

# **ECONOMICS**

**SYLLABUS****APRIL/MAY 2015****TOPIC: Economic Development**

- Traditional notion on development
- National income
- Per capita income
- Economic Growth & economic development
- Critical Appraisal of existing development indicators
- Infant Mortality Rate
- Sex ratio
- Other indicators
- Need for Health and educational development
- Human Development Index
- Case Study of Punjab, Kerala and Bihar

**JULY 2015****TOPIC : Sectors of the Indian economy**

- Meaning and Importance of service Sector
- Growth of Service Sector in India
- India as a major Service provider
- Need for public investment to promote service sector : Infrastructure, Health and Education

**AUGUST/SEPTEMBER 2015****TOPIC: Money and Credit**

- Role of Money
- Historical Origin of Money
- Formal and Informal Financial Institutions

- Role of financial Institutions in everyday life
- Self help Groups and role of Micro Credit

**OCTOBER 2015****TOPIC: Globalisation and the Indian Economy**

- Meaning
- How and Why India is being Globalised
- Development Strategies prior to 1991
- Economic Reforms in 1991
- Impact of globalization on the Indian Economy including politics

**NOVEMBER 2015****TOPIC: Consumer Rights**

- Factors leading to consumer exploitation
- Consumer rights and duties
- Role of Govt. in consumer protection

**ECONOMIC DEVELOPMENT****Synopsis**

- **Traditional notions of Development:**
  - Different people have different development goals
  - What may be development for one may not be development for the other. It may even be destructive for the other.
- **Income and other goals like equal treatment, freedom, security etc.**
- **National development** - Different people have different notions of national development.
- **Comparison between different countries or states**
  - National income and Per capita income
  - Comparative analysis of Punjab, Kerala and Bihar
- **Provision of public facilities**
- **Human Development**
  - Comparison of India with its neighbours on the basis of HDI rank
- **Sustainable Economic Development**

**1 Mark Questions**

1. Define per capita income.
2. State the components of human development index.
3. Under what conditions are developmental goals not limited to just material conditions? Give any one example from real life situation.
4. All groups of people seek certain developmental goals. Identify and list any two.
5. Which factor besides per capita income determines the physical quality of life?
6. What indicator is used to classify countries as developed, developing and least developed?
7. What is the traditional index of measuring development? How is it calculated?
8. Why does the World Bank calculate per capita income in dollars and not in the currencies of the different countries?
9. What do you mean by sustainable development?
10. What is the most common method of measuring the economic development of a country?
11. What is National Income?
12. What is human development?
13. According to World Bank rating, how are countries regarded as rich or developed?

14. Out of Punjab & Kerala, which state has higher per capita income?
15. Why Kerala is regarded more developed than Punjab?
16. What is meant by economic development?
17. What do you understand by Economic Growth?
18. What is per capita income level of middle-income countries as per WDR, 2006?
19. Give one example where factors other than income are important aspects of our lives.
20. What can be some of the developmental goals of a village?
21. Suggest two measures that you can undertake at your level to promote sustainable development
22. Why do you think per capita income is an important criterion for development? Explain.
23. Besides the level of per capita income, which other property of income is important in comparing two or more societies?

### 3/4 Mark Questions

1. The records of a country show that the per capita income has been increasing over a period of time. From this, can we conclude that all sections of the economy have become better?
2. In what respect is the criterion used by the UNDP for measuring development different from the one used by the World Bank?
3. Distinguish between Developed and Developing Countries.
4. Explain two characteristics of capitalist or free market economy.
5. What is sustainable economic development? What are its features?
6. "Problem of resource allocation in mixed economy is effectively solved through market forces and planning process". Give two facts to support this statement.

### Activity

Prepare a development report card of India highlighting the current socio-economic status of the Indian economy. Specify your choice of indicators and how the country fares in these selected parameters.

Report card will be evaluated on the following criteria:

Choice of indicators , research , analysis and presentation.

## SECTORS OF THE INDIAN ECONOMY

## Synopsis

- **Classification of sectors on the basis of nature of activity**
- **Interdependence** among primary, secondary and tertiary sectors
- **Concept of Gross Domestic Product:** final and Intermediate goods
- **Structure of Indian Economy** ( a comparative study)
- Reasons behind **rising importance of tertiary sector**
- **Occupational structure** and types of unemployment
- Ways to create more **employment opportunities**
- **NREGA'2005**
- **Organised and unorganised sectors**
- Classification of sectors on the **basis of ownership:** Role of **public sector**

*The following questions are for 1 mark:*

1. Mention any two primary activities.
2. Mention any two secondary activities.
3. Mention any two tertiary activities.
4. What are final goods? Give one example.
5. Which sector has shown the highest growth rate in India?
6. Which sector is the largest employer in India?
7. What is unemployment?
8. What is underemployment?
9. Name some occupations where the problem of underemployment prevails.
10. Mention any two long-term measures to remove the problem of underemployment.
11. What is disguised unemployment?
12. "Agriculture is an unorganized sector." Give two examples.

*The following questions are for 3/4 marks:*

1. India is a major service provider to the world. Explain.
2. Distinguish between final goods and intermediate goods.
3. Distinguish between organized and unorganized sector.
4. Distinguish between public sector and private sector.
5. How do terms of employment differ in organized and unorganized sector?
6. Differentiate between primary, secondary and tertiary sector.
7. "As a country develops the contribution of primary sector declines and that of secondary and tertiary sector increases." Explain.

8. Explain how income and employment among farmers will increase if they are provided with better irrigation, transportation and credit facilities.
9. The table below shows the estimated number of workers in India in organized and unorganized sector:

Sector	Organized	Unorganized	Total
Primary	2	240	242
Secondary	9	54	63
Tertiary	17	76	93
Total	28	370	398

- (a) What percentage of people is employed in the tertiary sector?
  - (b) Which sector accounts for maximum employment in the organized and unorganized sector? Why?
10. How are economic activities classified by sectors? Explain with suitable examples how the various sectors are interdependent.
  11. Growth of GDP in the country and growth of employment opportunities have not been congruent in India. Why? How can this situation be remedied?
  12. How is the GDP of a country calculated? Explain how double counting can be avoided in such calculations.
  13. Why is unemployment most rampant among agricultural labourers? Give two suggestions for correcting the situation.
  14. Suggest three measures that would provide greater security of services to people in the unorganised sector. Is such security really desirable?
  15. Why is growth in manufacturing sector more desirable than growth in the services sector? Give three reasons.
  16. State any four measures that would promote social security of workers in the unorganised sector.

### Activity

NREGA is one of the measures adopted by the government to solve the problem of unemployment. Find out the other measures that have been adopted. Have these been successful? Present this research to your class together with relevant statistics.

**Chapter 3**  
**MONEY AND CREDIT**

**Synopsis**

- **Money as a medium of exchange-**
  1. Double coincidence of wants
  2. Money is an intermediate with legal backing.
- **Modern forms of money-**
  - (i) Currency (ii) Deposits with banks (iii) Cheques
- **Loan Activities of banks-**
  1. Income generation by banks
- **Positive and negative role of credit**
- **Terms of Credit-**

Interest rate, collateral, documentation required and the mode of repayment comprise the terms of credit.

- **Formal sector in India-**
  1. Loans extended by banks and cooperatives, monitored by RBI.
  2. Informal lenders.
- **Self Help Groups-** Aim, composition, functioning and importance

**1 Mark Questions**

1. What is credit?
2. What is barter system?
3. Why is money called a medium of exchange?
4. What is a cheque?
5. Why are the deposits in the banks called demand deposits?
6. What is meant by the terms of credit?
7. What is meant by collateral?
8. What are formal sectors loans?
9. What are informal sector loans?
10. What do you mean by self-help groups?
11. Why are banks willing to lend to women organized in SHG?
12. What is a debt-trap?

**3/4 Mark Questions**

1. How does money solve the problem of double coincidence of wants? Explain with an example.
2. How do banks mediate between those who have surplus money and those who need money?
3. Arun needs a loan to set up a small business. On what basis will Arun decide whether to borrow from the bank or the moneylenders? Discuss.
4. Define Bank. Also explain the functions of commercial bank.
5. How does RBI supervise the functioning of commercial banks?
6. Why do banks prefer to give loans to self-help groups rather than poor individuals?
7. What are various sources of credit in rural areas of India? Why are the sources of formal credit better than the informal ones?
8. Why should government expand formal credit in India?
9. What is credit? How can credit help a farmer to increase his earnings and also push him into debt-trap?
10. Describe the aim of formation, composition and functioning of the Self Help Groups. How have these groups helped women?
11. The following table shows the sources of credit for rural households in India in 2003

Source	Share (in %)
Moneylenders	30
Cooperative Societies	27
Commercial Banks	25
Others (traders, relatives etc.)	18

On the basis of the above table answer the following questions:

- What is the share of the formal sector in total credit?
  - Suggest two measures for improving the share of formal sector in total credit?
  - Why is the moneylender still the largest single contributor?
12. How do small farmers and artisans meet their credit needs?

#### Activity

Role play- The class is divided into two groups and the first group highlights the positive effect of credit whereas the second group shows its negative effect through role play. Each group is given 25 minutes to practice and 5-10 minutes to enact.

## Chapter 4 GLOBALISATION

### Synopsis

- **Production across countries -**  
Multinational corporations-
- **Interlinking production across countries -**  
Foreign investment
  1. Joint venture
  2. Purchase of local companies
  3. Placing orders for production with small producers
- **Foreign trade and integration of markets-**
- **What is globalization?**  
Process of rapid integration or interconnection between countries through movement of goods, services, capital and technology.
- **Factors that have led to Globalization**
  1. Liberalisation
  2. Technology
- **World Trade Organisation**
- **Impact of globalization in India**

### 1 Mark Questions

1. What is Globalization?
2. Why is the production process of MNCs spread out across the globe?
3. What is investment?
4. What is foreign investment?
5. Why do people move from one country to another?
6. What is liberalization?
7. What are trade barriers?
8. What is the importance of trade barrier for the government?
9. Name any two Indian MNCs.
10. How has competition benefited India?
11. What is the basic function of foreign trade
12. Distinguish between foreign trade and foreign investment.

**3/4 Mark Questions**

1. How do the MNCs help in the growth of local companies?
2. "The Indian government, after independence, imposed many barriers on foreign trade and foreign investment." Why?
3. What are disadvantages of globalization for a country?
4. Mention any four features of Multinational Corporations.
5. Explain the importance of foreign trade.
6. What are the advantages of Multinational Corporations?
7. What are the disadvantages of Multinational Corporations?
8. "Foreign trade results in connecting the markets or integration of markets in different countries.' Explain.
9. "Rapid improvement in technology has been one major factor that has stimulated the globalisation process." Explain.
10. What changes have occurred in India due to the adoption of the policy of liberalization and globalisation?
11. What is the role of the government in encouraging globalisation?
12. Describe the effects of globalization on small producers and workers.
13. What is globalisation? How has globalisation affected the Indian consumer and Indian market?
14. Briefly explain how MNCs operate in countries other than their own? How does it suit their business interests?
15. How does international trade affect consumers and small-scale producers? Should governments put barriers to free international trade? Give two reasons in support of your answer.
16. How do MNCs promote their business interests even though their products may be harmful to public health? Give any two examples.

**Activity**

Choose any one MNC in India that produces a good or a service that you consume and analyse how the presence of the firm has impacted consumers, workers and other producers in India. Present your findings in the form of a scrapbook.

**Chapter 5**  
**CONSUMER RIGHTS**

**Synopsis**

- Who is a **consumer**
- **Consumer Rights** : 1. Right to information  
2. Right to safety  
3. Right to choose  
4. Right to seek redressal
- Different ways in which **consumers can be exploited**
- Rise of **consumer movement**
- Enactment of **COPRA**
- Learning to become **well informed consumers**
- **Bureau of Indian Standards**
- **Case studies**

**1 Mark Questions**

1. Who is a Consumer?
2. What is consumer exploitation?
3. Why was the consumer Protection Act, 1986 enacted?
4. Name two ways by which a shopkeeper cheats the customers.
5. When is World Consumers Rights day celebrated?
6. What is adulteration?
7. Mention a few organizations that provide certifications of standardization in India.
8. How does illiteracy lead to the exploitation of the consumers?

**3/4 Mark Questions**

1. Explain the need for consumer consciousness giving three examples.
2. Suppose you buy a bottle of honey and a gold chain. Which logo or mark will you have to look forward and why?
3. While making purchases what can the consumers do to secure their rights?
4. Describe some of your duties as a consumer if you purchase a book from a book shop in your locality.

5. How does Govt. Of India protect consumers' interest by standardizing products?
6. Explain any 3 factors, which cause exploitation of consumers.
7. What are various ways in which a consumer is exploited?
8. Why is consumer protection required in the market place? Illustrate with two examples.
9. "Limited competition and limited information results in the exploitation of consumer". Explain.
10. Explain the rights of the consumer as codified in the Indian Laws.
11. What is the need of standardization of products?
12. Analyse the meaning of right to choose provided under Consumer Protection Act.
13. Explain with three suitable examples the meaning of right to be informed as provided under Consumer Protection Act.
14. Compared to shopkeepers, the consumers are at a relative disadvantage as far as fair trade practices are concerned. Give examples and reasons to substantiate the statement.
15. Briefly mention the highlights of the Consumer Protection Act of 1986. You find that an electric fan supplied to you by dealer is defective and the dealer refuses to set it right. What course of action is open to you to get your grievance redressed?
16. What procedure has to be followed for making a report to the Consumer's Forum?
17. In what ways can a consumer court compensate a consumer? Illustrate with a suitable example.

#### **Activity**

1. Make a scrap book of the 'Jago Grahak Jago' campaigns initiated by the Ministry of Consumer Affairs.
2. Using the above information, you will be asked to educate the junior classes on ways consumers can be exploited.