

SYLLABUS

ECONOMICS (CODE NO. 30)

Class XII

2013-14

Paper I

3 Hours

100 Marks

Units	Periods	Marks
Part A: Introductory Microeconomics		
1. Introduction	10	4
2. Consumer Equilibrium and Demand	32	18
3. Producer Behaviour and Supply	32	18
4. Forms of Market and Price Determination	22	10
5. Simple applications of Tools of demand and supply	8	-
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	104	50
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Part B: Introductory Macroeconomics		
6. National Income and Related Aggregates	30	15
7. Money and Banking	18	8
8. Determination of Income and Employment	25	12
9. Government Budget and the Economy	17	8
10. Balance of Payments	14	7
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	104	50

The question paper will include values based question(s) to the extent of 3-5 marks.

Part A : Introductory Microeconomics**Unit 1: Introduction****10 Periods**

Meaning of microeconomics and macroeconomics

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 Equilibrium and Demand

32 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, 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

32 Periods

Production function: Total Product, Average Product and Marginal Product. Returns to a Factor.

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

Revenue - total, average and marginal revenue.

Producer's equilibrium-meaning and its conditions in terms of marginal revenue-marginal cost.

Supply, market supply, determinants of supply, supply schedule, supply curve, 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

22 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.

Unit 5: Simple applications of Tools of demand and supply (not to be examined)

8 Periods

Part B : Introductory Macroeconomics

Unit 6: National Income and related aggregates

30 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 7: 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).

Unit 8: Determination of Income and Employment

25 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 - change in government spending, availability of credit.

Unit 9: 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.

Fiscal Policy and its role (**non evaluative topic**)

Unit 10: Balance of Payments

14 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.

**DESIGN OF QUESTION PAPER
ECONOMICS (030)
CLASS-XII (2013-14)**

Marks – 100

Duration – 3 hrs.

1. Weightage by type of questions

Type	Number of questions	Marks	Total	Estimated time a candidate is expected to take to answer
Long answer questions	6	6	36	60 minutes
Short answer questions I	6	4	24	36 minutes
Short answer questions II	10	3	30	36 minutes
Very short answer questions	10	1	10	15 minutes

2. Weightage by content

Unit No.	Unit Title	Marks
1	Introduction	4
2	Consumer Equilibrium and Demand	18
3	Producer Behaviour and Supply	18
4	Forms of Market and Price Determination	10
6	National Income and Related Aggregates	15
7	Money and Banking	8
8	Determination of Income and Employment	12
9	Government Budget and the Economy	8
10	Balance of Payments	7
	Total	100

3. Difficulty level of the question paper

Level	Marks	%age of the total marks
A. Easy (Can be attempted satisfactorily by students who have gone through the study material)	30	30
B. Average (Can be attempted by students who have regularly studied the study material but may not have given sufficient time to writing.)	50	50
C. Difficult (Can be attempted by top students)	20	20

4. Scheme of Options

There is no overall choice. However, there is an internal choice in one question of 6 marks, one question of 4 marks and one question of 3 marks in each section. Thus there will be internal choice to 6 questions.

5.

Values based questions

The question paper will contain values based question/questions to the extent of 5 marks.