

CLASS XII

MACRO ECONOMICS AND INDIAN ECONOMIC DEVELOPMENT.

(PORTION)

TERM I

Introductory Macroeconomics

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

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, Bank of issue, Govt. Bank, Banker's Bank, Control of Credit

Indian Economic Development (chapters 1,2,3,4)

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

Current challenges facing Indian

Poverty- absolute and relative; Main programmes for poverty alleviation: A critical Assessment

TERM II (FULL PORTION INCLUDING TERM I)

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.

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.

Balance of Payments

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

Indian Economic Development

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

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

Pre-Boards I AND II FULL PORTION

Suggestive List of Projects:

Class XII

- Micro and Small Scale Industries • Food Supply Channel in India
- Contemporary Employment situation in India • Disinvestment policy of the government
- Goods and Services Tax Act and its Impact on GDP
- Health Expenditure (of any state)
- Human Development Index • Inclusive Growth Strategy
- Self-help group • Trends in Credit availability in India
- Monetary policy committee and its functions • Role of RBI in Control of Credit
- Government Budget & its Components • Trends in budgetary condition of India
- Exchange Rate determination – Methods and Techniques
- Currency War – reasons and repercussions
- Livestock – Backbone of Rural India • Alternate fuel – types and importance
- Sarwa Siksha Abhiyan – Cost Ratio Benefits • Golden Quadrilateral- Cost ratio benefit
- Minimum Support Prices • Relation between Stock Price Index and Economic Health of Nation
- Waste Management in India – Need of the hour
- Minimum Wage Rate – approach and Application
- Digital India- Step towards the future • Rain Water Harvesting – a solution to water crises
- Vertical Farming – an alternate way • Silk Route- Revival of the past

- Make in India – The way ahead • Bumper Production- Boon or Bane for the farmer
- Rise of Concrete Jungle- Trend Analysis • Organic Farming – Back to the Nature
- Any other newspaper article and its evaluation on basis of economic principles
- **Any other topic**