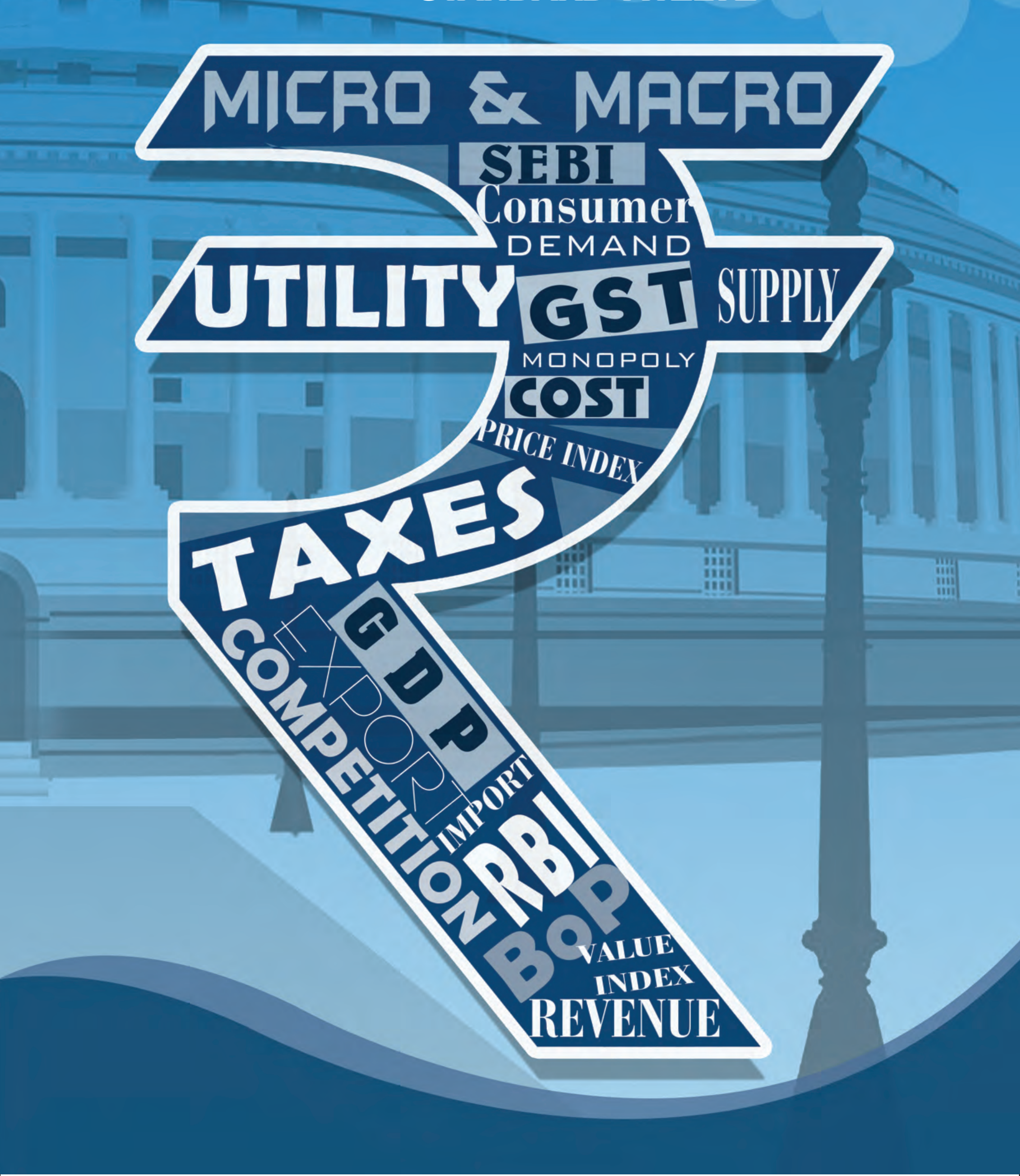
ECONOMICS

STANDARD TWELVE



The Constitution of India

Chapter IV A

Fundamental Duties

ARTICLE 51A

Fundamental Duties- It shall be the duty of every citizen of India–

(a) to abide by the Constitution and respect its ideals and institutions, the National Flag and the National Anthem;

(b) to cherish and follow the noble ideals which inspired our national struggle for freedom;

(c) to uphold and protect the sovereignty, unity and integrity of India;

(d) to defend the country and render national service when called upon to do so;

(e) to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional or sectional diversities, to renounce practices derogatory to the dignity of women;

(f) to value and preserve the rich heritage of our composite culture;

(g) to protect and improve the natural environment including forests, lakes, rivers and wild life and to have compassion for living creatures;

(h) to develop the scientific temper, humanism and the spirit of inquiry and reform;

(i) to safeguard public property and to abjure violence;

(j) to strive towards excellence in all spheres of individual and collective activity so that the nation constantly rises to higher levels of endeavour and achievement;

(k) who is a parent or guardian to provide opportunities for education to his child or, as the case may be, ward between the age of six and fourteen years.

The Coordination Committee formed by GR No. Abhyas - 2116/(Pra.Kra.43/16) SD - 4 Dated 25.04.2016 has given approval to prescribe this textbook in its meeting held on 30.01.2020 and it has been decided to implement it from academic year 2020-21.

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Download DIKSHA App on your smartphone. If you scan the Q.R.Code on this page of your textbook, you will be able to access full text and the audio-visual study material relevant to each lesson provided as teaching and learning aids.

2020

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The Constitution of India

Preamble

WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens:

JUSTICE, social, economic and political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity; and to promote among them all

FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation;

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.

NATIONAL ANTHEM

Jana-gana-mana-adhināyaka jaya hē
Bhārata-bhāgya-vidhātā,

Panjāba-Sindhu-Gujarāta-Marāthā
Drāvida-Utkala-Banga

Vindhya-Himāchala-Yamunā-Gangā
uchchala-jaladhi-taranga

Tava subha nāmē jāgē, tava subha āsisa māgē,
gāhē tava jaya-gāthā,

Jana-gana-mangala-dāyaka jaya hē
Bhārata-bhāgya-vidhātā,

Jaya hē, Jaya hē, Jaya hē,
Jaya jaya jaya, jaya hē.

PLEDGE

India is my country. All Indians are my brothers and sisters.

I love my country, and I am proud of its rich and varied heritage. I shall always strive to be worthy of it.

I shall give my parents, teachers and all elders respect, and treat everyone with courtesy.

To my country and my people, I pledge my devotion. In their well-being and prosperity alone lies my happiness.

Preface

Dear Students,

We welcome you to Std. XII. You have already been acquainted with the subject of Economics as a separate discipline in Std. XI.

The textbook of Std. XI includes various important changes that have taken place in Indian economy in the recent times. This textbook has also introduced many terms and concepts in Economics. The revised syllabus of Std. XII is also based on the maxims of teaching such as simple to complex, concrete to abstract etc. with 'constructivism' as the most important goal of education.

This book prepared by the Maharashtra State Bureau of Textbook Production and Curriculum Research, incorporates both Micro and Macro approach to the study of Economics. It covers a detailed explanation of micro-economic concepts such as utility, laws of demand and supply, different market structures etc. For the first time, macro-economic concepts such as public finance, money market and capital market in India, foreign trade etc. have been introduced to the students. Index Numbers from Statistics have been included as a remarkable change in the revised syllabus. This will significantly benefit the students to pursue their advanced studies. Statistics has been introduced intentionally, to prepare the students to face new challenges in this competitive age based on Information and Technology.

The study of Economics is of utmost importance to understand the process of development of a country. Units in this book are logically arranged with the purposeful intention of providing comprehensive introduction as well as developing interest for the subject among the students of Std. XI and XII. Following the practice similar to Std. XI, no compromise has been made whatsoever with respect to the use of economic language. A list of abbreviations and glossary of economic terms is provided towards the end of the textbook. Use QR code given in the text book for extra information and reference.

The units in the syllabus are innovative and have practical application. They are selected without hindering the basic principles and goals of education. This will enable the students to be alert and capable to face the challenges of 21st century. Innovative exercises at the end of each unit will motivate the students to prepare for the competitive examinations in future.

We look forward to a positive response from the teachers and students.

Our best wishes to all!

Vivek Gosavi
Director
Maharashtra State Bureau of
Textbook Production and
Curriculum Research, Pune

Pune
Date : 21 February 2020
Bharatiya Saur : 2 Phalguna 1941

Class 12 Economics

Competency Statement

- Explains the subject matter of Micro and Macro Economics.
- Explains the features of Micro and Macro Economics.
- Explains the importance of the study of Micro and Macro Economics in practice.
- Defines Total utility and Marginal utility.
- Explains the Law of Diminishing Marginal Utility with the help of a table and diagram.
- Examines cardinal approach to the measurement of utility.
- Defines the concept of Demand.
- Explains the Law of Demand with the help of a demand schedule and a demand curve.
- Defines the concepts of Price, Income and Cross-elasticity of demand.
- Analyses the various types of price elasticity of demand with illustrations.
- Applies quantitative skills to measure price elasticity of demand.
- Defines the concept of Supply.
- Explains the Law of Supply with the help of a supply schedule and a supply curve.
- Defines various Revenue and Cost concepts and derives their calculations.
- Defines Market.
- Defines Perfect Competition, Monopoly, Oligopoly and Monopolistic Competition.
- Explains the features of different market structures.
- Explains Equilibrium Price with the help of a suitable illustration.
- Defines Index Numbers and examines its features.
- Differentiates between Simple and Weighted Index Numbers.
- Explains the steps in the construction of Index Numbers.
- Applies quantitative skills to calculate Simple and Weighted Index Numbers.
- Defines National Income.
- Explains the concepts of GDP, GNP, NDP and NNP.
- Explains the Output, Income and Expenditure methods of computing National Income.
- Examines the structure of Public Finance.
- Defines Public Revenue, Public Expenditure and Public Debt.
- Analyzes the Tax and Non-Tax Sources of Public Revenue.
- Examines the causes of rising Public Expenditure in India.
- Defines Fiscal policy and Budget.
- Explains the meaning and classification of Financial Markets.
- Explains the structure of Money market and Capital market in India.
- Defines Central Bank and Commercial Bank.
- Explains the functions of Central Bank and Commercial Bank.
- Examines the role and problems of Money market and Capital market in India.
- Explains the reforms introduced in the Money and Capital markets in India.
- Explains the role of Foreign Trade with reference to India.
- Explains the Composition and Direction of India's foreign trade.
- Defines the concepts of Balance of Payments and Balance of Trade.

- For Teachers -

Dear Teachers,

We are happy to introduce the revised textbook of Economics for Std. XII. This book is a sincere attempt to follow the maxims of teaching as well as develop a 'constructivist' approach to enhance the quality of learning. Demand for more activity based, experiential and innovative learning opportunities is the need of the hour. The present curriculum has been restructured so as to bridge the credibility gap that exists between what is taught and what students learn from direct experience in the outside world. Guidelines provided below will help to enrich the teaching-learning process and achieve the desired learning outcomes.

- ✓ To begin with, get familiar with the textbook yourself.
- ✓ The present book has been prepared for constructivist and activity-based teaching.
- ✓ Teachers must skillfully plan and organize the activities provided in each chapter to develop interest as well as to stimulate the thought process among the students.
- ✓ Always teach with proper planning.
- ✓ Use teaching aids as required for the proper understanding of the subject.
- ✓ Follow the tentative number of periods mentioned in the page of 'Contents' to give due justice to the topic.
- ✓ Follow the order of the chapters strictly as listed in the contents because the units are introduced in a graded manner to facilitate knowledge building.
- ✓ Statistics is placed as the sixth unit to facilitate integrative learning through interdisciplinary approach.
- ✓ Ask questions on statistical information related to trends and patterns. Efforts have been made to provide the latest data available. Teachers must explain to the students the importance of data collection and data analysis.
- ✓ Major concepts of economics have a scientific base and they deal with abstractions. Encourage group work, learning through each other's help etc. Facilitate peer learning as much as possible by reorganizing the class structure frequently.
- ✓ Teaching-learning interactions, processes and participation of all students are very necessary and so is your active guidance.
- ✓ Do not use the boxes titled **'Do you know?'** for evaluation. However, teachers must ensure that students read this extra information.
- ✓ Information provided in boxes with the title **'You Should Know'** should be considered for evaluation.
- ✓ Exercises provided after each unit are prepared using different parameters such as observation, co-relation, critical thinking, analytical reasoning etc. Evaluation pattern should be based on the given parameters. Equal weightage should be assigned to all the topics. Use different combinations of questions. Stereotype questions should be avoided.
- ✓ Use QR Code given in the textbook. Keep checking the QR Code for updated information.
- ✓ Certain important links, websites have been given for references. Teachers as well as the students can use these references for extra reading and in-depth understanding of the subject.
- ✓ Economic terms included in the Glossary are highlighted in blue colour in each chapter.
- ✓ List of abbreviations is provided towards the end of the textbook for further clarification.

Best wishes for a wonderful teaching experience!

Contents

Front Page : Students of Std. XI have now come to Std. XII. They are going to study Economics as an independent subject. The front cover is a visual presentation of different economic concepts discussed in the textbook.

Back Page : It shows various economic activities and symbolic representation of different financial institutions.