

**ECONOMICS /
BUSINESS
ECONOMICS-309
Syllabus for Class 12**

ECONOMICS/BUSINESS ECONOMICS-309

Note:

There will be one Question Paper which will have 50 questions out of which 40 questions need to be attempted.

Unit I: Introduction to Microeconomics

- What is microeconomics?
- Central problems

Unit II: Consumer Behaviour and Demand

- **Consumer's Equilibrium:** meaning and attainment of equilibrium through Utility Approach: One and two commodity cases.
- **Demand:** market demand, determinants of demand, demand schedule, demand curve, movement along and shifts in the demand curve, price elasticity of demand, measurement of price elasticity of demand – percentage, total expenditure, and geometric methods

Introductory Macroeconomics

Unit III: National Income and Related Aggregates — Basic Concepts and Measurement

- Macroeconomics: meaning.
- Circular flow of income, concepts of GDP, GNP, NDP, NNP (at market price and factor cost).
- Measurement of National Income – Value Added method, Income method, and Expenditure method.

Unit IV: Determination of Income and Employment

- Aggregate demand, aggregate supply, and their components
- Propensity to consume and propensity to save (average and marginal)
- Meaning of involuntary unemployment and full employment
- Determination of income and employment: two-sector model
- Concept of investment multiplier and its working
- Problems of excess and deficient demand
- Measures to correct excess and deficient demand – availability of credit, change in government spending

Unit V: Money and Banking

- Money: meaning, evolution, and functions
- Central Bank: meaning and functions
- Commercial banks: meaning and functions

Unit VI: Government Budget and the Economy

- Government budget – meaning and its components
- Objectives of government budget
- Classification of receipts – revenue and capital; classification of expenditure – revenue and capital, plan and non-plan, and developmental and non-developmental

- Balanced budget, surplus budget, and deficit budget: meaning and implications
- Revenue deficit, fiscal deficit, and primary deficit: meaning and implications; measures to contain different deficits.

Unit VII: Balance of Payments

- Foreign exchange rate – meaning (fixed and flexible), merits and demerits; determination through demand and supply
- Balance of payments accounts – meaning and components
- A brief analysis of recent exchange rate issues

INDIAN ECONOMIC DEVELOPMENT

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

A brief introduction of the state of the 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.

Unit IX: Current Challenges Facing the Indian Economy

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

Human Capital Formation – How many 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 workforce 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 X: Development Experience in India

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