Economics I
Grade: XI

Full Marks : 100
TeachingHours :150

I.   Introduction
This course is designed for grade XI students opting for economics as a subject at higher secondary level in Nepal.

II.   General objective
The general objective of this course is to familiarize students with the basic concepts of economics, development economics, main features of the Nepalese economy, and basic statistics as well as basic mathematics used in economics.

III.   Specific Objectives
Upon the completion of this course the students will be able to:
1. State the meaning and basic concept of economics;
2. Discuss basic issue in economics;
3. Explain the concept and laws of demand and supply, derivation of demand and supply curves, movements, and shifts;
4. Explain the concept of economic development;
5. Discuss the characteristics of developing countries and various indicators of economic development;
6.   Describe the nature and causes of poverty and remedial measures of poverty reduction;
7. Explain the concepts of human resources and human development index
8. Explain the concepts of development planning and describe the salient feature of the current plan in Nepal;
9. Discuss the process of plan formulation in Nepal;
10. State the current status of the Nepalese economy;
11. Explain the importance of natural resources in the economic development of Nepal and discuss the problems of natural resource management;
12. Discuss the characteristics of the Nepalese agriculture and the problem of agricultural marketing ;
13. Explain the problems and sources of agricultural financing;
14. Explain the importance and problems of industrial development;
15. Discuss the role, prospects and problems of tourism industry in Nepal;
16. State the current status of public enterprises in Nepal;
17. Explain the role and means of transportation and communication development Nepal; and
18. Use basic Statistical and mathematical tools in economics

IV. **Course scheme**

The course is divided into four major parts containing a total of sixteen units. The details of the course with recommended teaching hours are as follows:

Unit	Title	Teaching hours
1	Part A: Basic Concepts of Economics	37
1	Nature of Economics	10
1	Basic Concepts and issues	14
3	Demand and Supply	13
	Part B: Development Economics	**32**
4	Meaning and Indicators of Economic Development	10
5	Poverty and Inequality	8
6	Human Resources	6
7	Development Planning	8
	Part C: Nepalese Economy	**31**
8	Overview of the Nepalese Economy	4
9	Natural Resources of Nepal	9
10	Agriculture	5
11	Industry	8
12	Transport and communication	5
	Part D: Quantitative Techniques in Economics	**50**
13	Quantitative Analysis in Economics	2
14	Basic Statistics	24
15	Basic Mathematics	24
	Total Teaching Hours	150

For Evaluation Purpose, the percentage distribution for each part will be as follows:

Part A	Part B	Part C	Part D	Total
25	20	25	30	100

V. **Course Content:** The detailed course contents are follows :

Part A: Basic Concepts of Economics

Unit 1: Nature of Economics   **10 Teaching Hours**
1. Definition of Economics: Adam Smith, Alfred Marshall, and Lionel Robbins
2. Subject matter of Economics
3. Concepts of positive and normative economics
4. Concepts of micro- and macroeconomics

Unit 2: Basic Concepts and Issues   **14 Teaching Hours**
1. Introduction to factors of production: land, labour, capital and organization
2. Scarcity, choice, opportunity cost, and allocation of resources
3. Production possibility curve (PPC): concept, shape, and shift
4. Goods and services: definition and types (normal, Giffen, inferior, substitutes, complements, private, and public)

5. GDP,GNP, and Per Capita Income

Unit 3: Demand and Supply   13 Teaching Hours
1. Concept of market economy
2. Demand: meaning and determinants; law of demand; demand schedule, demand curve, and demand equation; derivation of individual demand and market demand curves
3. Supply: meaning and determinants; law of supply; supply schedule; supply curve and supply equation; derivation of individual supply and market supply curves
4. Movement along and shift in demand and supply curves; factors causing shifts of demand and supply curves
5. Interaction between demand and supply (equilibrium position)

Part B:Development Economics

Unit 4: Meaning and Indicators of Economic Development10Teaching Hours
1. Concept of economic development
2. Characteristics of developing countries
3. Capital formation process
4. Indicators of economic development
5. Unemployment : meaning and types

Unit 5: Poverty and Inequality   8 Teaching Hours
1. Concept of poverty and inequality
2. Characteristics of the poor
3. Causes of poverty
4. Poverty in Nepal and measure of poverty reduction

Unit 6: Human Resources   6 Teaching Hours
1. Concept and role of human resource
2. Concept of human development indicators and Human Development Index (HDI)
3. Current status of Nepal's population (size, composition, distribution and growth)

Unit 7: Development planning   8 Teaching Hours
1. Concept of planning
2. Objectives, priorities, policies of the current plan (Nepal)
3. General evaluation of the immediate past plan
4. process of plan formulation in Nepal

Part C: Nepalese Economy

Unit 8: Overview of the Nepalese Economy   4 Teaching Hours
1. Major economic indicators of Nepal: GDP,GNP, per capita income, price level
2. Comparison with major economies (SAARC, china, USA, and Japan)
3. Foreign employment and remittance

Unit 9: Natural Resources of Nepal   9 Teaching Hours
1. Water Resources: importance, potentialities, and current situation
2. Forest resources: importance, causes and consequences of deforestation
3. Mineral resource: importance and problems
4. Environment and natural resource management for sustainable development
5. Problems of natural resource management

Unit 10: Agriculture   5 Teaching Hours
1. Characteristics, importance and problem
2. Sources of agricultural finance in Nepal
3. Nature and problems of agricultural marking

Unit 11: Industry   8 Teaching Hours
1. Importance and problems of cottage, small, medium and large scale industries
2. Tourism industry: importance, prospect, problems, and remedial measures
3. Current status of public enterprises

Unit 12: Transportation and Communication   5 Teaching Hours
1. Role of transpiration and communication in economic development
2. Means of transportation and communication
3. Current status, problems, and suggestions

Part D: Quantitative Technique Economics

Unit 13: Quantitative Analysis in Economics   2 Teaching Hours
1. Need forQuantitative Analysis in economics
2. Use of statistics and mathematics in economics

Unit 14: Basic statistics   24Teaching Hours
1. Introduction to statistics: definition, importance, and limitations
2. Collection of data: primary and secondary data; methods of primary data collection; concepts of census and sampling; sources of secondary data; and precaution to use the secondary data.
3. Condensation of data: mean (AM,HM, and GM) median, and mode; their uses and applications, partition values: quartiles, deciles and percentiles; dispersion: range, mean deviation, quartile deviation, variance and standard deviation
4. Index number: meaning, price index (simple and weighted), Laspeyres's and paache's formulas

Unit 14: Basic Mathematics   24 Teaching Hours
1. Logarithm: basic concept, rules and use
2. Simultaneous equations (two and three variables): solution and application in economics
3. Quadratic equations: their solutions and graph
4. Equation of straight line:slope intercept form, point slope from double point from, and double intercept from

5. Determinants: meaning, value of a determinant (up to 3X3)
6. Matrix: definition, types; addition, subtraction, multiplication of matrices inverse of a matrix (3X3only); solution of simultaneous equations by using matrix and Cramer's rule (up to three variables),

VI. Instructional Material and Techniques
Instruction Materials
- Text and Reference Books
- Journals and Reports
- Multimedia/ E-Media
- Models
- Charts, Picture, Posters and Pamphlets

Instructional Technique
- Teacher cantered techniques
- Student-cantered techniques
- Role play
- Demonstration
- Discussion
- Individual/group work
- field work/project work etc
- Report presentation
- self-study
- web based techniques

VII. Evaluation Scheme

Question No.	Nature of Question	Marks
	Part A: Basic Concept of Economics	25
1	One long answer type question will be asked and the students will have to answer it	1X10=10
2	One short answer type question with a choice will be asked and the students will have to answer one question	1X5=5
3-7	Five very short answer type questions will be asked and the students will have to answer all questions	5X2=10
	Part B: Development Economics	20
8-12	Five short answer type questions will be asked and the student will have to answer only four questions	4X5=20
	Part C: Nepalese Economy	25
13-18	Six short answer type questions will be asked and the students will have to answer only five questions	5X5=25
	Part D: Quantities Techniques in Economics	30
19	One long answer type question will be asked and the students will have to answer it	1X10=10
20-24	Five short answer type questions will be asked and the students will have to answer only four questions	4X5=20
	Total Marks	100

Reference Books

Central Bureau of Statistics (Latest ed). Statistical Pocket book. Thapathali: Central Bureau of Statistics

Dewett, K. K.&Verma, J.D.(2005). Elementary economic theory, New Delhi: S Chand and Company Limited

Henderson, J.V.& Poole, W.(Latest ed.).Principles of microeconomics. Maryland:Lexington Books.

Lipsay, R& Chrystal, A.(2011). Economics (12th eds.), New Delhi: Oxford

Madnani, G.M.K. (2014). Mathematics for economist (9th ed.), New Delhi: Sultan Chand and Sons

Ministry of Finance (various issue). Economic survey.SinghaDarbar: Ministry of finance

Murray R.S. (1998). Statistics (Third ed.). Schaum'sOutline of Statistics.

Pant, G.D.(Latest ed.). Easy statistics and mathematics for economics. Kathmandu: RatnaPustakBhandar.

Economic II
Grade :XI

Full Marks : 100
Teaching Hours :150

I.   Introduction
This course is designed for grade XII students opting for economics as a subject at higher secondary level in Nepal.

II.   General objective
The general objective of this course is to acquaint students with the basics of microeconomics and macroeconomics. It will enable students to analyze different   constituents of microeconomics such   as elasticity, consumer behaviour, theories of production, cost and revenue, product pricing, and factor pricing.They will also obtain elementary insight on macroeconomics including money, banking, government finance, and international trade with special reference to Nepal.

III.   Specific Objectives
1. Explain the concept of elasticity of demand and measurement of price elasticity using total outlay and point methods.
2. Describe total, average and marginal utilities, explain law of diminishing marginal utility and law of substitution, and explain the concept of consumer's surplus;
3. Derive total, average and marginal product curve, and explain the law of variable proportions and the concept of returned to scale;
4. Derive total, average and marginal revenue curves, explain the concept of short run and long run, fixed and variable costs, and derive short-run cost curves.
5. Determine equilibrium price ant output under perfect competition and monopoly;
6. Explain the meaning of macroeconomics, closed and open economy, and macroeconomic variables;
7. Discuss the concepts of rent, wage, interest and profit and explain their basic theories;
8. Explain the meaning of national income along with its measurement;
9. Explain the functions and role of money, the quantity theory of money and the concept of inflation and deflation;
10. Discuss the role and functions of the central bank and commercial banks with reference to Nepal and explain the meaning of capital and money markets;
11. Discuss the meaning of government finance, importance and classifications of government expenditure, sources of government revenue, and types of taxes (with special reference to Nepal), and characteristics of a good tax system;
12. Distinguish between balance of trade and balance of payments, discuss the pros and cons of free trade and protectionism, and explain the Ricardian comparative cost theory of international trade; and give a general introduction of WTO and SAFTA.

Course scheme

The course is divided into Two Parts containing a total of twelve units. The details of the course with recommended teaching hours are as follows:

Unit	Title	Teaching hours
	Part A: Microeconomics	75
1	Elasticity and Its Measurement	10
2	Theory of Consumer Behaviour	13
3	Theory of Production	10
4	Revenue and Cost Curves	15
5	Theory of price and output Determination	12
6	Factor Pricing	15
	Part B: Development Economics	75
7	Basic Concepts	6
8	National Income Accounting	10
9	Money	11
10	Banking	20
11	Government Finance	12
12	International Trade	18
	Total Teaching Hours	150

For Evaluation Purpose, equal weights (50 percent each) will be assigned to both the parts.

V.   **Course Content:** The detailed course contents are as follows :

Part A: Microeconomics

Unit 1: Elasticity and Its Measurement   10 Teaching Hours
1. Review of demand and supply curves
2. concept of elasticity of demand and its types: Price, income and cross elasticity of demand
3. Degrees of price elasticity of demand
4. Determining factors of price elasticity of demands
5. Measurement of price elasticity: Total outlay method and point method (linear case only)
6. Elasticity of supply

Unit 2: Theory of Consumer Behaviour   13 Teaching Hours
1. Concept of cardinal utility: total utility and marginal utility and marginal utility
2. Law of diminishing marginal utility
3. Law of substitution
4. Consumer's surplus: concept and importance

Unit 3: Theory of Production   10 Teaching Hour
1. Concept of Production Function (Short and long run)
2. Total, average and marginal products and their derivation
3. Law of variable proportions
4. Returns to scale

Unit 4: Market, Revenue and cost Curves   **15 Teaching Hour**
1. Concept of market: Perfect competition, Monopoly and Imperfect competition
2. Concepts of total, average and marginal revenue
3. Derivation of average revenue and marginal revenue from total revenue curve under perfect competition and monopoly
4. Fixed cost, variable cost, and total cost, average and marginal costs
5. Concepts o Short run and long costs
6. Derivation of short run cost curves

Unit 5: Theory of price and Output Determination   **12 Teaching Hours**
1. Equilibrium of firm: TR=TC and MR=MC approaches
2. Meaning, features and price and output determination under perfect competition (firm and industry)
3. Meaning, features and price and outputdetermination under monopoly

Unit 6: Factor pricing   **15 Teaching Hours**
1. Rent: Concept of economic rent and contract rent; Ricardian theory of rent
2. Wage: money wage and real wage; subsistence wage theory; wage fund theory
3. Interest : gross and net interests; classical theory of interest
4. Profit: gross and net profits; risk and uncertainty bearing theories of profit

Part B: Macroeconomics

Unit 7: Basic Concept   **6Teaching Hours**
Meaning of macroeconomics, closed and open economy, and macro-economic variables

Unit 8: National Income Accounting   **10Teaching Hours**
1. Gross Domestic product (GDP), Gross National Product (GNP), National Income (NI), Net National Product (NNP), Personal Income (PI), Disposable Income (DI), and Per Capita Income
2. Nominal and real GDP: difference and calculations; GDP deflator
3. Circular flow of income
4. Measurement of national income: product, income and expenditure methods
5. Difficulties in measuring national income

Unit 9: Money   **10 Teaching Hours**
1. Meaning importance, functions and forms of money
2. Value of money
3. Quantity theory of money (Fisher's equation)
4. Inflation and deflation: meaning, causes and consequences

Unit 10: Banking   **11 Teaching Hours**
1. Role of banking system economy

2. Classification of bank: central bank, commercial banks and development banks
3. Functions of central bank with special reference to Nepal Rastra Bank
4. Functions of commercial banks with reference to commercial bank in Nepal
5. Concepts of money market and capital market

Unit 11: Government finance   20 Teaching Hours
1. Concept and importance of government finance
2. Government expenditure: Importance and classifications (with references of Nepal)
3. Government of Revenue: Tax and non-Tax sources; concept of direct and indirect taxes; concepts of progressive; proportional, and regressive taxes; characteristics of a good tax system; its sources in Nepal
4. Government borrowing : Concepts of internal borrowing
5. Government Budget : Meaning and steps in budget formulation

Unit 12: International trade   18 Teaching Hours
1. Concept and importance of international trade
2. Balance of Trade: Surplus, deficit and balance
3. Concept and importance of balance to payment
4. Free trade and protectionism: advantages and disadvantages
5. Nepal's foreign trade: growth, composition, and direction; its problems
6. Ricardian comparative cost theory of international trade
7. General introduction to WTO and SAFTA

VI Instructional Materials and Techniques
   Instruction Materials
- Text and References Books
- Journals and Reports
- Multimedia/ E- Media
- Models
- Charts, Picture, Posters and Pamphlets

Instructional Techniques
- Teacher centered techniques
- Student - centered techniques
- Role Play
- Demonstration
- Discussion
- Individual/group work
- Field work/ project work etc
- Report Presentation
- Self-study
- Web based techniques

Question No.	Nature of Question	Marks
	Part A: Microeconomics	50
1-3	Group A1: Three long answer type questions will be asked and the students will have to answer any two questions	2X10=20
4-8	Group A2: five short answer type questions will be asked and the students will have to answer only four questions	4X5=20
9-13	Group A3: five very short answer type questions will be asked and the students will have to answer all questions	5X2=10
	Part B: Microeconomics	50
14-16	Group B1: Three long answer type questions will be asked and the students will have to answer any two questions	2X10=20
17-21	Group B2: Five short answer type questions will be asked and the students will have to answer only four questions	4X5=20
22-26	Group B3: Five very short answer type questions will be asked and the students will have to answer all questions	5X2=10
	Total Marks	100

Reference Books

Central Bureau of Statistics (Latest ed). Statistical Pocket book.Thapathali: Central Bureau of Statistics

Dewett, K. K.&Verma, J.D.(2005). Modern Economic theory, New Delhi: S Chand and Company Limited

Dewett, K. K.&Verma, J.D.(2005). Elementary Economic Theory, New Delhi : S chand and Company Limited

Henderson, J.V.& Poole, W.(Latest ed) Principles of Microeconomics. Maryland:Laxington Books.

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Ministry of finance (various issue). Economic survey.SinghaDarbar: Ministry of finance