

XII. –Economics (Macroeconomics)

Term I

Economics

Class XII

Part A

Topic: Money

Learning objective

- To familiarise the students with the concept of money and its evolution
- To enable students to highlight the flame problems in barter system
- To enable students to classify various forms of money
- To enable students to understand the concept of money supply

Previous knowledge testing

- From where do you buy goods and services?
- What do you pay in return of these goods and services?
- What is money?

Vocabulary

- Revaluation of money, fiduciary money, fiat Money, full bodied money.

Innovative/aids methods

- Book, Zoom App, Screen sharing, chart activity.

Procedure

- Meaning and valuation of money will be discussed with reference to barter system and its problems
- Forms of money
 - Fiat money
 - Fiduciary money
 - Full bodied money
 - Credit money
- Concept of money supply and its measurements will be discussed
- Measurement of money supply
 - $M1 = c + dd + od$
 - $M2 = m1 + \text{deposits with post office saving bank account}$
 - $M3 = m1 + \text{net time deposit with commercial banks}$
 - $M4 = m3 + \text{total deposit with post office}$

Participation of students

- Students will be asked to search for the communities that were used in

barter system as exchange and paste their picture on the craft.

Recapitulation

- What is barter system?
- On which feature is barter system based?
- What are the various forms of money?
- Which is the most liquid measures of money?

Integration with other domains

- Maths and fine arts

Learning outcomes

- Students will be understand the concept and evaluation of money
- Students can classify various forms of money
- Students will be able to understand the concept of money supply

Resources

- TR Jain NCERT

Co scholastic

- Chart activity

Assessment

- Students will be assessed on the basis of class test

Topic: Banking

Learning objectives

- To familiarise the students with money creation by commercial banks
- To enable students to identify Central Bank as a controller of money supply.
- To highlight the function of Central Bank

Previous knowledge testing

- What is source of income to your family?
- Does your family spend the entire income?
- What do they do with savings?
- What does Bank do with your savings?

Vocabulary

- Money creation, legal reserve ratio statutory liquid ratio bank rate clearing house repo rate credit rationing, margin requirements, Moral suasion.

Important spellings

- Statutory liquidity ratio, money creation, credit rationing, margin requirements, moral suasion.

Aids/ Innovative methods

- Book, assignment, Zoom App, screen sharing.

Procedure

- Concept and process of money creation will be explained on the basis of cash reserve of commercial bank as
- $K = \frac{1}{LRR}$ Where;
- K= credit multiplier
- LRR= legal reserve ratio (as percentage of demand deposits of the commercial banks.)
- Meaning and function of Central Bank will be explained
 - Bank of issuing notes
 - Banker to the government
 - Bankers Bank
 - Lender of The Last Resort
 - Custodian of foreign exchange
 - Clearing house function
 - Control of credit
- Credit control policy of Central Bank will be discussed under
- Quantitative instruments and qualitative instruments

Participation of student's

- Money supply is in excess; how does RBI control it?

Assignment/recapitulation

- Is it true that where margins are raised demand for loan is negatively impacted?
- Is CRR is lowered in investment demand must rise. Defend/refute.
- Explain the following functions of the central bank
 - Currency authority
 - Lender of the last resort
 - Banker to the government
 - Bankers Bank

Integration with other domains

- English

Learning outcomes

- Students will become familiar with the process of credit creation
- Students will be able to explain the measures exercised by Central Bank to control credit supply
- Students will be able to differentiate between commercial bank and Central Bank

Resources

- TR Jain, NCERT

Co scholastic

- Assignment

Assessment

- Students will be assessed on the basis of a class test

Chapter: Government budget

Learning objectives:

- To enable students to understand meaning of fiscal policy.
- To understand government budget.
- To understand components of budget and types of budget deficits.

P.K testing:

- Why do we make a budget?
- Why do families make their family budget?
- What is fiscal policy?
- When is government budget announced in India?

Teaching Aids:

Zoom meeting, screen sharing, images sent through whatsapp.

Vocabulary used:

Fiscal policy, fiscal deficit, crowding out.

Content and procedure:

- Meaning of union budget will be explained to the students.
- Objective of budget will be explained to the students.
- Structure of budget will be explained to the students.

Structure of budget:

- Receipts.

- Revenue receipts.
- Capital receipts.
- Expenditure.
- Revenue expenditure.
- Capital expenditure.

Various examples of each type will be discussed.

- Direct tax and indirect taxes will be discussed.
- Non tax receipts will be discussed.
- Various items of expenditure will be discussed.

Deficit in budget:

- Revenue deficit.
- Fiscal deficit.
- Primary deficit

Their formulas and implications will be discussed. Some numerical questions will also be done in the class.

Student participation:

Students will be asked to give response to questions asked like MCQ's, fill ups, true and false type.

Recapitulation:

- Name few item of expenditure of government.
- Name few items of income of government.
- What is primary deficit? What does it show?
- What are capital receipts?

Assessment:

Questions of back exercise in the book will be given as assignment.

Topic-Foreign exchange rate

Learning Objectives:

- >to enable students to understand the concept of exchange rate.*
- > to enable students to appreciate the importance of foreign currency.*
- > to enable students to explain various types of exchange rate systems.*

Previous knowledge testing

Students will be asked the meaning of exchange rate. If you have to visit another country, how will you get foreign currency of that country? Where do you exchange Indian Rupees with foreign currency?

Vocabulary and spellings

Gold standard, Bretton Woods system, adjustable peg system, Parity value, Equilibrium exchange rate, forward transactions.

Method

Zoom app and share screen

Procedure and explanation

Meaning of foreign exchange and foreign exchange rate will be told to the students. Fixed and flexible exchange rate systems will be explained. Gold standard system, Bretton Woods system will be explained with examples. Merits and demerits of fixed exchange rate system will be explained.



Appreciation and depreciation of currency will be defined. Why foreign

exchange is demanded? And sources of supply of foreign exchange will be taken up. Meaning of managed float will be explained. Definition of foreign exchange market will be explained along with the functions performed by the foreign exchange market. Spot market and forward market will be explained along with the difference between the two. Concept of wider bands, crawling peg, nominal effective exchange rate, real effective exchange rate and real exchange rate will be explained. Concept of purchasing power parity will be explained with the help of examples.



Students participation & Art integration

Students will be asked to make various play cards of different currencies like dollars, pounds, euros etc. In different denominations and they will be asked to exchange them with rupee according to present exchange rate.

Recapitulation

Basic concepts will be revised. Very short answer type in short answer type questions will be discussed.

Assignment

Students will be asked to do back exercises in their notebook.

Learning Outcomes:

- Students will be able to understand the concept of foreign exchange.
- Students will be able to explain the importance of foreign currency.

Topic: Balance of payment

Learning objectives

- To enable students to understand the meaning of balance of payment
- To enable students to identify components of balance of payment accounts
- To enable students to explain equilibrium and disequilibrium in balance of payment

Previous knowledge

- Testing when we sell domestic goods outside our country what is it called?

- When we purchase goods from other countries what is it called?
- Where are the transaction recorded?

Vocabulary

- Visible trade invisible trade current account, capital account, official reserve account, equilibrium, equilibrium in balance of payment, autonomous and accommodating items.

Important spellings

Visible and invisible, official reserve, equilibrium, dis equilibrium

Aids/ innovative methods

Book, Zoom App, screen sharing, assignment, debate.

Procedure

- Meaning of balance of payment will be explained economic transactions of balance of payment will be discussed as
- Visible items, invisible items, unilateral transfers and capital transfers
- Meaning of balance of payment accounting and balance of trade will be explained
- Components of balance of payment
 - Current account
 - Capital account

- Balance on current account and capital account will also be taken up
- Meaning of autonomous and accommodating items will be explained
- Situation of this equilibrium in bop will also be discussed as surplus BOP along with the causes of disequilibrium

Participation of student's

- Name two items each letter to current account balance of payment and capital account balance of payment
- Name three invisible items of Balance of payments
- Autonomous items are undertaken by government with the view to restore equilibrium in balance of payment true or false

Assignment recapitulation

- Balance of payment always balances. Does It mean a situation of zero net financial obligation for a country?
- “slump in oil prices” how will this affect India current account deficit?
- Indian rupee has been depreciating in the recent times. What effect it have on the current account deficit?
- Write in favour and against for investment.

Integration with other domains

- English

Learning outcomes

- Student can explain the meaning of balance of payment
- Students can identify components of balance of payment
- Students can examine if the transaction of balance of payment
- Student can classify transaction as commodity and autonomous

Resources

- TR Jain NCERT

Co scholastic

- Debate

Assessment

Students will be assessed on the basis of class test

XII Economics (part-B)

Topic- Development Experience (1947-90)

Learning Objectives:

- to familiarize the students with the economic condition of our country on the eve of independence.
- To familiarize the students with the condition of various sectors after independence.

Previous knowledge testing

The students will be asked about

- When India got independence?
- How many years India was under British rule? -
- What is economic planning?
- What is subsistence farming?

Vocabulary and spelling

Colonial, stagnant, depleted, semi- feudal, subsistence farming.

Method

Zoom app and share screen

Procedure

Explanation of topic colonial exploitation of Indian economy under British rule will be done. Exploitation in agriculture sector, industrial sector, and international trade will be explained.

Features of Indian economy on the eve of independence will be taken up as

- stagnant economy
- backward economy
- agricultural backwardness
- industrial backwardness
- rampant poverty
- poor infrastructure
- heavy dependence on imports
- Limited urbanization
- Semi-feudal economy will be explained.

State of agriculture sector on eve of independence will be taken up and the features will be explained with the help of examples as

- Low production and productivity
- high degree of uncertainty
- dominance of subsistence farming
- gulf between owners and tillers of the soil



- small and fragmented landholdings
- land revenue system under British rule
- Forced commercialization of agriculture

Industrial sector on the eve of independence will be taken up as

- Systematic de-industrialization will be explained
- Discriminatory tariff policy
- disappearance of princely courts
- Competition from machine made products
- New pattern of demand
- Introduction of Railways in India and bleak growth of modern industries in India will be explain

Foreign trade under British rule will be taken up

- Net exporter of primary products and exporter of Anish courts
- Monopoly control of India' s foreign trade
- Surplus trade but only to the benefit of British

Demographic profile during the British era will be explain as death rate, birth rate. Infant mortality rate, life expectancy, literacy rate. These parameters will be discussed along with the data. Concept of demographic transition will be explained with reference to India. 1921 – The year of great divide will be explained.

Occupational structure on the eve of Independence will be explained with reference to Percentage of people engaged in primary, secondary, tertiary sectors.

Infrastructure on the eve of independence will be explained and positive impact of British rule in India will be discussed in the class.

Students' Participation and Art Integration

The students will be asked to have a role play. There will be a short skit based on the landlord tenant relationship during British time period.

- Student 1 - British officer
- Student 2 – landlord
- Student 3 - Tenant

The students will be asked to enact a short skit on how the tenant is in in the need of money and he had to depend upon the landlord in the village. How the land revenue is charged by the British government.

Recapitulation

The major topics from the chapter will be revised in the class and students will be asked to discuss them point wise.

Assignment

MCQ type and short answer very short answer type questions will be given as homework.

Learning Outcomes:

- students will be able to realize the condition of Indian economy on the eve of independence.

Topic- Five-year plans in India

Learning Objectives:

- To familiarize the students with planning and its importance.
- To enable them to understand long and short period goals.

Previous knowledge testing

The students will be asked about the meaning of development and they will be asked how a focused Goal can help to achieve the development goals. Meaning of plan and planning will be asked

Vocabulary and spellings

Niti Aayog, Comprehensive planning, directive planning, capitalist, socialist, planned economy

Method

Zoom class and share screen

Explanation and procedure

Meaning of economic planning will be explained. When in India we started with economic planning will be told to the students name of the chairman of planning commission will be told. Need of economic planning will be explained. Various types of economies will be explained.



Long period and short period goals of planning in India will be taken up one by one. Long period goals will be explained as –

- GDP growth
- Full Employment

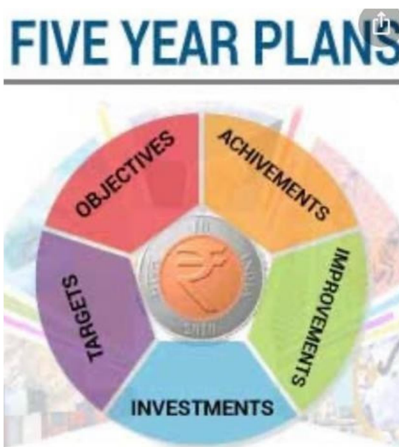
- Equitable distribution or equity

- Modernization
- Self-sufficiency

Short period goals and objectives will be explained plan and period wise from first plan to 12th plan.

Features of economic policy pursued during planning till 1991 will be explained as

- heavy reliance on public sector
- regulated development of private sector
- protection of small scale Industries and regulation of large-scale industries
- development of heavy industries of strategical significance
- Focus on saving and investment
- protection from foreign competition
- focus on import substitution
- restriction on foreign capital
- centralised planning



Success of planning in India will be explained. Increase in national income, increase in per capita income, rise in savings and investment, institutional and technical changes in agriculture, growth and diversification of industries, economic infrastructure social infrastructure employment and international trade.



Failure of planning in India will be taken up. Abject poverty, high rate of inflation, unemployment crisis, inadequate infrastructure, skewed distribution, will be explained.

Participation of students and art integration

Students will be asked to make a chart on short-term plan objectives. Colour it in different colours for different time periods and discuss the achievements of the plan.

Recapitulation

Back exercises from NCERT book will be discussed in the class.

Assignment

Students will be asked to do very short answer type questions one word answer questions, fill ups as home assignment.

Learning Outcomes:

- students will be able to understand the need and importance of planning.
- Students will be able to differentiate short and long term goals.

Topic - Features, problems, policies of agriculture

Learning Objectives:

- To familiarize the students with the problems in agriculture.
- To enable them to appreciate the reforms made in this sector.

Previous knowledge testing

What percentage of population in India is engaged in agriculture sector? What is the contribution of agriculture sector in India's national income? What do you think the problems that Indian farmer face in daily life?

Vocabulary and spellings

Wage goods productivity, fragmented, consolidation, HYV seeds.

Method

Zoom app and share screen

Procedure and explanation

Importance of agriculture in the Indian economy will be explained as contribution to GDP, Supply of wage goods, source of demand for the industrial goods, contribution to international trade, contribution to domestic trade, support to the transport industry and wealth of the nation.

Features of Indian agriculture will be taken up in the class and the meaning of following will be explained in detail as - low productivity, disguised unemployment, and dependence on rainfall, subsistence farming, and lack of modern inputs, small holdings, Landlord tenant conflicts and primitive technology.





Problems of Indian agriculture will be explained to the students as lack of permanent means of irrigation, deficiency of finance, conventional outlook, small and scattered land holdings, exploitative agrarian relations and. Lack of organized marketing practices.

Agrarian reforms or reforms in Indian agriculture will be taken up and will be explained by dividing in three forms.

1. Technical reforms - use of HYV seeds, use of chemical fertilizers, use of insecticides and pesticides for crop protection, scientific farm management, mechanized means of cultivation.



2. Institutional reforms—abolition of intermediaries, regulation of rent, consolidation of land holdings, ceiling of land holdings and redistribution of surplus land, cooperative farming.
3. General reforms -expansion of irrigation facilities, provision of credit, regulated markets and cooperative marketing societies, Price Support Policy.



Achievements of agrarian reforms will be explained as - spurt in crop productivity, substantial rise in acreage (Area under cultivation) , shift from subsistence farming to commercial farming, change in farmers outlook, self-sufficiency in food grain production.



Students' participation and art integration

Students will be asked to collect information about modern means of cultivation. Make a list of tools machines and equipment which may be needed by farmers. Cost of HYV seeds and the benefits to be discussed in the class. Students will also be asked to prepare a small poem or A short story on the life of Indian farmer. Impact of excessive use of chemical in agriculture sector on the health of common man is also discussed in the class.

Recapitulation

Role of agriculture sector, various reforms for the development of agriculture sector in India will be discussed in the class again. Back exercises from NCERT book will be discussed in the class.

Assignment

Short answer type questions, multiple-choice questions, fill in the blanks will be given as home assignment

Learning outcomes:

- Students will be able to realize the importance of agriculture and will be familiar with the problems of the same.
- Students will be able to appreciate the need for reforms in agriculture sector.

Topic-Strategies of industrial growth (1947-1990)

Learning Objectives:

- *To be able to realize the importance of industry.*
- *To be able to identify the reasons for the New Industrial Policy.*

Previous knowledge testing

Students will be asked to define secondary activities. What goods are produced in industries? What are intermediate goods?

Vocabulary and spelling

Inclusive growth, locational flexibility, strategy, growth with Justice, mechanized means.

Method

Zoom app and share screen

Procedure and explanation

The meaning of industries, Importance of industries in an economy will be explained in the class

- Epicenter of economic growth
- Source of mechanized means of farming
- Imparts dynamism in growth process
- Growth of civilization
- Infrastructural growth



Factors explaining the need of direct participation of state in industrial development will be explained in the class and the reason is will be discussed as

- lack of capital
- lack of inducement to invest
- Growth with social justice

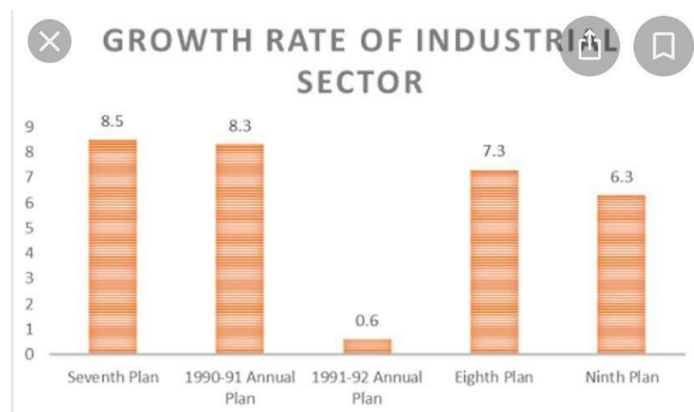
Industrial policy Resolution (1956), the principal elements of IPR -1956 will be explained

- Three fold classification of industries
- Industrial licensing
- Industrial concessions
- Development of small-scale industries -

Three typical characteristics of SSI' s

- Labour intensive
- locational flexibility
- equity oriented

Salient features of strategy of industrial growth during 1950 to 1990 and it' s good and beneficial impacts will be explained in the class



Participation of the students and art integration

Students will be divided in three groups. One group will be group of people who have to start up with some industries. Second group will play the role of government administrative officers who will be permitting licensees and quotas. Third group will be group of consumers. Role-play will be done in the class how are the problems were faced by the Industrialists and How consumers were having a limited choice of goods.

Recapitulation

Very short answer type questions, multiple-choice questions, back exercises of NCERT will be discussed with the students in the class.

Assignment

Students will be asked to make a list of industries which were Growing and developing during this plan period.

Learning Outcomes:

- *To be able to realize the importance of industry.*
- *To be able to identify the reasons for the New Industrial Policy.*

Chapter: India's Foreign Trade

Learning objectives:

- To be able to understand meaning of foreign trade.
- To be able to understand foreign trade at time of independence.
- To be able to understand foreign trade after independence.
- Understand import substitution policy and its merit and demerits

P.K testing:

- What is foreign trade?

- What is closed economy?
- What is open economy?
- What are major items of export and import of India?

Vocabulary:

International specialisation, inward looking trade strategy, latent resources.

Reaching Aids /innovation innovative method used:

Zoom meeting, screen sharing, images sent through whatsapp.

Procedure:

Following topics will be explained:

- a) Meaning and importance of foreign trade.
- b) India's foreign trade at time of independence.
- c) India's foreign trade after independence.
- d) Changes that took place in the following:
 - Volume of foreign trade.
 - Composition of foreign trade.
 - Balance of foreign trade.
 - Direction of foreign trade
- e) Inward looking trade strategy (it's good and bad impacts).

All these topics will be explained in detail.

Participation of students:

Students will be asked verbal questions and will be encouraged to give answers in zoom meeting.

Recapitulation:

Assignment will be given to solve.

Homework:

Learn the chapter and solve exercise questions.

Learning outcomes:

- Student will be able to understand about foreign trade of India, its nature, its volume, direction, composition.
- Understand about import substitution policy.

Chapter: economic reforms or new economic policy.

Learning objectives:

- To be able to understand meaning of economic reforms.
- To understand liberalization, privatisation and globalization.
- To understand its good and bad impact.

P.K testing:

- What are P.S.U?
- Before 1991 which type of cars were famous in India?
- Why MNC'S become popular in India only after 1991?

Vocabulary:

Outsourcing, devaluation of Indian rupee, partial convertibility FDI, FII, fiscal policy.

Teaching Aids/innovation method:

Zoom meeting, screen sharing, images sent through whatsapp.

Procedure:

Following topic will be discussed in detail.

- Meaning of economic policy.
- Need of economic reforms.
- Main elements of new economic policy 1991.

Elements of NEP, 1991:

1. Liberalisation.
 - Financial sector reforms.
 - Industrial sector reforms.
 - Fiscal sector reforms.
 - External sector reforms.
2. Privatisation.
 - Disinvestment(PSUs).
 - Its gain.
 - Its losses
3. Globalisation.
 - Increase in foreign equity limit.

- Partial convertibility.
- Long term policy.
- Reduction in tariffs.
- Withdrawal of quantitative restrictions.

Following terms will be explained in detail-

- Devaluation of Indian rupee.
- Bilateral and multilateral trade agreements.
- WTO.
- Navratans.

Merit and demerit of LPG policies.

Participation of students:

Oral quiz including objective type questions, fill ups, MCQ'S type questions will be conducted.

Recapitulation:

Assignments question will be discussed.

Homework:

Revise and learn the chapter and do back exercise.

Learning outcomes:

Students will be able to understand meaning and elements of economic reforms and its merit and demerits.

Assignment:

Questions will be given to the students for practice.

- What is devaluation of rupee?
- What is partial convertibility?
- What are Navratan?

Chapter - Poverty

Learning objectives:

- To enable the students to understand what is poverty, who are poor?
- Understand poverty line.
- Causes of poverty.
- Measures to remove poverty.
- Poverty alleviation programmes.

P.K testing:

- What are basic necessities of life?
- Who are the people poorer than you?
- Why do you consider them more poor?

Vocabulary:

- Poverty –relatives and absolute poverty.
- Poverty line.
- Poverty alleviations programmes.

Teaching Aids / innovative methods:

Zoom meeting, screen sharing, images sent through whatsapp.

Procedure:

Students will be explained the following topics.

- Meaning of poverty.
- List of items considered as basic necessity.
- Relative and absolute poverty.
- Poverty line (meaning, fixation)
- Trends in poverty (number and percentage of poor).
- Interstate comparison.
- Causes of poverty.
- Poverty alleviation programmes.
- Measures to remove poverty.

Participation of students:

- Students will be asked to make a list of item what are basic necessities of life.
- Quiz will be conducted through zoom meeting.

Recapitulation:

- Overview of chapter will be given.
- Objective type question will be asked.

Homework:

- Make a list of all the poverty alleviation programmes and their features.
- Do back exercise questions from the book.

Learning outcomes:

- Sensitivity towards poor.
- Understand poverty line.
- Understand about poverty alleviation programmes.

Chapter - Human Capital Formation

Learning objectives:

- To enable students to understand concept of human capital formation.
- To understand determinants of human capital formation.
- To understand role of human capital formation.
- To understand problems of human capital formation

P.K testing:

- Why do you come to school?
- What skill do you want to do inculcate for better earnings?

Vocabulary:

- Human development.
- Gross enrolment ratio.
- Sarv Siksha Abhiyan.
- Rights to education

Aids/ innovative methods:

Zoom meeting, screen sharing, images sent through whatsapp.

Procedure:

Following topics will be explained in the class.

- Meaning of human capital.
- Meaning of human capital formation.
- Sources of human capital formation.
 - Expenditure on education.
 - Expenditure on health.
 - On the job training.
 - Study program for adults.
 - Migration.
 - Expenditure on information.
- Role of human capital formation (importance)
- Problems facing human capital formation.
- Education as an element of human resource development will be explained.
- Importance of education.
- Need of government interventions in education.
- Challenges in education sector.

Participations of students:

Students will be asked the questions related to topic taught.

Recapitulation:

- Students will be asked questions.
- What is human capital formation?
- What is brain drain?
- Why should government intervene in the education and health sector?
- Name the institutions that regulate education sector in India.

Homework:

Revise and learn the chapter.

Assignment:

Assignment questions will be given for practice.

Learning Outcomes:

- To enable students to understand concept of human capital formation.
- To understand determinants of human capital formation.
- To understand role of human capital formation.

- To understand problems of human capital formation

Chapter - Rural Development

Learning objectives:

- To enable the students to understand challenges of rural development.
- To understand lingering challenges of rural development.
- To understand emerging challenges of rural development

P.K testing:

- How much population of India lives in rural area?
- What are the problems faced by rural people?
- Why do people migrate to urban area from rural area?

Vocabulary:

Self-help group (SHG), Kisan credit card (KCC), Distress sale, Buffer stock, PDS, Golden revolution.

Teaching Aids/ innovative methods:

Zoom meeting, screen sharing, images sent through whatsapp.

Procedure:

Following topics will be explained in the class.

- What does rural development mean?
- Challenges of rural development.
 - Lingering challenges.
 - a) The challenge of rural credit (agency of rural credit)
 - b) Rural banking
 - c) SHG, Micro credit, KCC.
 - d) Rural marketing – problem and govt efforts. Like MSP etc.
 - e) Alternate marketing channels.
 - Emerging challenges.
 - Employment outside agriculture like animal husbandry, fisheries, horticulture, cottage industries etc.
- Rural credit.

Students will also be taught the following terms:-

Golden revolution, white revolution, TANWA, IT as livelihood option.

Recapitulation:

Overview of the chapter will be given and students will be asked few questions.

Participation of students-

Verbal quiz will be conducted through zoom meeting.

Assessment-

Students will do following questions.

- Name some options of employment in your city.
- What options of employment are present in rural areas?
- Some options of employment (outside agriculture)
- Name some agencies rural credit.

Learning outcomes:

- To enable the students to understand challenges of rural development.
- To understand lingering challenges of rural development.
- To understand emerging challenges of rural development

Term II

Part -A

Topic - National income and related aggregates money flow, income, product methods

Learning Objectives:

- To familiarise the students with the concept of national income.
- To enable students to measure national income by various methods.
- To familiarize the students with the concepts of domestic income and ways of measuring the same.

Previous knowledge testing

Students to be asked to define national income, per capita income, production, consumption and investment. They' ll be asked to explain the relation between investment and national income.

Vocabulary used and spelling

Imputed value, own account production, time lag, stock, flow

Method

Zoom app and share content

Procedure

The meaning of national income, per capita income, real and nominal national income and its converging will be explained in the class. Concept of stock/-flow, normal resident, domestic territory, depreciation, gross capital formation will be taken up.

- Production method /value-added method will be taken up and concepts and methods (formulas) related to this method will be explained. Numerical

METHODS OF CALCULATING NATIONAL INCOME

1. VALUE ADDED METHOD

BASIC CONCEPTS:-

1. **Production**- Goods Produced by all production units of producer is called production.
2. **Three sectors** : (A. Primary B. Secondary C. Tertiary)
3. **Intermediate Goods**- Those goods which are within the boundary line of production, value is yet to be added to these goods, and these goods are yet not ready for use by their final users.
4. **Final Goods**- Those goods which have crossed the boundary line of production and are ready for the use by their final users.
5. **Net Factor Income From abroad**- NFIA is the difference between factor income earned by our residents from abroad and factor income earned by non-residents in our country (Formula-Factor Income From abroad-Factor income to abroad)
6. **Depreciation** (Gross & net value)- Consumption of fixed capital is called depreciation.
7. **Net Indirect Tax** (factors cost & Market price value)-Difference between indirect tax and subsidy is called Net indirect tax.
8. **Intermediate Consumption**- It refers to those expenditure by the producers on the purchase of intermediate goods during an accounting year.
9. **Accounting year**- Time Period between 1st April to 31st March is Called an accounting year.
10. **Value Added Method** is the method which measures the national income by estimating the contribution of each producing enterprise to production in the domestic Territory of the country in one year including the value of NFIA.

Frequently asked Questions

1. What do you mean by value added method?
2. What do you mean by value of output?
3. What is meant by intermediate consumption?
4. Explain the problem of double counting.
5. Complete the formula

Value of output = Sales + _____?

Gross value added = value of output - _____?

Change in stock = Closing stock _____?

6. What is difference between gross value of market price and net value added market price?
7. What is difference between value of output and gross value of output?

HIGHER ORDER THINKING QUESTIONS:

questions will be solved in the class.

| Items | Rs in Crores |
|------------------------------|--------------|
| (a) Value of output | 1000 |
| (b) Intermediate consumption | 200 |
| (c) NFIA | (-)10 |
| (d) Depreciation | 20 |
| (e) Net indirect tax | 30 |

(2) Calculate Value added of Firm A and Firm B.

| Items | Rs in crore |
|-----------------------------------|-------------|
| (a) A's sales to B | 20 |
| (b) Purchase of households from A | 10 |
| (c) Exports of A | 5 |
| (d) Sales of B to Government | 50 |
| (e) Change in stock of B | 10 |
| (f) Change in stock of A | 5 |

(3) Calculate net value added at factor cost from following data:

| Items | Rs in Crores |
|---|--------------|
| (a) Purchase of machinery to be used in Production unit | 100 |
| (b) Sales | 200 |
| (c) Intermediate costs | 90 |
| (d) Indirect taxes | 12 |
| (e) Change in stock | 10 |
| (f) Excise Duty | 6 |
| (g) Stock of raw material | 5 |

(4) Calculate Gross value added at factor cost:

| Items | Rs in Crores |
|----------------------------------|--------------|
| (a) Sales | 8,000 |
| (b) Change in stock | 100 |
| (c) Subsidies | 200 |
| (d) Consumption of fixed capital | 300 |
| (e) Intermediate Consumption | 5,500 |
| (f) Rent | 500 |

(5) From the following data relating to firm, calculate its Net Value Added at Factor Cost:

| Items | Rs in crores |
|------------------|--------------|
| a) Subsidy | 40 |
| b) Sales | 800 |
| c) Depreciation | 30 |
| d) Exports | 100 |
| e) Closing stock | 20 |

- Income method will be taken up. Various sources of income will be explained. COE plus OS plus mixed income will be explained in detail and numerical questions related to each of them will be done.
- NFIA will be explained and numerical practice will be given to the students. Steps and precautions of value-added/income method will be explained.
- $NPFC = NDPFC + NFIA$

Income method

1. Basic concepts:

Compensation of Employees all those payments (both in cash and kind) which are by employers to the employees for rendering productive services.

2. Pension on retirement: deferred wage which is related to factor service rendered by the employees.

3. Rent: amount receivable by a landlord from the tenant for use of his land and building.

4. Royalty: income received for granting leasing rights of sub-soil assets.

5. Interest: income received by the lenders of funds from a production unit.

6. Profits: income of the factor of production called entrepreneurship for organizing production and under taking risks.

7. Operating surplus: sum total of rent, royalty, interest and profits.

8. Mixed income of self-employed: any income that includes more than one type of factor income.

- 1) Explain the steps involved in calculation of national income through income method.
- 2) What are Precautions to be taken while calculating national income through income method?
- 3) Explain the main components of compensation of employees.

- Concept of domestic and national income will be explained.

Students to be told the meaning of Expenditure how it is incurred by various sectors in the economy. $GDPMP = C+G+I+(X-M)$ domestically produced goods. Steps and precautions of expenditure method will be explained. Various concepts would be

explained and students should be asked to answer the concept and reason based questions.

Participation of the students

Students will be asked to solve various questions from both the methods they will be asked to quote various situations when production or income is not included in national income.

Recapitulation

Various short answers and very short answer type questions will be asked and concepts will be revised the class.

Assignments

Numerical questions given in the back exercises of the book will be given for practice. NCERT back exercises will be discussed. Monday test will be conducted on national income, checked and marks will be uploaded on school app

Learning Objectives:

- To familiarise the students with the concept of national income.
- To enable students to measure national income by various methods.
- To familiarize the students with the concepts of domestic income and ways of measuring the same

Chapter – Determination of Income and Employment (Concept of AD).

Learning objectives:

- To enable the students to understand:-
 - Concept of AD.
 - Components of AD, AS.
 - Consumption function.
 - Saving function.
 - Relationship between propensity to save and propensity to consume.
- To enable them to make series from raw data.

P.K testing:

- What is demand?
- How it is related to price?

- How it is related to income?
- What is the meaning of word – aggregate?

Vocabulary:

- Propensity to consume.
- Propensity to save.

Aids and innovative methods:

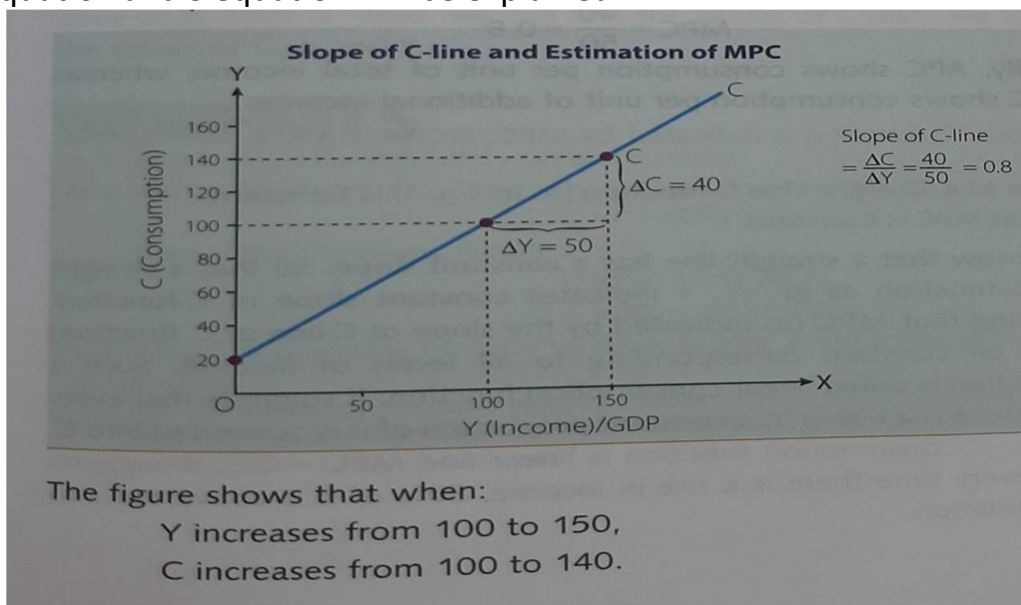
- Zoom meetings, screen sharing, images sent on whatsapp.

Procedure:

- Students will be explained the concept of AD. Its 4 components i.e C, G, I, (X-M).
- Behavior of AD will be explained with diagram.
- Following topics will be explained.
 - Consumption function (C curve).
 - Saving function (S curve).

| Y | C | S | ΔY | ΔC | S |
|-----|-----|-----|------------|------------|----|
| 0 | 20 | -20 | - | - | - |
| 50 | 60 | -10 | 50 | 40 | 10 |
| 100 | 100 | 0 | 50 | 40 | 10 |
| 150 | 140 | 10 | 50 | 40 | 10 |

- Using the above schedule, the concepts of APC, APS, MPC, MPS and C equation and S equation will be explained.



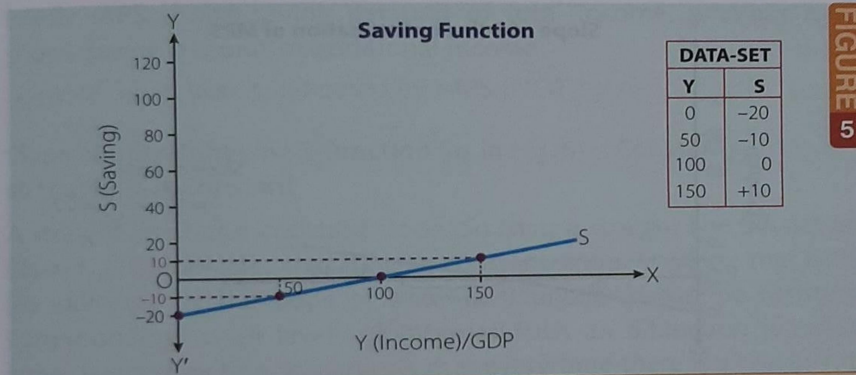
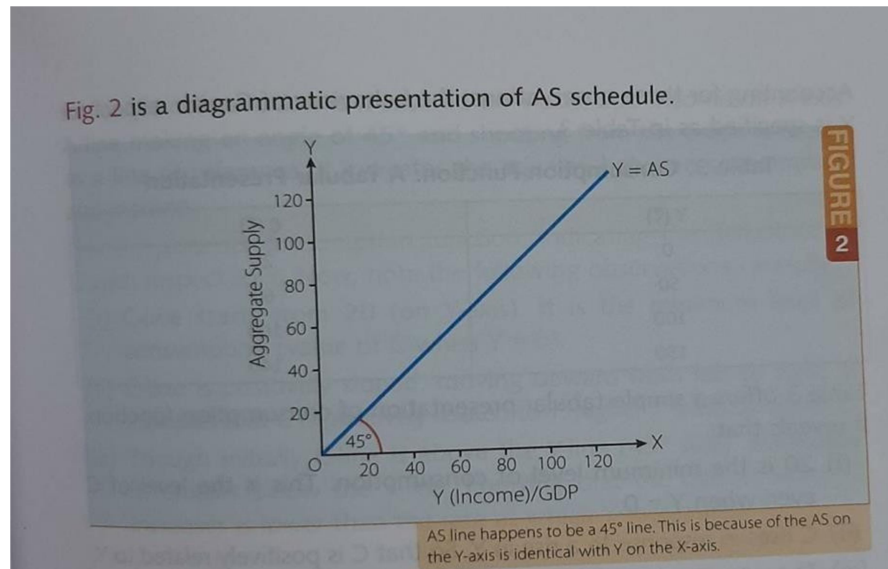


FIGURE 5

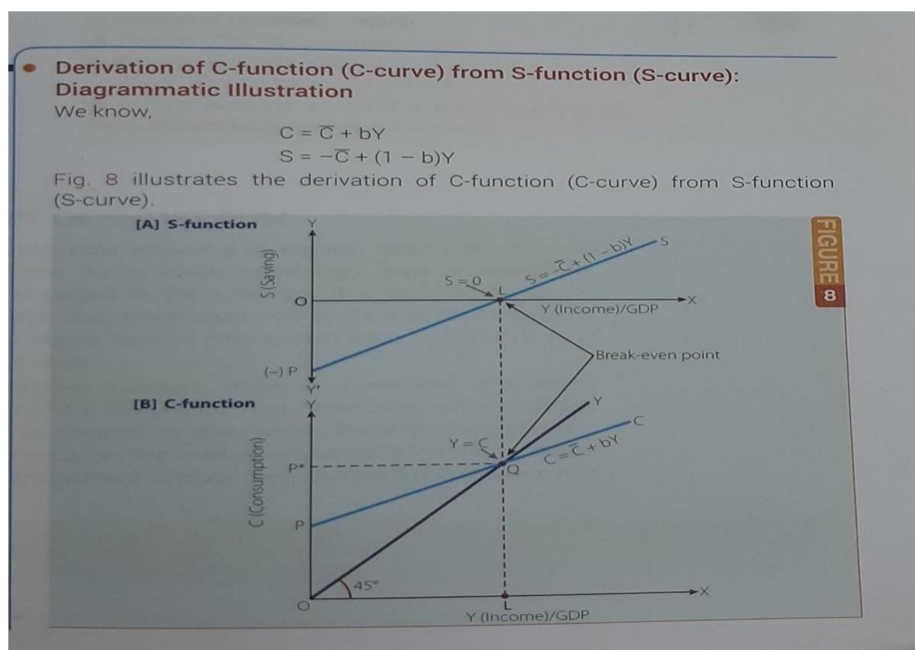
Observations:

- S-line starts from -20. This is because when $Y = 0$ and $C = 20$, then S must be equal to -20.
- S-line crosses X-axis when $Y = 100$. It is here that $S = 0$, because $Y = C = 100$. It is called 'break-even' point. Because 'S' is no longer negative. Implying that borrowing is not needed to meet the minimum C .
- S-line is positively sloped, indicating that S is positively related to Y . Higher Y leads to higher S .

- Relation of APC, APS, MPC, MPS will be explained.
 - Behavior and components of AS will be explained.
- $AS = C + S$.



- Numericals of propensity to consume and propensity to save will be done.
- Derivation of C-curve from S-curve and vice versa will be explained.



Student participation:

- Questions in form of MCQ and fill ups will be asked to students for response.

Recapitulation:

- Overview of the chapter will be given to the students.

Assessment:

Assignment questions to the students on whatsapp. They will be asked to solve that and send solutions.

Learning outcomes:

- To enable the students to understand:-
 - Concept of AD.
 - Components of AD, AS.
 - Consumption function.
 - Saving function.
 - Relationship between propensity to save and propensity to consume.
- To enable them to make series from raw data.

Chapter – Short run equilibrium output

Learning objectives:

To enable the students to understand

- Concept of short run.
- Understand equilibrium level of income.
- Investment multiplier.

P.K testing:

- What is market equilibrium?
- What is short run in micro economics?

Vocabulary:

- Keynesian theory, investment multiplier, ex-ante, ex-post.

Aids and innovative methods:

- Zoom meetings, screen sharing, images sent on whatsapp.

Content and Procedure:

- Meaning of short run will be explained.
- Determination of equilibrium will be explained using.
 - AD/AS approach.

- Saving/ investment approach.
- Assumptions will be explained.
- AD/AS approach.
AD = AS
- Saving and investment approach.
Saving = Investment

Schedule and diagram will be used to elaborate the topic.

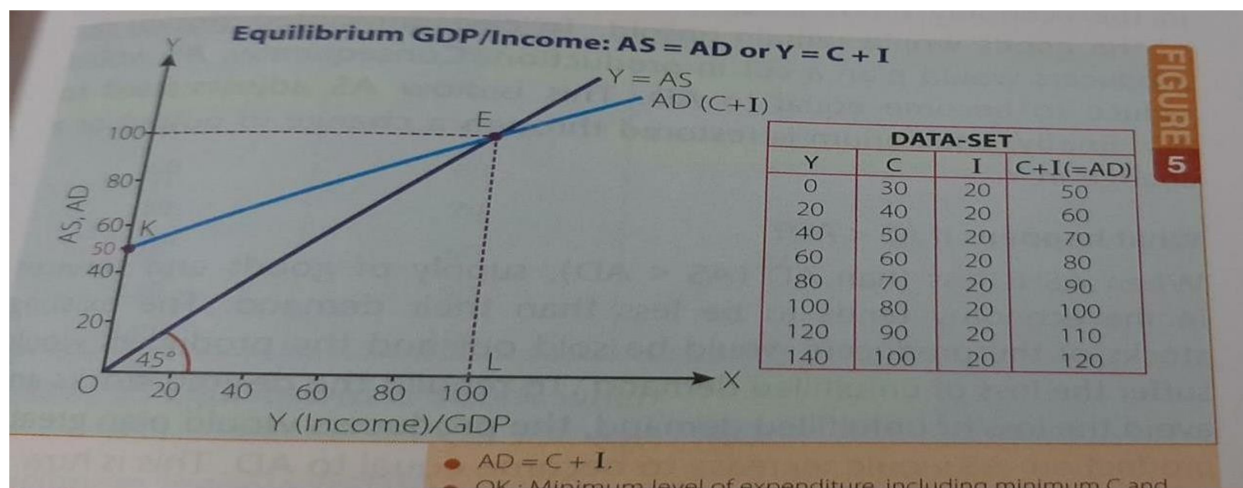


FIGURE 5

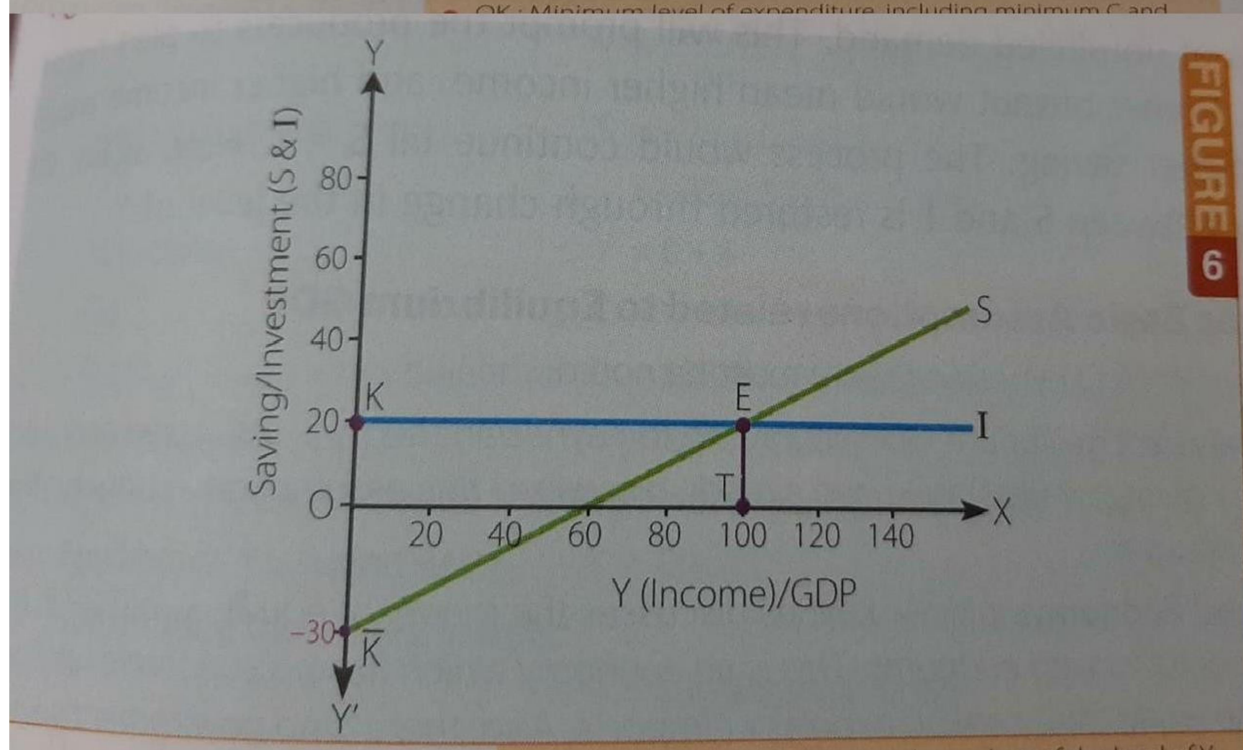


FIGURE 6

Following topics will also be explained:

- What happens if $AD > AS$
- What happens if $AS > AD$
- Shift in equilibrium due to change in investment.
- Investment multiplier (with a numerical example).
- Meaning, working, of multipliers.
- Backward and forward shift of multiplier.

Table 3. Multiplier Process (Assumption: $MPC = 0.5$)

| Round | Increase in Investment Expenditure (₹ crore) | Change in Income (ΔY) (₹ crore) | Induced Change in Consumption ($MPC = 0.5$) (₹ crore) | Leakage or Saving (₹ crore) |
|--------------|--|---|---|-----------------------------|
| 1 | 100 | 100 | 50.00 | 50.00 |
| 2 | — | 50 | 25.00 | 25.00 |
| 3 | — | 25 | 12.50 | 12.50 |
| 4 | — | 12.50 | 6.25 | 6.25 |
| 5 | — | 6.25 | 3.12 | 3.12 |
| 6 | — | 3.12 | 1.56 | 1.56 |
| 7 | — | 1.56 | 0.78 | 0.78 |
| 8 | — | 0.78 | 0.39 | 0.39 |
| 9 | — | 0.39 | 0.20 | 0.20 |
| 10 | — | 0.20 | 0.10 | 0.10 |
| Total | 100 | 200 | 100 | 100 |

(Figures approximated up to 2 decimal points.)

Numerical questions will also be done.

Student participation:

- Verbally questions will be asked from the students through zoom meetings and they will give responses.

Recapitulation:

- Overview of the chapter will be given to the students doubts will be taken up.

Assessment:

Students will be given back exercise questions to solve.

Learning objectives:

To enable the students to understand

- Concept of short run.
- Understand equilibrium level of income.
- Investment multiplier.

Chapter – Problem of deficient and excess demand

Learning objectives:

- To enable the students to understand:-
 - Full employment.
 - Natural unemployment.
 - Voluntary and involuntary unemployment.
 - Problem of excess demand and deficient demand.

P.K testing:

- When can an economy be in full employment situation?
- What is inflation?

Vocabulary:

- Fiscal policy, frictional unemployment, structural unemployment.

Aids and innovative methods:

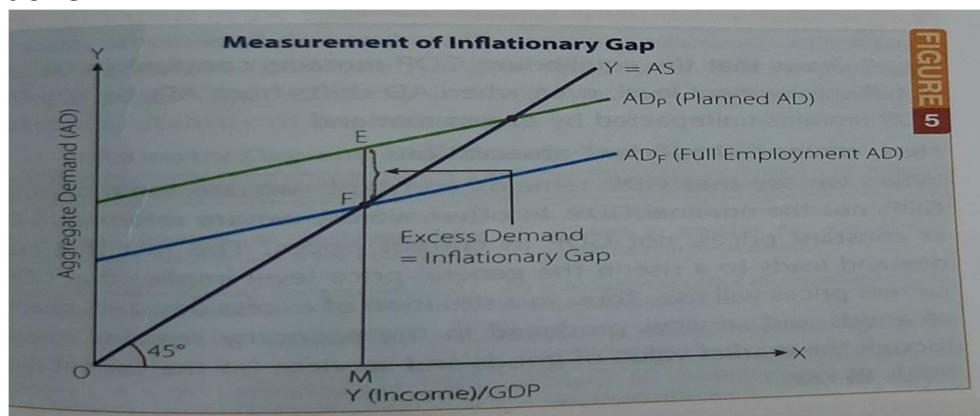
- Zoom meetings, screen sharing, images sent on whatsapp.

Content and Procedure:

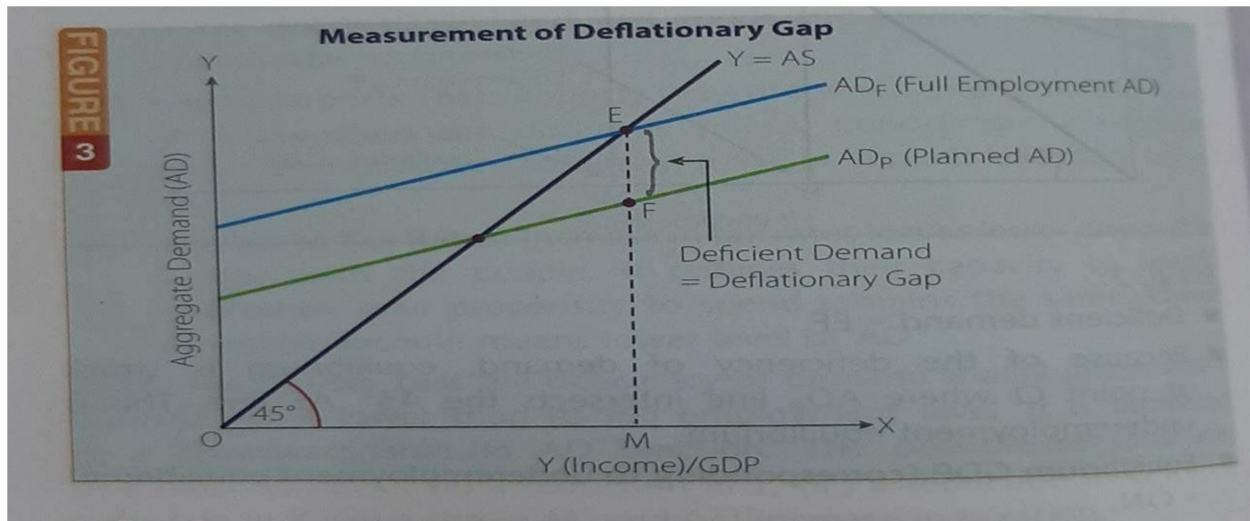
- Following topics will be explained to the students.
 - Voluntary unemployment
 - Involuntary unemployment
 - Full employment
 - Frictional unemployment

After explaining the basic terms the topic of excess demand will be discussed.

- Excess demand: Meaning, example, causes, consequences and diagram will be done.



- Deficient demand: Meaning, example, causes, consequences and diagram will be done.



- Difference between inflationary gap and deflationary gap.
- Measures to correct excess AD and deficient AD. (monetary policy and fiscal policy)
- Monetary policy instruments CRR, SLR, Bank Rate, open market operations, margin requirements, credit rationing etc.
- Fiscal policy instruments, Govt expenditure, Taxes, Public borrowings, borrowings from RBI.

Student participation:

- Objective questions will be asked from the students. Students will also draw diagram of inflationary and deflationary gap.

Recapitulation:

- The chapter will be recapitulated by discussing the basic terms.
- Overview of the chapter will be given.

Assessment:

Assignment questions will be sent to the students and they will solve them.

Learning objectives:

- To enable the students to understand:-
 - Full employment.
 - Natural unemployment.
 - Voluntary and involuntary unemployment.
 - Problem of excess demand and deficient demand.

Part B

Topic: Employment and unemployment

Learning objectives

- To enable students to understand some Basic concept related to employment
- To enable students to reason why bulk of liver faces is found in rural areas
- To enable them to understand occupational structure.

Previous knowledge testing

- What is your father's occupation?
- What is your mother's occupation?
- Being a house maker can you mother be called unemployed?
- What is unemployment?
- Unemployment, workers, labour forces, labour supply participation rate
jobless growth, informatisation ,casualization.

Important spellings

- Informalisation, casualization, participation, joblessgrowth

Aids/innovative methods

- Zoom app, screen sharing, book, assignment.

Procedure

- Meaning of worker, unemployment, self-employed, hired worker casual and regular workers will be explained.
- Concept of labour supply, liver forces and work forces will be discussed.
- Meaning of casualization and for informalisation also be explained along with difference between formal workers and informal workers.
- Types of Unemployment
 1. Rural unemployment
 - Disguised
 - Seasonal
 2. Urban unemployment
 - Industrial
 - Educated
- Causes of unemployment along with its consequences and measures to overcome unemployment will also be explained.

Participation of students

- Why should we study about working people?

- Why percentage of female worker is's low?
- Unemployment in India is a chronic problem. Do you agree?

Recapitulation assignment

- Empowerment of women is related to employment of women comment.
- Meena is a housewife beside taking care of household chores, she works in the cloth shop which is owned and operated by her husband can she be considered as a worker? Why?
- How is unemployment different from under employment?

Integration with other domains

- English

Learning outcome

- Student will be able to explain unemployment
- Students will be able to understand occupational structure
- Students will be able to classify various types of Unemployment

Resources

- NCERT TR Jain

Co scholastic

- Assignment

Assessment

- Student will be assessed on the basis of class test

Topic: Infrastructure

Learning objectives

- To enable students, understand the meaning of infrastructure
- To enable students to relate infrastructure with development
- Enable students understand the state infrastructure in India

Previous knowledge

- Testing what is the condition of roads in your area?
- Are there sufficient schools in villages?
- Why do students migrate to cities for higher studies?

Vocabulary

- Infrastructure, energy, health, economic, social, commercial, non-commercial

Important spellings

- Infrastructure, commercial, non-commercial

Aids methods

Zoom app, screen sharing, book assignment.

Procedure

- What is infrastructure?
- Social and economic infrastructure
- Infrastructure and development
- State of infrastructure in India

Participation of students

- Students will be asked to highlight the challenges in power generation in India and how these challenges can be addressed.

Recapitulation assignment

- Justify that energy crisis can we overcome with the use of renewable resources of energy
- What do you mean by Transmission and distribution losses how can they be reduced?
- What are the principal indicators of Health Care?

Integration with other domain

- English

Learning outcome

- To enable students to understand infrastructure
- To enable students to highlight the importance of infrastructure

Resources

- TR Jain NCERT

Co scholastic

- Assignment

Assessment

- Students will be assessed on the basis of class test

Topic: Environment and sustainable development

Learning objective

- To enable students to understand concept of environment
- To enable student to explain its importance
- To aware student and sensitise them about pollution
- To sensitise students on steps to overcome this problem

Pervious knowledge testing

- What are the reasons of pollution?
- What can use do to reduce pollution?

Vocabulary and important spellings

- Environment, arises, significances, exercise exploitation, excessive exploitation degradation strategies.

Aids /innovation methods

- Zoom app, screen sharing, book, assignment,

Procedure:

- Concept of environment
- Significance of environment
- Basic problems related to environment
- Causes of environmental degradation
- State of environment in India
- Sustainable development
- Strategic for sustainable development

Participation of students

- Students will be asked to search on the topic and bring more information
- Give your views on environmental degradation is an avoidable opportunity cost of development

Recapitulation and assignment

- Give two instances of

- Overuse of environmental resources
- Misuse of environmental resources
- What is sustainable development

Learning outcome

- Students will become aware about degeneration of environment
- Students will be able to explain importance of environment

Resources

- TR Jain NCERT

Integration with other domains

- English

Co scholastic

- Assignment

Assessment

- Students will be assessed on the basis of test.

Topic: Development experience of India Pakistan China

Learning objectives

- To make students aware about the strategic growth of India Pakistan and China

Previous knowledge testing

- Name our of the neighbouring countries
- Which country exports majority of product to India
- Why Chinese goods have flooded Indian markets?

Vocabulary and important spelling

Strategy, structure-growth, demographic profile

Aids innovative methods

Zoom App, screen sharing, book, assignment.

Procedure

- Strategy of growth in India Pakistan and China
- Comparative performance of Economics of India Pakistan China in term of GDP growth structure growth demographic profile and human development

- Common success story of India and Pakistan China's edge over India

Participation of students

- Students will be asked to write their view on the topic

“India has failed to grow as fast as China because it has failed to check the growth rate of its population”

Recapitulation assignment

- What is the important implication of the one child norm in China?
- Describe the path of development initiatives taken by Pakistan for its economic development
- Comment on the growth rate Trends witnessed in China and India in last two decades

Learning outcomes

- Students will become aware of the strategic
- Growth of India Pakistan and China

Resources

- TR Jain NCERT

Integration with other domains

- English

Co scholastic

- Assignment debate

Assessment

- Students will be assessed on the basis of class test.