

ECONOMICS
CLASS - XII (2016-17)

Paper 1

100 Marks
3 Hours

Units		Marks	Periods
Part A	Introductory Microeconomics		
	Introduction	6	11
	Consumer's Equilibrium and Demand	16	34
	Producer Behaviour and Supply	16	34
	Forms of Market and Price Determination under perfect competition with simple applications	12	31
		50	110
Part B	Introductory Macroeconomics		
	National Income and Related Aggregates	15	32
	Money and Banking	8	18
	Determination of Income and Employment	12	27
	Government Budget and the Economy	8	17
	Balance of Payments	7	16
		50	110

Part A: Introductory Microeconomics

Unit 1: Introduction

11 Periods

Meaning of microeconomics and macroeconomics, Positive and Normative Economics.

What is an economy? Central problems of an economy: what, how and for whom to produce; concepts of production possibility frontier and opportunity cost.

Unit 2: Consumer's Equilibrium and Demand

34 Periods

Consumer's equilibrium - meaning of utility, marginal utility, law of diminishing marginal utility, conditions of consumer's equilibrium using marginal utility analysis.

Indifference curve analysis of consumer's equilibrium-the consumer's budget (budget set and budget line), preferences of the consumer (indifference curve, indifference map) and conditions of consumer's equilibrium.

Demand, market demand, determinants of demand, demand schedule, demand curve and its slope, movement along and shifts in the demand curve; price elasticity of demand - factors affecting price elasticity of demand; measurement of price elasticity of demand - (a) percentage-change method and (b) geometric method (linear demand curve); relationship between price elasticity of demand and total expenditure.