

**D) REVISED COBSE SYLLABUS IN ECONOMICS FOR STD XII**

<b>UNIT-1- INTRODUCTION AND CONSUMER BEHAVIOUR</b>	<b>MARKS</b>	<b>10</b>
	<b>PERIODS</b>	<b>20</b>

**INTRODUCTION**

1. MEANING OF ECONOMICS
2. MEANING OF MICRO AND MACRO ECONOMICS
3. PROBLEM OF SCARCITY AND CHOICE
4. CENTRAL PROBLEMS OF AN ECONOMY
5. PRODUCTION POSSIBILITY CURVE (With Schedule and Diagram)
6. MEANING OF OPPORTUNITY COST(No diagram)

**CONSUMER BEHAVIOUR**

1. CONCEPT OF CONSUMERS EQUILIBRIUM
2. MEANING OF UTILITY
3. CONCEPTS OF UTILITY(With Schedule and Diagram of each)
  - Total Utility (TU)
  - Marginal Utility (MU)
4. LAW OF DIMINISHING MARGINAL UTILITY
  - Statement
  - Assumptions
  - Schedule and Diagram (Marginal Utility only)
  - Explanation

(Note: From the examination perspective, marks distribution is as follows: Statement (1/2mark), Assumptions (1/2 mark), Schedule (1mark), Diagram (1mark) and Explanation (1 mark)
5. MEANING OF INDIFFERENCE SET
6. MEANING OF AN INDIFFERENCE SCHEDULE(With Schedule )
7. MEANING OF AN INDIFFERENCE CURVE (With Diagram)
8. MEANING OF AN INDIFFERENCE MAP (With Diagram)
9. MEANING OF CONSUMER'S BUDGET
10. MEANING OF BUDGET SET
11. MEANING AND CONSTRUCTION OF THE BUDGET LINE (With Diagram)
12. MEANING OF MONOTONIC PREFERENCE
13. CONSUMER'S EQUILIBRIUM THROUGH INDIFFERENCE CURVE ANALYSIS (With Diagram)

**UNIT-2-DEMAND ANALYSIS****MARKS 10  
PERIODS 25**

1. MEANING AND DETERMINANTS OF DEMAND
2. MEANING OF AN INDIVIDUAL DEMAND SCHEDULE AND DEMAND CURVE (With Schedule and Diagram)
3. MEANING OF MARKET DEMAND SCHEDULE AND MARKET DEMAND CURVE (With Schedule and Diagram)
4. THE LAW OF DEMAND
  - Statement
  - Assumptions
  - Schedule and diagram
  - Explanation

(Note: From the examination perspective, marks distribution is as follows: Statement (1/2 mark), Assumptions (1/2 mark), Schedule (1mark), Diagram (1mark) and Explanation (1 mark)

5. EXCEPTIONS TO THE LAW OF DEMAND
  6. MEANING OF NORMAL GOODS AND INFERIOR GOODS (Income effect on these goods)
  7. MEANING OF SUBSTITUTES AND COMPLEMENTARY GOODS
  8. MOVEMENT ALONG THE DEMAND CURVE
    - Extension or Expansion of Demand (With Diagram)
    - Contraction of Demand (With Diagram)
  9. SHIFTS IN DEMAND
    - Increase in demand (With Diagram)
    - Decrease in Demand (With Diagram)
  10. MEANING AND DETERMINANTS OF PRICE ELASTICITY OF DEMAND
  11. TYPES OF PRICE ELASTICITY OF DEMAND
    - Perfectly Elastic Demand (With Diagram)
    - Perfectly Inelastic Demand (With Diagram)
    - Unit Elastic Demand (With Diagram)
    - Relatively Elastic Demand (With Diagram)
    - Relatively Inelastic Demand (With Diagram)
  12. THREE ASPECTS OF THE RELATIONSHIP BETWEEN PRICE ELASTICITY OF DEMAND AND TOTAL EXPENDITURE  
(Without schedule and Diagram)
  13. MEASUREMENT OF PRICE ELASTICITY OF DEMAND
    - Percentage Method
- Note: From the examination perspective, marks distribution for Problem Solving is as follows:
- Step 1 Formula (1/2 mark)
- Step 2 Calculating Percentage change in Qty. DD (1 mark)
- Step 3 Calculating Percentage change in Price (1 mark)
- Step 4 Substitution and final answer (1/2 mark)
- Geometric Method (With Diagram indicating 5 situations on the Demand Curve)

**UNIT-3-PRODUCER BEHAVIOUR AND SUPPLY****MARKS 10  
PERIODS 20**

1. MEANING OF PRODUCTION FUNCTION
2. MEANING OF FIXED AND VARIABLE FACTORS
3. MEANING OF TOTAL PRODUCT, AVERAGE PRODUCT AND MARGINAL PRODUCT
4. THE LAW OF VARIABLE PROPORTIONS
  - Statement
  - Assumptions
  - Schedule and Diagram
  - Explanation of the three stages

(Note: From the examination perspective, marks distribution is as follows: Statement (1/2mark), Assumptions (1/2 mark), Schedule (1mark), Diagram (1mark) and Explanation of the three stages in brief (1 mark))
5. THE THREE STAGES OF THE LAW OF VARIABLE PROPORTION (in detail)
6. RETURNS TO SCALE (The Three Stages)
7. CONCEPT OF COST
8. SHORT RUN COSTS
  - Fixed Costs• Variable Costs
9. MEANING OF TOTAL COST (No Diagram)
10. MEANING OF AVERAGE COST (No Diagram)
11. MEANING OF MARGINAL COST (No Diagram)
12. MEANING OF TOTAL REVENUE (TR), AVERAGE REVENUE (AR), MARGINAL REVENUE (MR)
13. RELATIONSHIP BETWEEN TOTAL, AVERAGE AND MARGINAL REVENUE IN THE CASE OF IMPERFECT COMPETITION
14. MEANING AND DETERMINANTS OF SUPPLY
15. LAW OF SUPPLY
  - Statement:
  - Assumptions:
  - Supply Schedule and Diagram
  - Explanation

(Note: From the examination perspective, marks distribution is as follows: Statement (1/2mark), Assumptions (1/2 mark), Schedule (1mark), Diagram (1mark) and Explanation (1 mark))
16. MEANING INDIVIDUAL SUPPLY SCHEDULE AND SUPPLY CURVE (With Schedule and Diagram)
17. MEANING OF MARKET SUPPLY SCHEDULE AND MARKET SUPPLY CURVE (With Schedule and Diagram)
18. MOVEMENTS ALONG THE SUPPLY CURVE
  - Extension of supply (With Diagram)
  - Contraction of supply (With Diagram)
19. SHIFTS IN THE SUPPLY CURVE
  - Increase in supply (With Diagram)
  - Decrease in supply (With Diagram)
20. TYPES OF PRICE ELASTICITY OF SUPPLY
  - Relatively Elastic Supply ( $ES > 1$ )
  - Relatively Inelastic Supply ( $ES < 1$ )
  - Unit Elastic Supply ( $ES = 1$ )

**UNIT-4-PRODUCER'S EQUILIBRIUM, MARKET STRUCTURE AND PRICE DETERMINATION****MARKS 10  
PERIODS 20**

1. CONCEPT OF PRODUCER'S EQUILIBRIUM
2. MEANING AND FEATURES OF PERFECT COMPETITION
3. MEANING AND FEATURES OF MONOPOLY
4. MEANING AND FEATURES OF MONOPOLISTIC COMPETITION
5. MEANING AND FEATURES OF OLIGOPOLY
6. DETERMINATION OF EQUILIBRIUM PRICE UNDER PERFECT COMPETITION (With Schedule and Diagram)
7. CHANGES IN EQUILIBRIUM PRICE DUE TO SHIFTS IN DEMAND
  - Increase in demand, supply constant (With Diagram)
  - Decrease in demand, supply constant (With Diagram)
8. CHANGES IN EQUILIBRIUM PRICE DUE TO SHIFTS IN SUPPLY
  - Increase in supply, demand constant (With Diagram)
  - Decrease in supply, demand constant (With Diagram)
9. DETERMINATION OF EQUILIBRIUM PRICE DUE TO SIMULTANEOUS SHIFTS IN DEMAND AND SUPPLY
  - Demand and Supply increase in equal proportion (With Diagram)
  - Demand and supply decrease in equal proportion (With Diagram)

**UNIT-5****NATIONAL INCOME AND RELATED AGGREGATES – BASIC CONCEPTS & MEASUREMENTS****MARKS 10  
PERIODS 20**

1. MEANING OF MACRO ECONOMICS
2. MEANING OF NATIONAL INCOME
3. CIRCULAR FLOW OF INCOME – (2 SECTOR MODEL) (With Diagram)
4. MEANING OF THE FOLLOWING CONCEPTS
  - GDP at MP (Gross Domestic Product at Market Prices)
  - NDP at MP (Net Domestic Product at Market Prices)
  - GNP at MP (Gross National Product at Market Prices)
  - NNP at MP (Net National Product at Market Prices)
  - GDP at FC (Gross Domestic Product at Factor Cost)
  - NDP at FC (Net Domestic Product at Factor Cost)
  - GNP at FC (Gross National Product at Factor Cost)
  - NNP at FC (Net National Product at Factor Cost)
5. MEANING OF THE FOLLOWING CONCEPTS
  - NDI (Gross and Net)
  - PRIVATE INCOME
  - PERSONAL INCOME
  - PERSONAL DISPOSABLE INCOME
6. DIFFERENCE BETWEEN PERSONAL INCOME AND PERSONAL DISPOSABLE INCOME (Only concept)
7. VALUE ADDED METHOD OR PRODUCT METHOD OF MEASUREMENT OF NATIONAL INCOME
8. PRECAUTIONS OF PRODUCT METHOD
9. PROBLEM OF DOUBLE COUNTING (With Suitable Example in the form of a Schedule)
10. CALCULATION OF GROSS VALUE ADDED (Problems carrying 2 marks)  
 Note: From the examination perspective, marks distribution for Problem Solving is as follows:  
 Three Producers: ½ mark for each producer's Gross Value Added and ½ mark for Total Gross Value Added..
11. INCOME METHOD OF MEASUREMENT OF NATIONAL INCOME
  - CLASSIFICATION OF FACTOR INCOMES (3 types of Incomes)
12. PRECAUTIONS OF INCOME METHOD
13. EXPENDITURE METHOD OF MEASUREMENT OF NATIONAL INCOME
  - CLASSIFICATION OF FINAL EXPENDITURE (4 Types of Final Expenditure)
14. PRECAUTIONS OF EXPENDITURE METHOD
15. REASONS WHY GDP IS NOT A GOOD INDICATOR OF WELFARE.

**UNIT-6-DETERMINATION OF INCOME & EMPLOYMENT****MARK 10  
PERIODS 20**

1. MEANING AND COMPONENTS OF AGGREGATE DEMAND
2. MEANING AND COMPONENTS OF AGGREGATE SUPPLY
3. THE CONSUMPTION FUNCTION (With Schedule and Diagram)
4. PROPENSITY TO CONSUME
  - Average Propensity to Consume (APC)
  - Marginal Propensity to Consume (MPC)
5. THE SAVINGS FUNCTION(With Schedule and Diagram)
6. PROPENSITY TO SAVE
  - Average Propensity to save (APS)
  - Marginal Propensity to Save (MPS)
7. DETERMINATION OF EQUILIBRIUM LEVEL OF OUTPUT OF INCOME  
(AS = AD APPROACH)(With Schedule and Diagram)
8. MEANING OF INVESTMENT MULTIPLIER OR OUTPUT MULTIPLIER ( $k = \frac{\Delta Y}{\Delta I}$ )
9. MEANING OF INVOLUNTARY UNEMPLOYMENT
10. DEFICIENT DEMAND AT FULL EMPLOYMENT (With Diagram)
11. EXCESS DEMAND AT FULL EMPLOYMENT (With Diagram)
12. FISCAL POLICY MEASURES TO CORRECT EXCESS DEMAND
13. FISCAL POLICY MEASURES TO CORRECT DEFICIENT DEMAND
14. MONETARY POLICY MEASURES TO CORRECT EXCESS DEMAND
15. MONETARY POLICY MEASURES TO CORRECT DEFICIENT DEMAND

**UNIT-7-MONEY AND BANKING****MARKS 10  
PERIODS 20**

- 1.** EVOLUTION OF MONEY
- 2.** FUNCTIONS OF MONEY
- 3.** DEMAND FOR MONEY
  - Transactions Motive
  - Precautionary Motive
  - Speculative Motive
- 4.** SUPPLY OF MONEY
  - Measurement of Money Supply ( $M_1$ ,  $M_2$ ,  $M_3$  and  $M_4$ )
- 5.** MEANING AND PRIMARY FUNCTIONS OF A COMMERCIAL BANK
- 6.** CREDIT CREATION BY COMMERCIAL BANKS
- 7.** MEANING OF PRIMARY DEPOSITS AND SECONDARY DEPOSITS
- 8.** MEANING AND FUNCTIONS OF THE CENTRAL BANK
- 9.** DISTINCTION BETWEEN CENTRAL BANK AND COMMERCIAL BANKS
- 10.** QUANTITATIVE INSTRUMENTS / TOOLS OF THE MONETARY POLICY OF THE CENTRAL BANK
- 11.** QUALITATIVE INSTRUMENTS / TOOLS OF THE MONETARY POLICY OF THE CENTRAL BANK

**UNIT-8-GOVERNMENT BUDGET & ECONOMY AND FOREIGN EXCHANGE RATE AND BALANCE OF PAYMENTS**

**MARKS 10  
PERIODS 25**

1. MEANING AND OBJECTIVES OF GOVERNMENT BUDGET
2. CLASSIFICATION OF RECEIPTS
  - Revenue Receipts
  - Capital receipts
3. CLASSIFICATION OF EXPENDITURE
  - Revenue Expenditure
  - Capital Expenditure
4. CLASSIFICATION OF PUBLIC EXPENDITURE
  - Development & Non- Development Expenditure
  - Plan & Non- Plan Expenditure
5. TYPES OF DEFICITS
  - Revenue Deficit
  - Fiscal Deficit
  - Primary Deficit
6. TYPES OF BUDGETS
  - Balanced Budget
  - Surplus Budget
  - Deficit Budget
7. MEASURES TO CURTAIL BUDGETARY DEFICITS
  - Lowering Government Expenditure
  - Raising Government Receipts
8. MEANING OF FOREIGN EXCHANGE RATE
9. MEANING OF FIXED EXCHANGE RATE
10. MEANING OF FLEXIBLE EXCHANGE RATE SYSTEM
11. DETERMINANTS OF DEMAND AND SUPPLY OF FOREIGN EXCHANGE
12. DETERMINATION OF EXCHANGE RATE THROUGH DEMAND & SUPPLY
  - Demand for Foreign Exchange
  - Supply of Foreign Exchange
  - Equilibrium Rate of Exchange (With Diagram)

(Note: From the examination perspective, marks distribution is as follows: Demand for Foreign Exchange (1mark), Supply of Foreign Exchange (1 mark), Diagram (1mark) and Explanation (1 mark))
13. MEANING AND FUNCTIONS OF THE FOREIGN EXCHANGE MARKET
14. MEANING OF APPRECIATION & DEPRECIATION
15. MEANING OF THE FOLLOWING CONCEPTS
  - MANAGED FLOATING
  - DIRTY FLOATING
  - WIDER BANDS SYSTEM
  - CRAWLING PEG SYSTEM
16. PURCHASING POWER PARITY (Concept, Formula and Suitable Example)
17. MEANING OF BALANCE OF PAYMENT ACCOUNTS
18. COMPONENTS OF BALANCE OF PAYMENT ACCOUNT
  - Current Account
  - Capital Account