

TOPIC : NATIONAL INCOME AND RELATED AGGREGATES

Pre-Content/content Post-Content	Learning Outcome/Objectives	
.PRE CONTENT We have already studied the basics of micro economics in Part A. This chapter will give a simplified account of macro economics. CONTENT In this unit we will study the basic concept as circular flow of national income and aggregates related to national income.	General The main objective of this unit is to develop an understanding of basic concepts like intermediate and final goods, stock and flow, circular flow of national income and methods of estimating national income.	Specific Students will be able to- 1. Differentiate between intermediate and final goods. 2. Classify types of investment. 3. Differentiate between stock and flow. 4. Gain clarity on the concept of economic territory and normal resident and will be able to use this concept in estimating national income. 5. Distinguish the aggregates related to national income.

Home Work /Assignments

Questions from the back exercise of NCERT and Board questions will be given.

AND PROGRESS

MONTH :

CLASS : **XII**

Teacher's Activity	Student's Activity	Teacher's Observation And Remedial
Explain the meaning of intermediate and final goods with the help of examples.(annexure1) Explain the meaning of investment and types of investment. Explain the concept of economic territory and normal resident with the help of examples.(annexure2) Explain the meaning of each aggregate and how the addition and subtraction of different components like depreciation, net indirect taxes and net factor income from abroad will change one aggregate into another. It will be explained with the help of mind mapping and flow charts. Various numerical will be given for better understanding.	Will listen carefully in the class and note down the important point .Will perform the activity for better understanding. Will classify investment as fixed and inventory. Students will write the scope of economic territory. Will recognize normal and non-resident from the given examples and perform the activity. Will change one aggregate into another by using different components from the given numerical.	After class the observation will be written by teacher.

Teaching Aids : Activeinspire, Chits, study material.

Methodology/Innovative Methods: Discussion, Recall, Explanation, Question-Answer method, problem solving

Interdisciplinary Links: Business studies, geography, statistics.

Coordinator

Vice-Principal

Principal

(Annexure1)

Subject	ECONOMICS
Class	XII
Topic	UNIT 1
Sub topic	Classification of goods and services
Time	40 mts
Nature of Activity	Group Activity

What will I learn (L.O) –

Basis to identify the purchase of goods as intermediate and final.

Use of this knowledge in estimating national income.

Skill: Team work, Analyse and differentiate.

1. What I have to do?

Make a list of goods as intermediate and final goods.

What do I require?

Reading material, NCERT text book, pen and paper

What do I need to know?

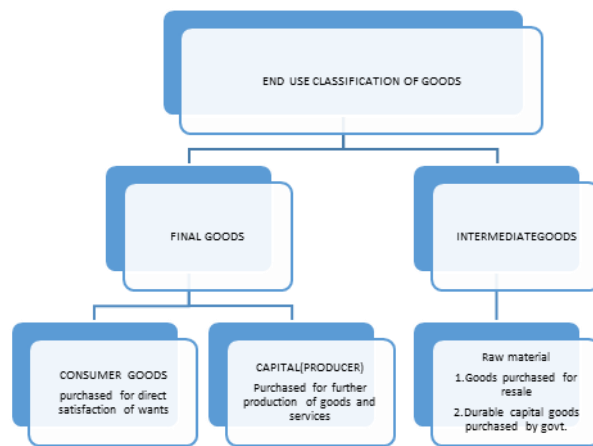
The production boundary which is used to differentiate between intermediate and final goods.

The final use of the good to classify it as intermediate or final.

Difference between durable and non-durable goods.

Teacher's Activity:

Teacher will explain the end use classification of goods and services.

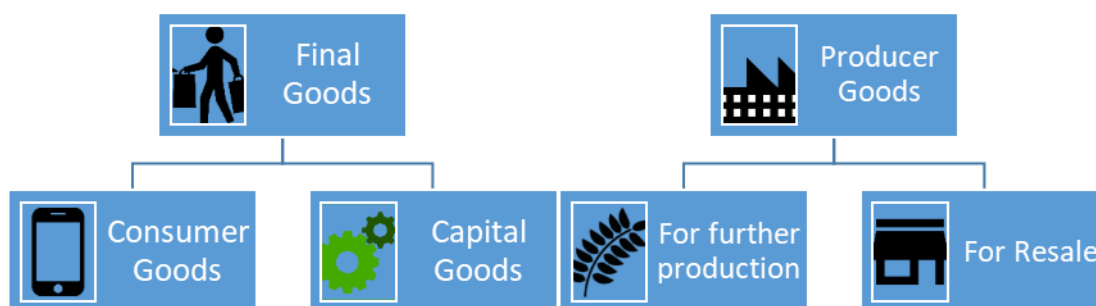


1, Students will be divided in four groups according to strength of the class and will be given a task to make a list of goods as consumer goods, capital goods, raw material and goods for resale.

2. They will be given ten minutes to make a list of goods according to their group.

Student's Activity:

1. Each group will come and name the goods of their list and explain the category with reasons.
2. Group one will tell all types of consumer goods and tell the reason to include these goods in estimation of national income.
3. Group two will explain the capital goods in the list and their treatment while estimating national income.
4. Group three will give examples of raw material which are intermediate goods and explain the reasons for not including them in estimation of national income.
5. Group four will read out the names of goods which are for resale and are treated as intermediate goods with reasons. Explain the difference between resale and second hand sale by giving examples.



What have I observed?

S. NO.	BASIS OF DIFFERENCE	INTERMEDIATE GOODS	FINAL GOODS
1.	Meaning		
2.	Production boundary		
3.	Value addition		
4.	Nature of demand		
5.	Inclusion in national income		

What have I learnt?

The classification of goods and services to differentiate them as final, capital and intermediate goods.

Goods are classified as durable and non-durable goods.

Only final goods are included in estimation of national income.

What am I curious to learn?

Can goods be final as well as intermediate?

Let me evaluate myself.

Q1.Name the main types of final goods.

Q2. Giving reasons classify the following into intermediate and final goods-

(1) Machines purchased by a dealer of machines.

(2) A car purchased by a household.

Q3.All capital goods are producer goods but all producer goods are not capital goods. Explain the statement.

Q4. . What are capital goods? Give example.

Q5. Can a durable good be an intermediate good? Give reasons for your answers.

(Annexure2)

Subject	ECONOMICS
Class	XII
Topic	UNIT 1
Sub topic	Normal Resident v/s Non Resident
Time	40 mts
Nature of Activity	Individual/group

What will I learn (L.O) –

1. Will identify normal resident of a country on the basis of two conditions.

2. Use this knowledge while estimating national income.

Skill: Logical thinking, ability to identify, infer, extract relevant information.

What I have to do?

Identify residents as normal and non-residents.

What do I require?

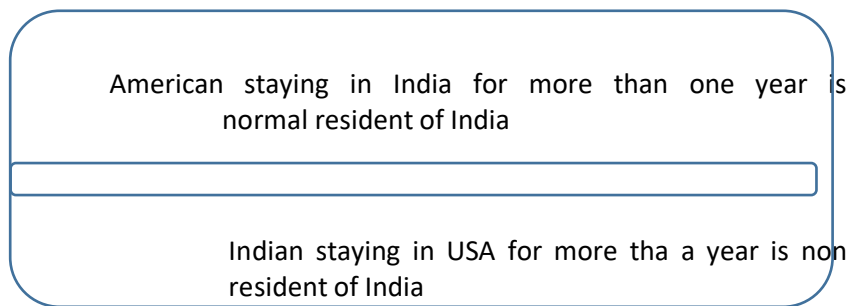
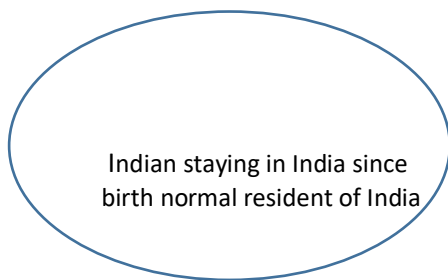
Reading material consisting of different cases of normal and non-residents.

What do I need to know?

The conditions for a person to be a normal resident of a country.

Teacher's Activity:

Teacher will explain the conditions of a normal resident.



1. 5 to 10 minutes will be given to students to read the study material .
2. Chits will be made with statements.

Student's Activity:

Activity- 1

1. Students will come one by one and pick up the chits.
2. Student will read the statement in the chit and tell whether the person or the institution written on the chit will be treated as normal resident or not and also give the reason.

Activity- 2

1. 5 Student will become the ambassadors of five embassies of different countries located in India.
2. One student will present himself as Indian employed in Macdonald in India.

3. One student will become a tourist.
4. One student will become an American working in the office of WHO located in India.
5. These students will tell about themselves and other students of class will identify them as normal or non- resident of India.

What have I observed?

S. NO.	STATEMENT	NORMAL RESIDENT/NON RESIDENT
1.	Indian officials working in the Indian Embassy in China.	
2.	An American tourist in India for two months.	
3.	Indian employees working in W.H.O. located in India.	
4.	Indian working in U.S.A. Embassy in India	

What have I learnt?

The criteria for a normal resident is that the person or institution should stay in a country for more than a period of one year and his economic interest should lie in that country.

Non- nationals can also be the resident of a country.

International organisations are not considered as normal residents of a country.

What am I curious to learn?

What is the difference between normal resident and citizen?

Let me evaluate myself.

Q1. Define normal resident.

Q2. While estimating national income and domestic income, how does the knowledge of normal resident help?

Q3. How do we treat the locally recruited staff in the foreign embassy and international organization?

Q4. The concept of normal resident applies to individuals only. True or false. Give reason.

Q5. Give an example of a person who is staying in India for a period of more than one year but still he is treated as non- resident.
