# ECONOMICS (856)

## CLASS XI

*There will be **two** papers in the subject:*

***Paper I** - Theory: 3 hours ......80 marks*

***Paper II**- Project Work ......20 marks*

### PAPER - I (THEORY) – 80 Marks

*<u>Part I (20 marks)</u> will consist of **compulsory** short answer questions testing knowledge, application and skills relating to elementary / fundamental aspects of the entire syllabus.*

*<u>Part II (60 marks)</u> will consist of **eight** questions out of which candidates will be required to answer **five** questions, each carrying **12 marks**.*

*Note: The syllabus is intended to reflect a study of the theory of Economics with specific reference to the Indian Economy. Therefore, examples and specific references to the Indian Economy must be made wherever relevant.*

1. **Understanding Economics**

   (i) Definition of Economics: Adam Smith, Alfred Marshall, Lionel Robbins, Samuelson.

      *Basic understanding of economics and economic phenomena to be explained especially in the context of the concept of scarcity and allocation of resources. Students may be introduced to the main points on which the various definitions of economics could be analyzed. Features of definitions and two- three criticisms.*

   (ii) Micro and Macro Economics – Meaning and Difference. Basic concepts: utility, price, value, wealth, welfare, market, capital, investment, income, production, consumption, saving, Business cycle, Aggregate demand and Aggregate supply.

      *Meaning and difference between Micro and Macro Economics. A conceptual understanding of the terms: Human wants-classification; factors of production; utility – types and features; price – definition and general rise and fall in price; value – real vs nominal value; wealth – explanation of the term, classification (personal and social); welfare – economic welfare, social welfare*

*and relation between wealth and welfare; market – meaning and size; capital – meaning; investment – meaning, investment as a process of capital formation; income – meaning, factor incomes; production – meaning; consumption – meaning; saving – meaning; individual saving and aggregate savings.*

*The above terms to be explained with the help of relevant examples.*

   (iii) Basic problems of an economy: what to produce; how to produce; for whom to produce; efficient use of resources.

      *The basic problem of scarcity and choice must be emphasized. As this problem is universal in character, i.e. faced by all economies, irrespective of the economic system they follow, it must be explained using the concept of Production Possibility Curve. The three problems - what to produce, how to produce and for whom to produce - must be highlighted. The role of technology and a shift in the Production Possibility Curve (assumptions and features) must be explained.*

   (iv) Types of economies: developed and developing; Economic systems: capitalism, socialism and mixed economy; mechanism used to solve the basic problems faced by each economy.

      *Developed and developing economies (meaning only); different types of economic systems; definition, features, merits and demerits of capitalism, socialism and mixed economic system; mechanisms used to solve the basic problems under each economic system to be explained with the help of examples. The role of government along with the price mechanism to be emphasized. Price mechanism as a tool to solve economic problem.*

2. **Indian Economic Development**

   (i) Parameters of Development.

      *Meaning and construction of Human Development Index (HDI). India and HDI as per the UNDP report.*

(ii) Planning and Economic Development in India.

*NITI Aayog: objectives and role.*

(iii) Structural Changes in the Indian Economy after liberalization.

*Need, meaning, significance and features of liberalization, globalization and privatization of the Indian Economy; disinvestment: meaning.*

(iv) Current challenges facing the Indian Economy.

*Poverty – absolute and relative, vicious circle of poverty, main programmes for poverty alleviation: A critical assessment of PAPs (Poverty Alleviation Programmes); Rural development- Rural Credit (need, purpose and sources); Agricultural marketing: defects and government measures to improve agricultural marketing; agricultural diversification; alternate farming /organic farming: meaning and importance.*

*Human Capital formation: How people become resource; role of human capital in economic development; Growth of education sector in India; Education – formal and informal (Meaning only); Unemployment-types of unemployment, causes for unemployment, Policy measures (after 2000).*

(v) Sustainable Development.

*Effect of Economic Development on Resources and Environment.*

*Understanding the concept of Sustainable development; Need for sustainable development for improving the quality of life - looking at the deteriorating quality of air, water, food over time, developing an appreciation to sustain at least what exists for the generations to come.*

*Global warming – meaning and effects.*

3. **Statistics**

(i) Statistics: definition, scope and limitations of statistics.

*Statistics: definition, scope and limitations of statistics. Special emphasis to be laid on importance of statistics in economics.*

(ii) Measures of Central Value: average defined; type of averages: arithmetic mean; simple and weighted; median and mode; ungrouped and grouped data; numericals, relationship between mean, median and mode.

*Measures of Central Value: average defined; type of averages: arithmetic mean; simple and weighted; median and mode; ungrouped and grouped data. Numericals only on mean, median and mode for both ungrouped and grouped data. Relationship between mean, median and mode – the nature of the frequency distribution – symmetrical, positively skewed and negatively skewed.*

(iii) Correlation: introduction, scatter diagram; Karl Pearson's coefficient of correlation; Spearman's coefficient of correlation.

*Meaning and significance of correlation to be explained along with types and degrees. Scatter diagram, Karl Pearson's method (two variables, ungrouped data); Spearman's Rank Correlation to be explained with the help of numericals.*

(iv) Index numbers: simple and weighted - meaning, types and purpose.

*What does an Index number show, measure or indicate (like a Price Index Number). Difference between simple and weighted – Price weighted or quantity weighted. Laspayre's, Paasche and Fisher's methods of index numbers (to be explained with the help of numericals). Uses of Index Numbers.*

(v) Some Mathematical Tools used in Economics.

*Equation of a straight line and slope of a straight line.*

## PAPER II – PROJECT WORK – 20 Marks

Candidates will be expected to have completed **two** projects from any topic covered in Theory.

Mark allocation for **each** Project [10 marks]:

| | |
|---|---|
| Overall format | 1 mark |
| Content | 4 marks |
| Findings | 2 marks |
| Viva-voce based on the Project | 3 marks |

**A list of suggested Projects is given below:**

1. Study consumer awareness amongst households through designing a questionnaire and collection of data.

2. Prepare a report on productivity awareness among enterprises through use of statistical data from statistical tables published in Newspapers / RBI Bulletin / Budget /Census report / Economic survey, etc.

3. Make a study of two cooperative institutions (example milk cooperatives, etc.) with a view to compare the organizational and financial structure of the organizations, production capacity and output, marketing strategies, sales, market share, etc.

4. Prepare a report on the various poverty alleviation and employment generation programmes started in India.

5. Compare the status of women of your State with that at the National level for the last ten years, on the basis of educational level, employment, etc.

6. Prepare a report on the forest cover in India, highlighting the following aspects:

   (a) Five States/Union Territories having higher and lower forest cover and compare the extent of forest coverage.

   (b) Causes for decrease in forest cover in the Country.

   (c) Measures adopted by the Central/State Governments to increase the forest cover.