statistics for Economics

In this course, the learners are expected to acquire skills in collection, organisation and presentation of quantitative and qualitative information pertaining to various simple economic aspects systematically. It also intends to provide some basic statistical tools to analyse, and interpret any economic information and draw appropriate inferences. In this process, the learners are also expected to understand the behaviour of various economic data.

Unit 1:   Introduction   **07 Periods**

What is Economics?

Meaning, scope and importance of statistics in Economics

Unit 2:   Collection, Organisation and Presentation of data   **27 Periods**

Collection of data - sources of data - primary and secondary; how basic data is collected, with concepts of Sampling; methods of collecting data; some important sources of secondary data: Census of India and National Sample Survey Organisation.

Organisation of Data: Meaning and types of variables; Frequency Distribution.

Presentation of Data: Tabular Presentation and Diagrammatic Presentation of Data: (i) Geometric forms (bar diagrams and pie diagrams), (ii) Frequency diagrams (histogram, polygon and ogive) and (iii) Arithmetic line graphs (time series graph).

Unit 3:   Statistical Tools and Interpretation   **66 Periods**

(For all the numerical problems and solutions, the appropriate economic interpretation may be attempted. This means, the students need to solve the problems and provide interpretation for the results derived.)

Measures of Central Tendency- mean (simple and weighted), median and mode

Measures of Dispersion - absolute dispersion (range, quartile deviation, mean deviation and standard deviation); relative dispersion (co-efficient of range, co-efficient of quartile-deviation,

co-efficient of mean deviation, co-efficient of variation); Lorenz Curve: Meaning, construction and its application.

Correlation - meaning, scatter diagram; Measures of correlation - Karl Pearson's method (two variables ungrouped data) Spearman's rank correlation.

Introduction to Index Numbers - meaning, types - wholesale price index, consumer price index and index of industrial production, uses of index numbers; Inflation and index numbers.

Part B: Indian Economic Development

Unit 4: **Development Experience (1947-90) and Economic Reforms since 1991:**   34 **Periods**

A brief introduction of the state of Indian economy on the eve of independence. Common goals of Five Year Plans.

Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy, etc.), industry (industrial licensing, etc.) and foreign trade.

Economic Reforms since 1991:

Need and main features - liberalisation, globalisation and privatisation;

An appraisal of LPG policies

Unit 5: **Current challenges facing Indian Economy**   60 **Periods**

Poverty- absolute and relative; Main programmes for poverty alleviation: A critical assessment;

Rural development: Key issues - credit and marketing - role of cooperatives; agricultural diversification; alternative farming - organic farming

Human Capital Formation: How people become resource; Role of human capital in economic development; Growth of Education Sector in India

Employment: Formal and informal, growth and other issues: Problems and policies.

Inflation: Problems and Policies

Infrastructure: Meaning and Types: Case Studies: Energy and Health: Problems and Policies- A critical assessment;

Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming.

Unit 6: **Development Experience of India: (OTBA)**   14 **Periods**

A comparison with neighbours

India and Pakistan

India and China

Issues: growth, population, sectoral development and other developmental indicators.

Part C: Developing Projects in Economics   **12 Periods**

The students may be encouraged to develop projects, as per the suggested project guidelines. Case studies of a few organisations / outlets may also be encouraged. Under this the students will do only **one** comprehensive project using concepts from both part A and part B.

Some of the examples of the projects are as follows (they are not mandatory but suggestive):

(i)   A report on demographic structure of your neighborhood.

(ii)   Changing consumer awareness amongst households.

(iii) Dissemination of price information for growers and its impact on consumers.

(iv)   Study of a cooperative institution: milk cooperatives, marketing cooperatives, etc.

(v)   Case studies on public private partnership, outsourcing and outward Foreign Direct Investment.

(vi)   Global warming.

(vii) Designing eco-friendly projects applicable in school such as paper and water recycle.

The idea behind introducing this unit is to enable the students to develop the ways and means by which a project can be developed using the skills learned in the course. This includes all the steps involved in designing a project starting from choosing a title, exploring the information relating to the title, collection of primary and secondary data, analysing the data, presentation of the project and using various statistical tools and their interpretation and conclusion.

Suggested Question Paper Design
Economics (Code No. 030)
Class XI (2016-17)
March 2017 Examination

Theory: 90 marks + Project: 10 Marks   **Duration: 3 hrs.**

S.No	Typology of Questions	Very Short Answer/ MCQ 1 Mark	Short Answer I 3 Marks	Short Answer II 4 Marks	Long Answer 6 Marks	OTBA 5 Marks	Marks	%
1	**Remembering-** (Knowledge based Simple recall questions, to know meaning of specific facts, terms, concepts, principles, or theories; Identify information)	-	2	1	2	-	22	25%
2	**Understanding-** (Comprehension to be familiar with meaning and to understand conceptually, interpret, compare, contrast, explain, paraphrase, or interpret information)	1	2	1	2	-	23	25%
3	**Application** (Use abstract information in concrete situation, to apply knowledge to new situations; Use given content to interpret a situation, provide an example, or solve a problem)	2	2	1	1	-	18	20%
4	**High Order Thinking Skills-** (Analysis & Synthesis- Classify, compare, contrast, or differentiate between different pieces of information, Organize and/or integrate unique pieces of information from a variety of sources)	2	2	-	1	1	19	21%
5	**Evaluation-** (Appraise, judge, and/or justify the value or worth of a decision or outcome, or to predict outcomes based on values)	0	1	-	-	1	8	9%
	Total	5x1=5	9x3=27	3x4=12	6x6=36	2x5=10	Theory 90+10 project=100 marks	100

Note: The question paper will include a Section on Open Text Based Assessment (OTBA) of 10 marks from unit-6 of Part-B. From this unit, no other questions will be asked in the theory examination. The OTBA will be asked only during the annual examination to be held in the March 2017. The open text material on the identified unit will be supplied to students in advance. The OTBA is designed to test the analytical and higher order thinking skills of students.

There will be **Internal Choice** in questions of 3 marks, 4 marks and 6 marks in both sections (A and B). (Total 3 internal choices in section A and total 3 internal choices in section B).

ECONOMICS
CLASS - XII (2016-17)

Paper 1   100 Marks
                                                                           3 Hours

Units		Marks	Periods
Part A	**Introductory Microeconomics**		
	Introduction	6	11
	Consumer's Equilibrium and Demand	16	34
	Producer Behaviour and Supply	16	34
	Forms of Market and Price Determination under perfect competition with simple applications	12	31
		50	110
Part B	**Introductory Macroeconomics**		
	National Income and Related Aggregates	15	32
	Money and Banking	8	18
	Determination of Income and Employment	12	27
	Government Budget and the Economy	8	17
	Balance of Payments	7	16
		50	110

Part A: Introductory Microeconomics

Unit 1:   Introduction   11 Periods

Meaning of microeconomics and macroeconomics, Positive and Normative Economics.

What is an economy? Central problems of an economy: what, how and for whom to produce; concepts of production possibility frontier and opportunity cost.

Unit 2:   Consumer's Equilibrium and Demand   34 Periods

Consumer's equilibrium - meaning of utility, marginal utility, law of diminishing marginal utility, conditions of consumer's equilibrium using marginal utility analysis.

Indifference curve analysis of consumer's equilibrium-the consumer's budget (budget set and budget line), preferences of the consumer (indifference curve, indifference map) and conditions of consumer's equilibrium.

Demand, market demand, determinants of demand, demand schedule, demand curve and its slope, movement along and shifts in the demand curve; price elasticity of demand - factors affecting price elasticity of demand; measurement of price elasticity of demand - (a) percentage-change method and (b) geometric method (linear demand curve); relationship between price elasticity of demand and total expenditure.

Unit 3:   **Producer Behaviour and Supply**   **34 Periods**

Meaning of Production function – Short-Run and Long-Run

Total Product, Average Product and Marginal Product.

Returns to a Factor

Cost: Short run costs - total cost, total fixed cost, total variable cost; Average cost; Average fixed cost, average variable cost and marginal cost-meaning and their relationships.

Revenue - total, average and marginal revenue - meaning and their relationships.

Producer's equilibrium-meaning and its conditions in terms of marginal revenue-marginal cost. Supply, market supply, determinants of supply, supply schedule, supply curve and its slope, movements along and shifts in supply curve, price elasticity of supply; measurement of price elasticity of supply - (a) percentage-change method and (b) geometric method.

Unit 4:   **Forms of Market and Price Determination under Perfect Competition with simple applications.**
                                                                      31 Periods

Perfect competition - Features; Determination of market equilibrium and effects of shifts in demand and supply.

Other Market Forms - monopoly, monopolistic competition, oligopoly - their meaning and features.

Simple Applications of Demand and Supply: Price ceiling, price floor.

Part B: Introductory Macroeconomics

Unit 5:   **National Income and Related Aggregates**   **32 Periods**

Some basic concepts: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.

Circular flow of income; 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 and Net Domestic Product (GDP and NDP) - at market price, at factor cost; National Disposable Income (gross and net), Private Income, Personal Income and Personal Disposable Income; Real and Nominal GDP.

GDP and Welfare

Unit 6:   **Money and Banking**   **18 Periods**

Money - its meaning and functions.

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, Control of Credit through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement.

Unit 7:   **Determination of Income and Employment**   **27 Periods**

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 8: Government Budget and the Economy   **17 Periods**

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 9: Balance of Payments   **16 Periods**

Balance of payments account - meaning and components; balance of payments deficit-meaning.

Foreign exchange rate - meaning of fixed and flexible rates and managed floating.

Determination of exchange rate in a free market.

Prescribed Books:

1. Statistics for Economics, Class XI, NCERT
2. Indian Economic Development, Class XI, NCERT
3. Introductory Micro Economics, Class XII, NCERT
4. Macro Economics, Class XII, NCERT
5. Supplementary Reading Material in Economics, Class XII, CBSE

Note: The above publications are also available in Hindi Medium.

Suggested Question Paper Design
Economics (Code No 030)
Class XII (2016-17)
March 2017 Examination

Marks: 100   **Duration: 3 hrs.**

S. No.	Typology of Questions	Very Short Answer MCQ 1 Mark	Short Answer I 3 Marks	Short Answer II 4 Marks	Long Answer 6 Marks	Marks	%
1	**Remembering-** (Knowledge based Simple recall questions, to know specific facts, terms, concepts, principles, or theories; identify, define, or recite, information)	2	1	2	2	25	25%
2	**Understanding-** (Comprehension to be familiar with meaning and to understand conceptually, interpret, compare, contrast, explain, paraphrase, or interpret information)	3	2	1	2	25	25%
3	**Application-** (Use abstract information in concrete situation, to apply knowledge to new situations; Use given content to interpret a situation, provide an example, or solve a problem)	3	1	2	1	20	20%
4	**High Order Thinking Skills-** (Analysis & Synthesis- Classify, compare, contrast, or differentiate between different pieces of information, Organize and/or integrate unique pieces of information from a variety of sources)	1	1	1	2	20	20%
5	**Evaluation-** (Appraise, judge, and/or justify the value or worth of a decision or outcome, or to predict outcomes based on values)	1	1	-	1	10	10%
	Total	10x1=10	6x3=18	6x4=24	8x6=48	100 (30)	100%

Note: There will be **Internal Choice** in questions of 3 marks, 4 marks and 6 marks in both sections (A and B). (Total 3 internal choices in section A and total 3 internal choices in section B).