

**SYLLABUS- 2020-2021**

**CLASS: 12**

**SUBJECT: ECONOMICS**

UNIT	CONTENT
<p><b>1. Introduction to Macro Economics</b></p>	<p>1.1 Introduction to Macro Economics                      1.2 Meaning of macro economics                      1.3 Importance of macro economics                      1.7 Economic Systems                      1.7.1 Capitalist economy                      1.7.2 Socialistic Economy (Socialism)                      1.7.3 Mixed Economy                      1.9 Circular flow of income                      1.9.1 Circular Flow of Income in a Two-Sector Economy:                      1.9.2 Circular Flow of Income in a Three-Sector Economy:                      1.9.3 Circular flow of income in a four sector economy</p>
<p><b>2. National Income</b></p>	<p>2.1 National Income -Introduction                      2.2 Meaning of National Income                      2.4.1 Gross Domestic Product (GDP)                      2.4.2 Gross National Product (GNP)                      2.4.7 Per capita Income                      2.4.8 Real Income                      2.4.9 GDP deflator                      2.5 Methods of Measuring National Income                      2.5.1 Product Method (Value Added)                      2.5.2 Income Method                      2.5.3 Expenditure Method</p>
<p><b>3.Theories of Employment and Income</b></p>	<p>3.1 Theories of Employment and Income- Introduction                      3.2 Meaning of Full Employment                      3.3 Unemployment and its types                      3.4.1 Say's Law of Market                      3.6 Effective demand                      3.6.1 Aggregate Demand Function (ADF)                      3.6.2 Aggregate Supply Function (ASF)</p>
<p><b>4. Consumption and investment functions</b></p>	<p>4.1 Introduction                      4.2 Consumption Function                      4.2.1 Meaning of Consumption function                      4.2.2 Technical Attributes of the Consumption function</p>

	<ul style="list-style-type: none"> <li>4.3 Investment Function                             <ul style="list-style-type: none"> <li>4.3.1 Meaning of investment</li> <li>4.3.2 Types of investment</li> <li>4.3.3 Determinants of Investment Function</li> <li>4.3.4 Relationship between the rate of Interest and investment</li> <li>4.3.5 Marginal Efficiency of Capital.</li> <li>4.3.6 Marginal Efficiency of Investment(MEI)</li> </ul> </li> <li>4.4 Multiplier                             <ul style="list-style-type: none"> <li>4.4.1 Assumptions of Multiplier</li> <li>4.4.2 Marginal propensity to consume and multiplier.</li> <li>4.4.4 Classification of Multiplier</li> <li>4.4.6 Uses of multiplier</li> </ul> </li> <li>4.5 The Accelerator Principle                             <ul style="list-style-type: none"> <li>4.5.1 Meaning</li> <li>4.5.2 Definition</li> <li>4.5.3 Assumptions</li> <li>4.5.4 Operation of the Acceleration Principle</li> <li>4.5.5 Limitations</li> </ul> </li> </ul>
<b>5. Monetary Economics</b>	<ul style="list-style-type: none"> <li>5.1 Introduction</li> <li>5.2 Money                             <ul style="list-style-type: none"> <li>5.2.1 Meaning</li> <li>5.2.4 Functions of money</li> </ul> </li> <li>5.3 Supply of money</li> <li>5.4 Quantity theories of money</li> <li>5.5 Inflation                             <ul style="list-style-type: none"> <li>5.5.1 Meaning of inflation</li> <li>5.5.2 Types of inflation</li> <li>5.5.3 Causes of inflation</li> </ul> </li> <li>5.7 Trade cycle                             <ul style="list-style-type: none"> <li>5.7.1 Meaning of trade cycle</li> <li>5.7.2 Phases of trade cycle</li> </ul> </li> </ul>
<b>6. Banking</b>	<ul style="list-style-type: none"> <li>6.1 Introduction</li> <li>6.3 Commercial banks                             <ul style="list-style-type: none"> <li>6.3.1 Functions of Commercial Banks</li> <li>6.3.3 Role of commercial banks in Economic development of a country.</li> </ul> </li> <li>6.5 Central Bank                             <ul style="list-style-type: none"> <li>6.5.1 Functions of RBI</li> <li>6.5.2 Credit control measures</li> <li>6.5.4 Reserve Bank of India and Rural Credit</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>6.5.5 Role of RBI in Agricultural credit</li> <li>6.5.6 Functions of Agriculture Credit Department</li> <li>6.8 NABARD and its role in Agricultural credit</li> <li>6.8.1 Functions of NABARD</li> <li>6.9 Reserve bank of India and Industrial Finance</li> <li>6.9.1 Institutional Set-up:</li> <li>6.9.2 All-India Level Institutions:</li> <li>6.9.3 State Level Institutions</li> <li>6.10 Monetary policy</li> <li>6.10.2 Objectives of Monetary Policy</li> <li>6.11 Recent advancements in banking sector</li> <li>6.11.1 E- Banking</li> <li>6.11.2 RTGS and NEFT</li> <li>6.11.3 ATM (Automated Teller Machine)</li> <li>6.11.4 Paytm</li> <li>6.11.5 Debit card and Credit Card</li> <li>6.11.7 Merger of Banks</li> <li>6.12 Money Market</li> <li>6.13 Capital Market</li> <li>6.14 Demonetisation</li> <li>6.14.1 Objectives of Demonetisation</li> </ul>
<p><b>7. International Economics</b></p>	<ul style="list-style-type: none"> <li>7.1 International economics -Introduction</li> <li>7.2 Meaning of International Economics</li> <li>7.3 Subject matter of International Economics</li> <li>7.4 Meaning of Trade</li> <li>7.4.1 Internal Trade</li> <li>7.4.2 International Trade</li> <li>7.4.3 Difference between Internal and International Trade</li> <li>7.6 Gains from International Trade</li> <li>7.7 Terms of Trade</li> <li>7.7.1 Meaning</li> <li>7.7.2 Types of Terms of Trade</li> <li>7.7.3 Terms of Trade related to the interchange between productive resources</li> <li>7.8 Balance of Trade vs. Balance of payments</li> <li>7.8.1 Balance of Trade (BOT)</li> <li>7.8.2 Balance of Payments (BOP)</li> <li>7.8.3 Components of BOPs</li> <li>7.8.4 Balance of Payments, Disequilibrium</li> <li>7.8.5 Types of BOP Disequilibrium</li> <li>7.8.6 Causes for BOP Disequilibrium</li> </ul>

	<p>7.8.7 Measures to Correct BOP, Disequilibrium</p> <p>7.9 Exchange Rate</p> <p>7.9.1 Meaning of Foreign Exchange (FOREX)</p> <p>7.9.2 Definition of FOREX</p> <p>7.9.3 Rate of Exchange</p> <p>7.9.4 Definition of Equilibrium Exchange Rate</p> <p>7.9.5 Determination of Equilibrium Exchange Rate</p> <p>7.9.6 Types of Exchange Rate Systems</p> <p>7.9.7 Types of Exchange Rates</p> <p>7.9.8 Determinants of Exchange Rate</p> <p>7.10 Foreign Direct Investment and Trade</p> <p>7.10.1 Meaning of FDI</p> <p>7.10.3 Advantages of FDI</p> <p>7.10.5 FDI in India</p>
<b>8. International Economic Organization</b>	<p>8.1 Introduction</p> <p>8.2 International monetary fund</p> <p>8.2.1 Objectives of IMF</p> <p>8.2.2 Functions of IMF</p> <p>8.2.3 Facilities offered by IMF</p> <p>8.2.4 Achievements of IMF</p> <p>8.2.5 India and IMF</p> <p>8.3 International Bank for Reconstruction and Development of Bank or World Bank</p> <p>8.3.2 Functions of IBRD</p> <p>8.3.4 India and World Bank</p> <p>8.4 World Trade Organization</p> <p>8.4.2 Functions of WTO</p> <p>8.4.4 WTO and India</p> <p>8.6 South Asian Association for Regional Co-operation (SAARC)</p> <p>8.6.2 Functions of SAARC</p> <p>8.7 Association of South East Asian Nations (ASEAN)</p> <p>8.7.2 Functions of ASEAN</p> <p>8.8 BRICS</p> <p>8.8.2 Functions of BRICS</p>
<b>9. Fiscal Economics</b>	<p>9.1 Introduction</p> <p>9.2 Meaning of public finance</p> <p>9.3 Definitions</p> <p>9.4 Subject matter</p> <p>9.6 Functions of Modern State</p> <p>9.7 Public expenditure</p>

	<ul style="list-style-type: none"> <li>9.7.1 Definition / meaning</li> <li>9.7.2 Definition</li> <li>9.8 Public Revenue <ul style="list-style-type: none"> <li>9.8.1 Meaning</li> <li>9.8.2 Classification of public revenue</li> </ul> </li> <li>9.9 Tax Revenue <ul style="list-style-type: none"> <li>9.9.1 Meaning</li> <li>9.9.3 Characteristics of tax</li> <li>9.9.4 Non-tax revenue</li> <li>9.9.5 Canons of taxation</li> <li>9.9.6 Direct and indirect tax</li> <li>9.9.12 Comparison chart</li> <li>9.9.13 GST</li> </ul> </li> <li>9.10 Public debt <ul style="list-style-type: none"> <li>9.10.1 Definition</li> <li>9.10.2 Types of public debt</li> </ul> </li> <li>9.11 Budget <ul style="list-style-type: none"> <li>9.11.1 Definition</li> <li>9.11.2 Union and State budget</li> <li>9.11.3 Types of budget</li> </ul> </li> <li>9.12 Federal finance <ul style="list-style-type: none"> <li>9.12.1 Principles of Federal finance</li> </ul> </li> <li>9.13 History of finance commission <ul style="list-style-type: none"> <li>9.13.1 Functions of finance commission of India</li> </ul> </li> <li>9.14 Local finance</li> <li>9.15 Fiscal policy <ul style="list-style-type: none"> <li>9.15.1 Meaning of Fiscal Policy</li> <li>9.15.3 Fiscal instruments</li> <li>9.15.4 Objectives of fiscal policy</li> </ul> </li> </ul>
<b>10. Environmental economics</b>	<ul style="list-style-type: none"> <li>10.3 Eco-system</li> <li>10.7 Pollution <ul style="list-style-type: none"> <li>10.7.1 Air pollution</li> <li>10.7.2 Water Pollution</li> <li>10.7.3 Noise Pollution</li> <li>10.7.4 Land Pollution</li> </ul> </li> <li>10.8 Global warming</li> <li>10.9 Climate Change</li> <li>10.10 Acid rain</li> <li>10.11 E-waste</li> <li>10.12 Sustainable Development <ul style="list-style-type: none"> <li>10.12.1 Sustainable development goals</li> </ul> </li> </ul>

<b>11. Economics of Development and Planning</b>	11.6 Vicious circle of poverty 11.6.1 Breaking the vicious circle of poverty 11.7 Planning 11.7.1 Economic Planning in India 11.7.2 Case for planning 11.7.3 Case against planning 11.8 Types of planning 11.9 NITI Aayog 11.9.1 Functions of NITI Aayog
<b>12. Introduction to Statistical Methods and Econometrics</b>	12.1 Etymology and milestone of statistics in global level 12.2 Evolution of Statistics in India 12.3 Definitions of Statistics 12.4 Characteristics and Functions of Statistics 12.10 Arithmetic mean / median 12.11 Standard Deviation ( $\sigma$ ) 12.12 Correlation ( $\gamma$ ) 12.14 Introduction to econometrics