



ECONOMICS

SYLLABUS FOR HIGHER SECONDARY COURSE

Rationale :

Economics is one of the social sciences which has a lot of influence on every human being yet was 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 course 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 or learners' role in nation building and sensitive 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 four semesters at the higher secondary stage. The details of course for each semester are as follows :

H.S. First year : (i) Statistics for Economics, (ii) Indian Economic Development.

H.S. Second year : (i) Introductory Microeconomics (ii) Introductory Macroeconomics



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SYLLABUS FOR HIGHER SECONDARY FINAL YEAR COURSE

One Paper **Three Hours** **Marks 100**
Unitwise Distribution of Marks and Periods :

Unit No. Title	Marks	Periods
Part-A : INTRODUCTORY MICROECONOMICS		
Unit-I Introduction	04	10
Unit-II Consumer Behaviour and Demand	13	25
Unit-III Producer Behaviour and Supply	23	36
Unit-IV Forms of Market and Price Determination	10	20
Unit-V Simple applications of Tools of demand and supply	-	12
Part-B : INTRODUCTORY MACROECONOMICS		
Unit-VI National Income and Related Aggregates	15	28
Unit-VII Determination of Income and Employment	12	25
Unit-VIII Money and Banking	08	18
Unit-IX Government Budget and the Economy	08	17
Unit-X Balance of Payments	07	14
Total	100	205

Unitwise Distribution of Course contents :

Part-A : INTRODUCTORY MICROECONOMICS

This course introduces the learner to economics as a science of abstraction and reasoning. It introduces some basic concepts and tools to understand economic issues of an individual or a firm and how decisions are taken in variety of markets. It also intends to provide exposure to the learners on how choices are made and how a variety of statistical tools are used to optimally allocate the resources.

Unit-I Introduction

- ❖ What is microeconomics?
- ❖ Central problems of an economy, production possibility curve and opportunity cost.

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 demand curve, price elasticity of demand, measurement of price elasticity of demand—percentage, total expenditure and geometric methods.

Unit-III Producer Behaviour and Supply

- ❖ *Production function* : returns to factor and returns to scale.
- ❖ *Supply* : market supply, determinants of supply, supply schedule, supply curve, movement along and shifts in supply curve, price elasticity of supply, measurement of price elasticity of supply—percentage and geometric methods.
- ❖ *Cost and Revenue* : Concepts of costs, short-run cost curves (fixed and variable costs; total, average and marginal costs); concepts of revenue—total, average and marginal revenue and their relationship. Producer's equilibrium— with the help of MC and MR.



Syllabi for H.S. Final Year

Unit-IV Forms of Market and Price Determination

- ❖ Forms of market– perfect competition, monopoly, monopolistic competition– their meaning and features.
- ❖ Price determination under perfect competition– equilibrium price, effects of shifts in demand and supply.

Unit-V Simple applications of Tools of demand and supply Curves

The teachers can be given the flexibility to choose the issues : rationing, floors and ceilings and Food Availability Decline (FAD) Theory (the teachers may also choose alternative examples that are simple and easy to understand).

Part-B : INTRODUCTORY MACROECONOMICS

The overall working of an economy and some of its economic theorisation are introduced in this course. The learners will get some basic idea of how the government regulates the functioning of economic aspects of a country though accounting of the production activities, running financial institutions, budgeting and the accounting of its economic interaction with other countries. The impact it will have on citizens is also briefly introduced.

Unit-VI 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), National Disposable Income (gross and net); Private Income, Personal Income and Personal Disposable Income.
- ❖ Measurement of National Income– Value Added method, Income method and Expenditure method.

Unit-VII 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-VIII Money and Banking

- ❖ *Money* : meaning, evolution and functions
- ❖ *Central bank* : meaning and functions.
- ❖ *Commercial banks* : meaning and functions
- ❖ *Recent significant reforms and issue in Indian Banking System* : privatisation and modernisation.

Unit-IX Government Budget and the Economy

- ❖ Government budget– meaning and its components.
- ❖ Objective 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.
- ❖ Downsizing the role of government : meaning and implications.

Unit-X 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 about recent exchange rate issues.