

**STD XII SYLLABUS IN ECONOMICS FOR THE YEAR 2020-21****UNIT-1- INTRODUCTION AND CONSUMER BEHAVIOUR****MARKS****8****INTRODUCTION**

1. CONCEPT OF ECONOMICS ( Meaning & Definition of Economics)
2. CONCEPT OF MICRO AND MACRO ECONOMICS –(Meaning , Definition and Distinction)
3. PROBLEM OF SCARCITY AND CHOICE- ( Nature of Economic Problem, Types of Economy- Brief introduction of Capitalist, Socialist & Mixed Economy)
4. CENTRAL PROBLEMS OF AN ECONOMY ( What to produce? How to produce? For whom to produce?)
5. PRODUCTION POSSIBILITY CURVE ( Meaning, Schedule and Diagram with explanation)
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)
  - Relationship between TU and 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 (1mark), Assumptions (1 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 12**

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 mark), Assumptions (1 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**

1. MEANING OF PRODUCTION FUNCTION
2. MEANING OF FIXED AND VARIABLE FACTORS
3. CONCEPTS OF PRODUCT – Meaning & Definition of product concepts with formula only- (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 mark), Assumptions (1 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. CONCEPTS OF COST- Meaning & Definition of various cost concepts with formula only – No diagrams  
( Short run cost, Long run cost, Fixed cost, Variable cost, TFC,TVC,AFC,AVC, TC, AC,MC)
8. CONCEPTS OF REVENUE- Meaning & Definition of various revenue concepts with formula only- No diagrams  
( Total Revenue, Average Revenue, Marginal Revenue)
9. MEANING OF SUPPLY
10. DETERMINANTS/ FACTORS INFLUENCING SUPPLY
11. LAW OF SUPPLY
  - Statement:
  - Assumptions:
  - Supply Schedule and Diagram
  - Explanation
 (Note: From the examination perspective, marks distribution is as follows: Statement (1mark), Assumptions (1 mark), Schedule (1mark), Diagram (1mark) and Explanation (1 mark))
12. MEANING INDIVIDUAL SUPPLY SCHEDULE AND SUPPLY CURVE (With Schedule and Diagram)
13. MEANING OF MARKET SUPPLY SCHEDULE AND MARKET SUPPLY CURVE (With Schedule and Diagram)
14. MOVEMENTS ALONG THE SUPPLY CURVE/ VARIATIONS IN SUPPLY CURVE
  - Extension of supply (With Diagram)
  - Contraction of supply (With Diagram)
15. SHIFTS IN THE SUPPLY CURVE
  - Increase in supply (With Diagram)
  - Decrease in supply (With Diagram)
16. TYPES OF PRICE ELASTICITY OF SUPPLY
  - Relatively Elastic Supply ( $ES > 1$ )
  - Relatively Inelastic Supply ( $ES < 1$ )
  - Unit Elastic Supply ( $ES = 1$ )
17. MEASUREMENT OF PRICE ELASTICITY OF SUPPLY –PERCENTAGE METHOD

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

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 7**

1. MEANING OF MACRO ECONOMICS
2. MEANING OF NATIONAL INCOME,GNP,GDP,PI,PDI,DEPRECIATION
3. CIRCULAR FLOW OF INCOME – (2 SECTOR MODEL) (With Diagram)
4. DIFFERENCE BETWEEN PERSONAL INCOME AND PERSONAL DISPOSABLE INCOME (Only concept)
5. THREE METHODS OF MEASURING NATIONAL INCOME ( SHORT NOTE )
  - A) OUTPUT METHOD
  - B) INCOME METHOD
  - C) EXPENDITURE METHOD
6. REASONS WHY GDP IS NOT A GOOD INDICATOR OF WELFARE:-
  - a) Distribution of Income
  - b) Composition of GDP
  - c) Non- Monetary Exchanges
  - d) Externalities

**UNIT-6-DETERMINATION OF INCOME & EMPLOYMENT****MARKS 7**

1. MEANING AND COMPONENTS OF AGGREGATE DEMAND
2. MEANING AND COMPONENTS OF AGGREGATE SUPPLY
3. THE CONSUMPTION FUNCTION ( Meaning, Schedule and Diagram)
4. THE SAVINGS FUNCTION(Meaning, Schedule and Diagram)
5. DEFICIENT DEMAND AT FULL EMPLOYMENT (With Diagram)
6. EXCESS DEMAND AT FULL EMPLOYMENT (With Diagram)
7. FISCAL POLICY : MEANING, MEASURES TO CORRECT EXCESS DEMAND & MEASURES TO CORRECT DEFICIENT DEMAND ( Public Expenditure, Taxes, Public Debt & Deficit financing )

**UNIT-7-MONEY AND BANKING****MARKS 12**

1. EVOLUTION OF MONEY- MEANING, STAGES IN THE EVOLUTION OF MONEY  
(Animal money/ Commodity money, Metallic/Coin money , Paper money, Bank money, Plastic money, Digital Money)  
(Weightage of marks 2)
2. MEANING & DEFINITION OF MONEY, FUNCTIONS OF MONEY- PRIMARY FUNCTIONS & SECONDARY FUNCTIONS
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 OF COMMERCIAL BANK, PRIMARY FUNCTIONS OF A COMMERCIAL BANK- ACCEPTS DEPOSITS AND GIVES LOANS
6. CREDIT CREATION BY COMMERCIAL BANKS- MEANING WITH EXAMPLE
7. MEANING OF PRIMARY DEPOSITS AND SECONDARY DEPOSITS , DISTINCTION BETWEEN PRIMARY & SECONDARY DEPOSITS.( 2 points)
8. MEANING AND FUNCTIONS OF THE CENTRAL BANK
9. DISTINCTION BETWEEN CENTRAL BANK AND COMMERCIAL BANKS ( 2 points)
10. QUANTITATIVE INSTRUMENTS / TOOLS OF THE MONETARY POLICY OF THE CENTRAL BANK TO CONTROL CREDIT
11. QUALITATIVE INSTRUMENTS / TOOLS OF THE MONETARY POLICY OF THE CENTRAL BANK TO CONTROL CREDIT

**UNIT-8****-GOVERNMENT BUDGET****MARKS 7**

1. GOVERNMENT BUDGET- MEANING AND OBJECTIVES.
2. CLASSIFICATION OF RECEIPTS (BUDGETARY RECEIPTS)- MEANING,
  - REVENUE RECEIPTS –BRIEF MEANING
  - CAPITAL RECEIPTS -BRIEF MEANING
3. CLASSIFICATION OF EXPENDITURE/ BUDGETARY EXPENDITURE
  - REVENUE EXPENDITURE – MEANING
  - CAPITAL EXPENDITURE -MEANING
4. CLASSIFICATION OF PUBLIC EXPENDITURE
  - Development & Non- Development 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

**FOREIGN EXCHANGE RATE AND BALANCE OF PAYMENTS****MARKS 7**

8. MEANING OF FOREIGN EXCHANGE MARKET AND FOREIGN EXCHANGE RATE
9. MEANING OF FIXED EXCHANGE RATE AND FLEXIBLE EXCHANGE RATE SYSTEM
10. DETERMINANTS OF DEMAND AND SUPPLY OF FOREIGN EXCHANGE THROUGH FLEXIBLE EXCHANGE RATE SYSTEM
11. MEANING OF IMPORTANT TERMS LIKE APPRECIATION , DEPRECIATION, WITH REFERENCE TO APPLICATION TYPE QUESTIONS TO BE ASKED FOR 1 OR 2 MARKS. PURCHASING POWER PARITY (Concept and Suitable Example)
12. MEANING OF BALANCE OF PAYMENT ACCOUNTS- BRIEF NOTE ON ITS COMPONENTS

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