

Economics

Code No. 318

Introduction

Economics helps the people of a nation to decide on the optimal allocation of our limited resources. The demand is always greater than the resources available. Economics gives a guidance to manage the scarcity of available resources. Economics can reduce unemployment. Without Economics, welfare of the citizens is not possible. Economics can make society a better place. The curriculum in Economics at Senior Secondary Level has been designed to help specific needs of NIOS learners. The main areas covered relates to the daily working environment of the learners.

Rationale

Economics has become a very sought after subject in the field of Social Science. The knowledge of Economics is very important in pursuing various activities in everyday life such as production, consumption and investment. In Consumption, every individual wants to utilize the income in the best possible manner so as to get maximum satisfaction from the goods and services purchased.

Similarly, as producer, the individual/firm/industry uses the resources to minimize cost and get maximum output/profit. At the economy level, everybody wants that there should be economic growth and development through higher income and employment. Study of economics is very useful to achieve these goals.

At NIOS, students are introduced to the subject of Economics at Secondary stage. The level at this stage is elementary in nature. However, at the Senior Secondary level, students will be exposed to more areas of economics. They are also expected to know the use of tables and graphs/statistical tools to understand and explain various concepts and theories of economics.

Objectives

After completing this course, the learner will be able to:

- understand the structure, problems, working and recent changes in the Indian economy;
- recall principles, laws and concepts of Economics;
- distinguish between factor incomes and non-factor incomes;
- collect, classify and present economic data;
- construct pie chart, frequency polygon and histogram;
- use statistical tools to analyse, interpret and explain data; and
- explain producer's and consumer's behaviour.

Scope and job opportunity

This field has a large number of opportunities for employment, some of these are:

- Economic policy maker in every organization.
- Teaching Economics.
- Research.
- business, government, education etc.

Eligibility conditions

Age: 15 Years

Qualification: 10th pass

Medium of instruction: Hindi, English, Urdu, Bengali, Gujarati and Odia

Duration of the course: 1 Year

Weightage

Theory: 100 Marks

Tutor Marked Assignment (TMA): 20% Marks of theory

Scheme of studies: Theory (300 hours), TMA (self paced)

Scheme of evaluation: Theory paper 100 marks (3 hours), internal assessment (TMA) (20% of theory marks)

Mode of evaluation	Syllabus/Contents	Duration	Weightage
Tutor Marked Assignment (TMA)	All contents under Part-1 (Module 1, 2 & 3)	Self paced	20%
Public Examination	All contents under Part-2 (Module 4 to 11)	3 Hours	80%

Pass criteria: 33% marks in theory

Course content

S. No.	Module/Topics	Duration (in hours)	Module Approach/Description	Weightage (marks)
PART - 1				
1.	Module-I Indian Economic Development 1. Overview of Indian	35	Features of Indian Economy- National and Per capita Income, Status of the Social sector, State of agriculture, Industry and foreign trade.	6

	<p>Economy</p> <p>2. Economic Planning in India</p>		<p>Meaning of Economic Planning, need for planning, objectives of planning, strategies of economic planning, achievements and drawbacks of Five Year Plans in India, New Economic Policy 1991- Liberalization, Privatization & Globalization</p>	
2.	<p>Module-II</p> <p>Current Challenges before the Indian Economy</p> <p>3. Economic Growth and Economic Development</p> <p>4. The Problem of Unemployment, Poverty and Inequality</p>	35	<p>Meaning of Economic Growth and Economic Development. Difference between Economic Growth and Economic Development; Concept of Sustainable Economic Development; Concept of Human Development, Human Development Index, factors affecting economic growth, Common features of underdeveloped countries</p> <p>Meaning, Types and measures of unemployment, Causes of unemployment in India, Concept of Poverty line and estimates of Poverty, Causes of Poverty in India, Poverty alleviation and employment generation programmes in India, Inequality in income and Regional Inequality.</p>	6
3.	<p>Module-III</p> <p>Introduction to Statistics</p> <p>5. Meaning, Scope and its Need in Economics</p> <p>6. Collection and Classification of Data</p> <p>7. Presentation of data</p>	50	<p>Need and scope of statistics, Meaning, functions and importance of statistics in economics, limitations of statistics.</p> <p>Primary and secondary data, collection of primary data, sources of secondary data; organization of data into arrays and frequency distribution.</p> <p>Tabulation, Bar diagrams and pie diagrams, Graphs – Line graph, histogram, Polygon and Ogive.</p>	8

PART - 2

4.	<p>Module-IV Statistical Tools</p> <p>8. Measures of Central Tendencies</p> <p>9. Measures of Dispersion</p> <p>10. Correlation Analysis</p> <p>11. Index Numbers</p>	35	<p>Meaning of central tendency, computation of arithmetic mean, combined mean, weighted arithmetic mean, median, quartiles and mode.</p> <p>Meaning of dispersion, Measures and methods of computing dispersion, Range, quartile deviation mean deviation, standard deviation (Absolute and Relative measures), Lorenz curve.</p> <p>Meaning, Scatter diagram, Karl Pearson's coefficient of correlation, Spearman's Rank correlation.</p> <p>Meaning, types, Construction of simple and weighted index numbers, Laspeyer's, Paasche's and Fischer's wholesale price index, Consumer price index and index of industrial production, uses of index numbers.</p>	19
5.	<p>Module-V Introduction to Economics</p> <p>12. Introduction to the Study of Economics</p> <p>13. Central Problems of an Economy</p>	16	<p>Meaning of Economics, Meaning of Microeconomics and Macroeconomics, relationship and distinction between the two, positive and normative economics.</p> <p>Meaning of economic problem, why Economic Problem arises, Central Problems, What to produce, How to produce and for Whom to produce; Concept of production possibility frontier, Opportunity Cost and marginal opportunity cost.</p>	9
6.	<p>Module-VI Consumer's Behaviour</p> <p>14. Consumer's Equilibrium</p> <p>15. Demand</p> <p>16. Price Elasticity of Demand</p>	25	<p>Meaning of Utility, Marginal and Total utility, Law of Diminishing Marginal Utility, Consumer's Equilibrium based on utility analysis. Meaning of Indifference curve and budget line, consumer's equilibrium using in difference curve and budget line.</p> <p>Meaning, factors affecting demand,</p>	14

			<p>law of demand, Individual and market demand, demand schedule and demand curve movement along the demand curve and shift in demand curve.</p> <p>Meaning, Factors affecting price elasticity of demand. Methods of Calculating price elasticity of demand</p> <p>(a) Percentage method (b) Total expenditure method (c) Geometric method</p> <p>Simple numerical problems based on each method</p>	
7.	<p>Module-VII Producer's Behaviour</p> <p>17. Production Function 18. Cost of Production 19. Supply 20. Price Elasticity of Supply</p>	40	<p>Meaning of production function, Production function in the Short Run- Law of Variable Proportion.</p> <p>Meaning of Cost, Fixed and Variable cost, Explicit and Implicit cost, Monetary cost, Real cost, Private and Social costs, Short run costs.</p> <p>Meaning, determinants of supply, law of supply, individual and market supply, supply schedule and supply curve, movement along the supply curve and shift in supply curve.</p> <p>Meaning, measurement of price elasticity of supply by (a) Percentage method (b) Geometric method Factors affecting price elasticity of supply</p>	22
8.	<p>Module-VIII Market and Price Determination</p> <p>21. Forms of Market</p>	16	<p>Meaning of market, Different forms of market – Perfect competition, monopoly, monopolistic competition and oligopoly- their meaning and features</p>	9

	<p>22. Price determination Under Perfect Competition</p> <p>23. Revenue and Profit maximization of a Competitive Firm</p>		<p>Meaning of equilibrium price, Determination of equilibrium price, excess demand and excess supply; Effect of changes in demand and supply on equilibrium price and quantity; Simple applications of demand and supply analysis – ceiling price, floor price.</p> <p>Concept of revenue – Total Revenue, Average Revenue Marginal Revenue. Various concepts of profit; profit; Maximization of a competitive firm Total revenue and total cost approach, Marginal revenue and Marginal cost approach</p>	
9.	<p>Module-IX</p> <p>National Income Accounting</p> <p>24. National Income and Related Aggregates</p> <p>25. National Income and its Measurement</p>	16	<p>Meaning of income, four factors of production, factor incomes and non-factor incomes, final goods and intermediate goods, basic economic activities, closed and open economy, stock and flow, circular flow of income, concept of domestic territory and normal residents, value of output and value added, market price vs factor cost, domestic income vs national income, real & nominal GDP concept of depreciation. Concepts of GDP, NDP GNP & NNP (at market price and factor cost)</p> <p>Methods of calculating national income-value added or product method, income method and expenditure method, private income, personal income and personal disposable income, national disposable income (gross and net), GDP and economic welfare.</p>	9
10.	<p>Module-X</p> <p>Theory of Income and</p>	16	<p>Consumption function, saving function and investment function,</p>	9

	Employment 26. Consumption, Saving and Investment 27. Theory of Income Determination		propensity to consume and save Concept of aggregate demand, Determination of Equilibrium level of Income, Increase in income Through Multiplier Process; Excess demand and Deficiency in demand.	
11	Module-XI Money, Banking and Government Budget 28. Money and Banking 29. Government and the Budget	16	Barter system of exchange; Money- its meaning and functions, Supply of Money - currency held by the public and net demand deposits held by the commercial banks, Measures of Money Supply process of credit creation, Central bank-meaning, functions, Monetary Policy to control money supply. Meaning, Objectives, components, Revenue Receipts and Capital Receipts, Revenue expenditure and Capital expenditure, Measures of deficit (Revenue Deficit, Fiscal Deficit and Primary Deficit - their meaning and implications); Fiscal policy and its role.	9