

Syllabus ECONOMICS Class XII

Unit	Topics
	Part-A
	Introductory Micro-economics
1.	Introduction
2.	Consumer's Equilibrium and Demand
3.	Producer Behaviour and Supply ³
4.	Forms of Market and Price Determination under Perfect Competition with Simple Applications
	Part-B
	Introductory Macro-economics
5.	National Income and Related Aggregates
6.	Money and Banking
7.	Determination of Income and Employment
8.	Government Budget and the Economy
9.	Balance of Payments
	Part-C
	Project Work

Part-A : Introductory Micro-economics

Unit 1. Introduction

Meaning of micro-economics and macro-economics; 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

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 - percentage - change method.

Unit 3. Producer Behaviour and Supply

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 relationship.

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 - percentage-change method.

Unit 4. Forms of Market and Price Determination under Perfect Competition with Simple Applications

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 Macro-economics

Unit 5. National Income and Related Aggregates

Some basic concepts : 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 and Net Domestic Product (GDP and NDP) - at market price, at factor cost; Real and Nominal GDP.

GDP and Welfare.

Unit 6. 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, 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

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

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

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.

Part-C : Project Work

प्रस्तावित पुस्तकें—

1. व्यष्टि अर्थशास्त्र — : (राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद् द्वारा विकसित)
एक परिचय राज्य शैक्षिक अनुसंधान और प्रशिक्षण छत्तीसगढ़ द्वारा स्वीकृत
2. समष्टि अर्थशास्त्र — : (राष्ट्रीय शैक्षिक अनुसंधान और प्रशिक्षण परिषद् द्वारा विकसित)
एक परिचय राज्य शैक्षिक अनुसंधान और प्रशिक्षण छत्तीसगढ़ द्वारा स्वीकृत