

# CBSE Class 12 Economics Syllabus 2020-21

Units	Chapters	Marks	Periods
Part A	Introductory Macroeconomics		
	National Income and Related Aggregates	10	23
	Money and Banking	6	8
	Determination of Income and Employment	12	22
	Government Budget and the Economy	6	15
	Balance of Payments	6	7
	<b>Total</b>	<b>40</b>	<b>75</b>
Part B	Indian Economic Development		
	Development Experience (1947-90) and Economic Reforms since 1991	12	28
	Current Challenges facing Indian Economy	22	35
	Development Experience of India – A Comparison with Neighbours	06	12

	<b>Theory Paper (40+40 = 80 Marks)</b>	40	75
Part C	Project Work	20	15

## Part A: Introductory Macroeconomics

### Unit 1: National Income and Related Aggregates

What is Macroeconomics?

- Basic concepts in macroeconomics: consumption goods, capital goods, final goods, intermediate goods; stocks and flows; gross investment and depreciation.
- Circular flow of income (two sector model); 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 Domestic Product (GDP) and Net Domestic Product (NDP) - at market price, at factor cost; Real and Nominal GDP.
- GDP and Welfare

### Unit 2: Money and Banking

- Money - meaning and 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): Bank of issue, Govt. Bank, Banker's Bank, Control of Credit.

### Unit 3: Determination of Income and Employment

- 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 - changes in government spending, taxes and money supply through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement.

## Unit 4: Government Budget and the Economy

- 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.

## Unit 5: Balance of Payments

- Balance of payments account - meaning and components;
- Foreign exchange rate - meaning of fixed and flexible rates and managed floating.

## Part B: Indian Economic Development

### Unit 6: Development Experience (1947-90) and Economic Reforms since 1991:

- A brief introduction of the state of Indian economy on the eve of independence. Indian economic system and common goals of Five Year Plans.
- Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade.
- Economic Reforms since 1991:
- Features and appraisals of liberalisation, globalisation and privatisation (LPG policy); Concepts of demonetization and GST

### Unit 7: Current challenges facing Indian Economy

- Poverty- absolute and relative; Main programmes for poverty alleviation: A critical assessment;
- Human Capital Formation: How people become resource; Role of human capital in economic development;
- Rural development: Key issues - credit and marketing - role of cooperatives; agricultural diversification;
- Employment: Growth and changes in work force participation rate in formal and informal sectors; problems and policies
- Infrastructure: Meaning and Types: Case Studies: Health: Problems and Policies- A critical assessment;
- Sustainable Economic Development: Meaning, Effects of Economic Development on Resources and Environment, including global warming

## Unit 8: Development Experience of India:

- A comparison with neighbours
- India and Pakistan
- India and China
- Issues: economic growth, population, sectoral development and other Human
- Development Indicators

## Part C: Project in Economics