

Experiential Activity

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?

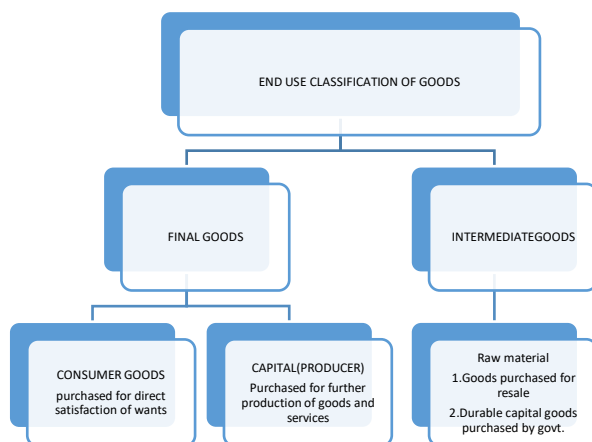
The production boundary which is used to differentiate between intermediate and final goods.

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.

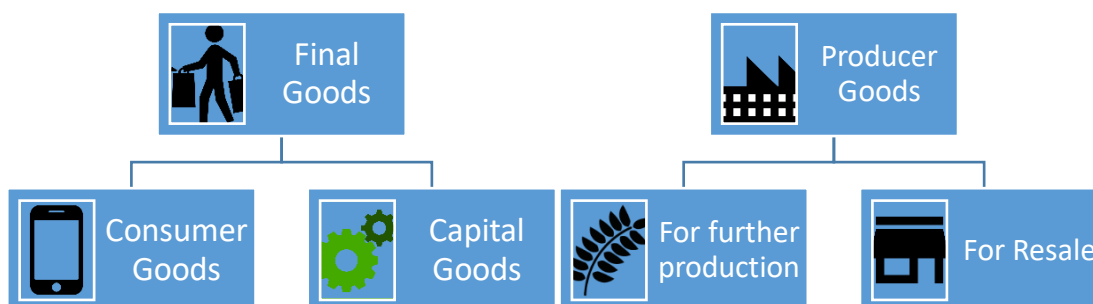


1, Students will be divided in four groups according to strength of the class and will be given a task to make a list of goods as consumer goods, capital goods, raw material and goods for resale.

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.
