

# **ECONOMICS**

## **REVISED SYLLABUS FOR HIGHER SECONDARY COURSE**

### **Rationale :**

Economics is one of the social sciences which has a lot of influence on every human being. Yet it received little attention in the school curriculum in India. 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 with opportunities to acquire analytical skills to observe and understand the economic realities.

Bringing economics as an abstract knowledge in the early stages of school education would promote rote learning of the subject.

At the higher secondary stage, 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.

Economics courses are being 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 to be 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 issues which are broader and invisible in nature. The academic skills that they acquire 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 developing 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 sensitise them to the economic issues that the nation is facing today.
- To equip learners with basic tools of economics and statistics to analyse economic issues. This is pertinent for even those who may not pursue this course beyond the higher secondary stage.
- To develop an understanding that there can be more than one view on any economic issue and to develop the skills to argue logically with reasoning.

The economics subject should be taught in two years at the higher secondary stage. The details of course for each year are as follows :



- Circular flow of income (two sector model) Methods of calculating National Income- Value added or Product method, Expenditure Method, Income Method.
- Factor Cost, Basic Prices and Market Prices.
- 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; Personal Income, Personal Disposable Income, National Disposable Income and Private income; Real and Nominal GDP.
- GDP and Welfare.

**Unit 2 : Determination of Income and Employment.**

**Marks 12**

**Periods 25**

- Aggregate demand and its components.
- Consumption function, Propensity to consume and propensity to save (average and Marginal), Investment function.
- Income determination in two sector model
- Determination of Equilibrium Income in the short run: macroeconomic equilibrium with price level fixed, effect of an autonomous change in aggregate demand on income and output, investment multiplier and its mechanism.
- Meaning of full employment, Deficit demand, excess demand.

**Unit 3: Money and Banking**

**Marks 6**

**Periods 12**

- Money - Meaning and its functions
- Demand for money; motives for demand for money.
- Supply of money; Various measures of supply of money.
- Central bank and its functions
- Commercial Banks- Meaning and functions. Credit creation by the commercial banks.
- Limits to credit creation and money multiplier.
- Policy tools to control money supply.
- Demonetization

**Unit 4: Government Budget and the Economy**

**Marks 6**

**Periods 12**

- Government budget- meaning, objectives and components.
- Classification of receipts revenue receipts and capital receipts.
- Classification of expenditure - revenue expenditure and capital expenditure,
- Balanced Budget, Surplus Budget and Deficit Budget; measures to correct government deficit- Fiscal Policy: Changes in government expenditure and changes in tax, public debt; Fiscal Responsibility and Budget management Act, 2003; GST (Concept only).
- Measures of Government deficit- Revenue deficit, Fiscal deficit, Primary deficit

**Unit 5: Open Economy****Marks 6    Periods 12**

- Balance of Payments: meaning, Current Account, Capital Account, Balance of payments surplus and deficit
- The foreign exchange market, Foreign exchange rate: fixed exchange rate, flexible exchange rate and managed floating exchange rate.
- Determination of foreign exchange rate under fixed and flexible exchange rate.
- Merits and demerits of flexible and fixed exchange rate.

**Part B:        Indian Economic Development****Unit 6: Development Experience (1947-1990)****Marks 7****Periods 13**

- A brief introduction of the state of Indian economy on the eve of the independence.
- Indian economic system and common goals of Five Years Plans.
- Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy)
- Industry and Trade: Industrial Policy Resolution 1956; Small Scale Industry-Role and Importance; Trade Policy-Import Substitution.

**Unit 7: Economic Reforms since 1991****Marks 5****Periods 10**

- Rationale of Economic Reforms; Liberalisation, Privatisation and Globalisation; appraisals economic reforms in India.
- Features and appraisals of liberalization, globalisation and privatisation (LPG Policy)

**Unit 8: Current Challenges facing Indian Economy****Marks 22****Periods 55**

- Human Capital Formation: Human capital, Sources of Human capital, Human Capital and Human Development, State of Human capital Formation in India Education Sector in India.
- Rural Development: Key Issues- credit and marketing in rural areas.
- Agriculture market system, Diversification into Productive activities, Sustainable development and organic farming
- Employment: Growth and changes in work force participation rate in formal and informal sectors; problems and policies.
- Environment and Sustainable development: Environment- Definition and functions, Sustainable development-meaning, strategies for sustainable development, nature of environmental challenges facing India.

[ **N.B.:** at the time of discussion of the above topics in unit 8, the faculty/ teachers should also make references about the Assam Economy]

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**Unit 9: Development Experiences of India: A comparison with neighbors****Marks 6****Periods 7**

- India and Pakistan
- India and China
- With reference to issues: Demographic indicators, Economic growth, Sectoral Development & Human Development Indicators.

**Part C: Project in Economics****Marks 20****Periods 20****Guidelines for Project Work in Economics (Class XII)**

The **objectives** of the project work are to enable learners to:

- Probe deeper into theoretical concepts learnt in classes XI and XII
- Analyse and evaluate real world economic scenarios using theoretical constructs and Arguments
- Demonstrate the learning of economic theory
- Follow up aspects of economics in which learners have interest.
- Develop the communication skills to argue logically. The **expectations** of the project work are that:
  - Learners will complete only ONE project in each academic session
  - Project should be of 3500- 4000 words (excluding diagrams & graphs), preferably hand-written
  - It will be an independent, self-directed piece of study

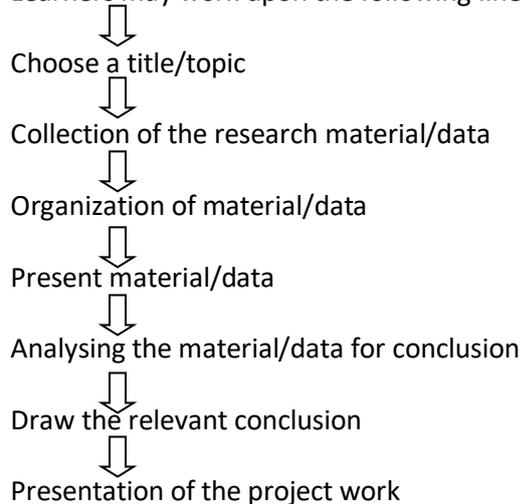
**Role of the teacher:**

The teacher plays a critical role in developing thinking skills of learners. A teacher should :

- Help each learner select the topic based on recently published extracts from the news, media, government policies, RBI bulletin, NITI Aayog reports, IMF/World Bank reports etc., after detailed discussions and deliberations of the topic
- Play the role of a Facilitator and Supervisor to monitor the project work of the learner through periodic discussions
- Guide the research work in terms of sources for the relevant data
- Educate learner about plagiarism and the importance of quoting the source of the information to ensure authenticity of research work
- Prepare the learner for the presentation of the project work
- Arrange a presentation of the project file

**Scope of the Project:**

- Learners may work upon the following lines as suggested flow chart:

**Expected Checklist:**

- Introduction of topic/title
- Identifying the causes, consequences and/or remedies
- Various stakeholders and effect on each of them
- Advantages and disadvantages of situations or issues identified
- Short-term and long-term implications of economic strategies suggested in the course of research
- Validity, reliability, appropriateness and relevance of data used for research work and Presentation in the project file
- Presentation and writing that is succinct and coherent in project file
- Citation of the materials referred to, in the file in footnotes, resources section, bibliography etc

### **Mode of presentation/ submission of the Project:**

At the end of the stipulated term, each learner will present the research work in the Project File to the External and Internal examiner. The questions should be asked from the Research Work/ Project File of the learner. The internal examiner should ensure that the study submitted by the learner is his/her own original work. In case of any doubt, authenticity should be checked and verified.

### **Marking Scheme :**

Sl. No.	Heading	Marks Allotted
1	Relevance of the topic	3
2	Knowledge Content/Research	6
3	Presentation Technique	3
4	Viva –Voce	8

### **Suggestive list of projects**

<b>Class XII</b>	
• Micro and small Scale Industries	• Food Supply Channel in India
• Contemporary Employment situation in India	• Disinvestment policy of the government
• Goods and Service Tax Act and its impact on GDP	• Health Expenditure (of any state)
• Human Development Index	• Inclusive Growth Strategy
• Self- Help Group	• Trends in Credit availability in India
• Functions of Commercial Bank and Central Bank	• Environmental challenges facing India (eg. Global warming)(may be a problem pertaining to the locality)
• Employment and other related issues in India	• Poverty in India
• Monetary policy committee and its functions	• Role of RBI in Control of Credit
• Government Budget and its components	• Trends in budgetary condition of India
• Exchange Rate determination- Methods and Techniques	• Currency War-reasons and repercussions
• Livestock- Backbone of Rural India	• Alternate fuel- types and importance
• Sarwa Siksha Abhiyan- cost Ratio benefits	• Golden Quadrilateral- Cost ratio benefit
• Minimum Support Price	• Relation between Stock Price Index and Economic Health of the Nation
• Waste Management in India- Need of the hour	• Minimum Wage rate – Approach and Application
• Digital India- Step towards the future	• Rain Water Harvesting – a solution to water crisis
• Vertical Farming- an alternate way	• Silk Route- Revival of the past
• Make in India- The way ahead	• Bumper Farming- Back to the nature

<ul style="list-style-type: none"><li>• Rise of the Concrete Jungle- Trend Analysis</li></ul>	<ul style="list-style-type: none"><li>• Organic Farming- Back to the Nature</li></ul>
<ul style="list-style-type: none"><li>• Any other newspaper article and its evaluation on the basis of economic principles</li></ul>	<ul style="list-style-type: none"><li>• Any other topic (specially related to own States/ regions/locality etc.)</li></ul>