

# SYLLABUS BREAK-UP FOR 2026-27

## SUBJECT: ECONOMICS

### CLASS: XII

<b>Part A: Introductory Macroeconomics</b>		
S. N.	Units, Topics and Sub Topics	Pd.
<b>1.</b>	<b>Unit 1: National Income and Related Aggregates (10 Marks)</b>	<b>20</b>
	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)	5
<b>Part B: Indian Economic Development</b>		
<b>2.</b>	<b>Unit 6: Development Experience (1947-90) and Economic Reforms since 1991 (12 Marks)</b>	<b>15</b>
	<b>A brief introduction</b> of the state of Indian economy on the eve of independence. <b>Indian economic system and common goals of Five-Year Plans.</b> Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade. Main features, problems and policies of agriculture (institutional aspects and new agricultural strategy), industry (IPR 1956; SSI – role & importance) and foreign trade.	5 5
<b>Written Test I (18/05/2026): (Above Topics will be Evaluated)</b>		
	<b>Methods of calculating National Income</b> - 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 Deflator, GDP and Welfare	10 5
<b>Part B: Indian Economic Development</b>		
<b>2.</b>	<b>Unit 6: Development Experience (1947-90) and Economic Reforms since 1991</b>	
	<b>Economic Reforms since 1991:</b> Features and appraisals of liberalisation, globalisation and privatisation (LPG policy); Concepts of demonetization and GST	5
<b>Part A: Introductory Macroeconomics</b>		
<b>3.</b>	<b>Unit 2: Money and Banking (6 Marks)</b>	<b>10</b>
	<b>Money</b> – meaning and functions, supply of money – Currency held by the public and net demand deposits held by commercial banks. Money creation by the commercial banking system. <b>Central bank and its functions</b> (example of the Reserve Bank of India): Bank of issue, Govt. Bank, Banker's Bank, Control of Credit through Bank Rate, CRR, SLR, Repo Rate and Reverse Repo Rate, Open Market Operations, Margin requirement.	3 7
<b>Written Test II (12/08/2026): (Above Topics will be Evaluated)</b>		
<b>Part B: Indian Economic Development</b>		
<b>4.</b>	<b>Unit 7: Current Challenges facing Indian Economy (20 Marks)</b>	<b>25</b>
	<b>Human Capital Formation:</b> How people become resource; Role of human capital in economic development; Growth of Education Sector in India	10
	<b>Rural development:</b> Key issues - credit and marketing - role of cooperatives; agricultural diversification; alternative farming - organic farming	5
	<b>Employment:</b> Growth and changes in work force participation rate in formal and informal sectors; problems and policies	5
	<b>Sustainable Economic Development:</b> Meaning, Effects of Economic Development on Resources and Environment, including global warming	5
<b>Part A: Introductory Macroeconomics</b>		
<b>5.</b>	<b>Unit 4: Government Budget and the Economy (6 Marks)</b>	<b>8</b>
	<b>Government budget</b> - meaning, objectives and components.	2

	<b>Classification of receipts</b> - revenue receipts and capital receipts;	2
	<b>Classification of expenditure</b> – revenue expenditure and capital expenditure.	2
	<b>Balanced, Surplus and Deficit Budget</b> – measures of government deficit.	2
<b>Part B: Indian Economic Development</b>		
<b>6.</b>	<b>Unit 8: Development Experience of India (8 Marks)</b>	<b>5</b>
	<b>A comparison with neighbours</b> ; India and Pakistan; India and China Issues: economic growth, population, sectoral development and other Human Development Indicators	5
<b>Part A: Introductory Macroeconomics</b>		
<b>7.</b>	<b>Unit 5: Balance of Payments (6 Marks)</b>	<b>10</b>
	<b>Balance of payments account</b> - meaning and components;	2
	<b>Balance of payments</b> – Surplus and Deficit	2
	<b>Foreign exchange rate</b> - meaning of fixed and flexible rates and managed floating.	2
	<b>Determination of exchange rate in a free market</b> , Merits and demerits of flexible and fixed exchange rate. Managed Floating exchange rate system	2
<b>8.</b>	<b>Unit 3: Determination of Income and Employment (12 Marks)</b>	<b>15</b>
	<b>Aggregate demand and its components</b> Propensity to consume and propensity to save (average and marginal).	5
	<b>Short-run equilibrium output</b> ; investment multiplier and its mechanism. Meaning of full employment and involuntary unemployment.	5
	<b>Problems of excess demand and deficient demand</b> ; measures to correct them - changes in government spending, taxes and money supply.	5
<b>Revision Tests</b>		
<b>I Pre-Board Examination: (Full Syllabus will be Evaluated)</b>		
<b>II Pre-Board Examination: (Full Syllabus will be Evaluated)</b>		
	<b>Part C: Project (20 Marks)</b>	<b>5</b>