

National School Curriculum

INSTRUCTIONAL GUIDE FOR ECONOMICS

CLASSES XI & XII



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School Curriculum Division
Department of School Education
Ministry of Education and Skills Development
Royal Government of Bhutan



“Your parents, relatives, and friends would be very proud of what you have achieved. At your age, to have completed your studies is your personal accomplishment. Your knowledge and capabilities are a great asset for the nation. I congratulate you for your achievements. Finally, your capabilities and predisposition towards hard work will invariably shape the future of Bhutan. You must work with integrity, you must keep learning, keep working hard, and you must have the audacity to dream big.”

- His Majesty Jigme Khesar Namgyel Wangchuck

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School Curriculum Division, Department of School Education,
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Foreword

The erstwhile Royal Education Council (REC) developed an Adapted and Prioritised curricula for schools so that students can continue learning during the disruptions caused by the COVID 19 pandemic since March 2020. With the commencement of the 2021 academic session, the new normal curriculum, later renamed as the National School Curriculum (NSC), was embraced as a paradigm shift of education from the conventional knowledge-based learning to competency based, open source and experiential learning leveraged on digital technologies. In order to facilitate the effective implementation of the curriculum change, Instructional Guides were developed in all subjects, and the teachers were oriented through virtual and short contact modes as per the prevailing pandemic situations. The curricula were aimed at minimising the learning loss for learners as it was designed for implementation in different situations - during school closure or during regular contact instructional hours.

While these measures served as a solution to problems brought about by the pandemic and the global changing trend in education, a resilient and more dynamic curricula and instructions remain the current priority of the Government. In cognisance of some the shortfalls in the provisional edition of Instructional Guides (IG), the Department of Curriculum and Professional Development reviewed and revised the existing Instructional Guides across all subjects with the aim of enforcing the competency-based learning, and making teaching-learning happen 'anytime anywhere' commensurate to an inclusive education, so that all learners are provided the opportunity to learn at their pace and situation.

The revised Instructional Guides have drawn ideas and inspiration from various educational philosophies and principles, particularly the Delors Report, Learning: The Treasure Within (1996). The report prioritises the development of the whole person and not just academic knowledge through the four pillars: "learning to know", "learning to do", "learning to be", and "learning to live together". Therefore, the New Curriculum and the Instructional Guide is an attempt to transform education from the teaching of "what" to learning of "how" and "why" towards empowering learners with the transversal competencies and the 21st century skills, and preparing them to be lifelong learners.

It must be noted that the New Curriculum and the Instructional Guide are not just a response to the pandemic, but a culmination of the curriculum reform work for the last four years by the Royal Education Council. The school curricula are to be perceived as integrated, and based on themes and problems that inspire learners to learn and to live in peace with our common humanity and our common planet. This has the potential in the development of a strong base of knowledge about one's self and about the world, find purpose of learning, and be better able to participate in social and political milieu. Thus, this initiative is envisaged to orient our educational process towards nurturing 'nationally rooted and globally competent' citizens.

Wish all our learners and teachers a life-enriching teaching and learning.

Tashi Delek!



Karma Galay
Director General

Introduction

This guide has been developed for teachers teaching Economics in schools across the country for the implementation of the Economics Curriculum. As all the schools follow the same curriculum aimed at equipping the students with the same set of competencies, it is crucial for all the teachers to have the same understanding about the intent of the curriculum so that they would be able to implement it as desired.

The Economics Curriculum consists of four strands on the basis of which the learning goals, standards and objectives are selected. The individual economic unit, national economy and global economy are the three conceptual strands. The fourth one is a process strand which is cross cutting across the rest of the strands. The economic competencies to be acquired and demonstrated by the learners at each stage of learning are outlined as Competencies and Objectives. While guiding teachers on what to teach, these standards, competencies and objectives will also inform the stakeholders about the levels of knowledge and skills expected from the learners at various stages of education.

The sample activities given in the guide are suggestive in nature. Teachers can negotiate to adapt and design their own teaching learning activities or experiences that best suit their learners and their environment. What is non-negotiable is the teaching of the competencies that the learners must acquire at each class before they move on to the next class.

The curriculum has a wide range of knowledge, concepts and skills that the students need to master. There are those that the learners can explore, acquire and practice to master on their own, and there are more complex ones, which need to be taught explicitly and practiced consistently to gain a satisfactory level of mastery. Classroom teaching and instructional time should focus on teaching those concepts and skills that the students cannot learn on their own, while encouraging learners to explore some areas to learn and practice on their own.

A major shift in the curriculum is the teaching and development of skills by the learners. Therefore, the curriculum contents should be used as vehicles to move towards the acquisition of competencies. The competencies for each class are further broken down as objectives that should serve as signposts for teachers to decide what to teach.

Since, competencies are at the heart of curriculum and its implementation; teachers should make conscious choice of the most suitable teaching-learning approaches. In addition, because the teaching focusses on acquiring skills/competencies, assessment will also be on the acquisition and demonstration of the skills-skills in terms of economic knowledge, skills and values that are demonstrable and measurable. Various assessment approaches, tools and rubrics have already been disseminated to the teachers through the CFA guidebook. Teachers are asked to be consistent to meaningfully assess students and report to stakeholders at various levels. Further, the focus of assessment should be for learning rather than assessment of learning which would happen periodically.

Purpose of Instructional Guide

Among the many definitions of 'curriculum' this Instructional Guide underscores the meaning of curriculum as a standard and competency-based sequence of planned learning experiences where learners practice and achieve the proficiency in applying the learning experiences in real life scenarios. These proficiencies, in the curriculum framework, have been stated as "competencies" and "objectives" for each class. In keeping with the principle, 'less is more' as stated the National School Curriculum, the contents of the curriculum have been reduced so that learners can be engaged more in activities that can lead to the acquisition of economic skills and competencies rather than having them 'cover the syllabus'.

This Instructional Guide believes that the classroom teachers, as professional individuals, can make the most authentic and reliable judgment about each learner's learning needs and the learning experiences to be provided to propel the learners in the learning continuum. With these beliefs and principles as the background, the following are the purposes of this document.

- » Facilitate learners acquire economic skills and competencies using literature as a medium.
- » Strengthen blended learning, including flipped classroom with multimedia, digital pedagogies and ICT devices and websites as tools to share the responsibility of learning amongst the learners, teachers, the parents and other stakeholders.
- » Facilitate the use of Continuous Formative Assessment for learning using diverse appropriate assessment techniques and tools commensurate with individual differences in learning, and gather evidence to guide planning of educational programmes and activities for learners.
- » Promote inclusive learning through the blended learning which facilitates learning anywhere, any time with the learner being responsible for the learning.
- » Provide suggestive means of teaching economic skills by building interrelationship among, and through, the integration of the four strands of the curriculum.
- » Help teachers assume the roles of facilitator, guide, motivator and evaluator.
- » Guide teachers, parents and other stakeholders in helping learners achieve their potential.
- » Empower teachers to design their own 'course of study' or 'class curriculum' for their students in line with the National School Curriculum Framework.
- » Enhance sharing the burden responsibility and accountability for learning amongst the stakeholders, including the learners themselves.

In this age of advanced communication and information technology, contents are widely available from a number of sources, therefore, the contents of the curriculum have been kept flexible enough for teachers to select, structure and sequence them to best suit the learners need while maintaining coherence and consistency. In other words, while the contents of the curriculum are negotiable, the competencies and objectives are not. While, teachers may have access to number of materials, it should be kept in mind that the teaching and learning should be focused on achieving the competencies rather than 'covering of the syllabus'. The teaching learning materials should be used as means to create a learning environment that is competency-based where the learners need to master the skills presented to them. While designing lesson plans and teaching learning activities, teachers need to ensure that the materials are relevant and appropriate for the given task.

The assessment should be competency-based wherein the teachers should assess the learners' mastery of the skills stated as competencies and objectives for each class. Teachers should use appropriate assessment tools and techniques depending on the nature of the learning activities. The learners should be clearly informed about the success criteria, the areas of assessment and the tools to be used so that they know exactly what tasks are to be performed or expected of them. In the process of the performance, the teacher should continuously provide feedback and, if necessary, modify instructions. Efforts have to be made to ensure that every learner has mastered the skills.

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Class XI

Chapter 1: Definitions and Subject Matter of Economics

Economics deals with the study of human behaviour in the light of the production, distribution and consumption of goods and services. The study of economics provides insight into the allocation of limited resources to satisfy unlimited human wants. It pertains to the wise decision making and resource management.

1.1 Topic: Evolution of Economic Thought [Scope: major definitions of economics; features, merits and criticism]

The subject matter of economics is dynamic in nature. It keeps on evolving. Different definitions of economics concern the shifting focus of the subject matter from wealth, welfare, and scarcity to growth with respect to time and situation.

Competencies:

- » Analyse the evolution and advancement of Economics to conceptualise its scope and dynamic nature

Objective(s):

- » Discuss the evolution of economic thoughts.

Learning Experiences:

To explore major economic thoughts and understand the dynamic nature of the subject,

- » Learner watches the video from the link <http://y2u.be/N8PZH7K6gQ> to compare the different schools of economic thought.
- » Learner watches the video from the link <https://bit.ly/3gNP5av> to comprehend the concept of economics.
- » Learner may explore further from internet resources
 1. The major definitions of economics
 2. Identifying the key features from the concepts proposed by different economists.
 3. Compare their merits and criticisms.
 4. Meaning, nature and scope of economics.

Learner compiles the information gathered and presents to the class followed by teacher's feedback.

Reflective questions:

1. Evaluate which definition of economics is superior from the four major definitions.
2. Can there be a best definition of economics? Give a reason.
3. How would you define economic in the current scenario?

Assessment:

Q&A:

The teacher may use Q&A to assess how the learner creates their own meaning of economics based on the major definitions of economics.

Presentation:

The teacher may also use rubrics, checklists or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Different definitions of economics	» Thinking logically » Exploratory skill » Analytical skill » Presentation skill	» Appreciate the evolution and change

Resources:

- » DCPD repository Economics XI, DCPD Franks ISC Economics XI
- » <http://y2u.be/N8PZH7K6qQ>
- » <https://bit.ly/3gNP5av>

1.2. Topic: Subject Matter of Economics [Scope: Microeconomics and macroeconomics]

In the modern approach of the study of economics, the subject matter of economics is categorised into two main branches: Microeconomics and macroeconomics.

Competencies:

- » Analyse the evolution and advancement of Economics to conceptualise its scope and dynamic nature

Objectives:

- » Explain micro and macro economics.
- » Differentiate between micro and macro economics.
- » Discuss interrelationship between micro and macro economics.

Pedagogy/Learning Experiences:

To examine the subject matter of economics and interconnectedness of microeconomics and macroeconomics, the

- » Learner explores the information from the following links to differentiate between micro and macro economics and tabulate the differences:
 1. <https://bit.ly/3uQy2gh>
 2. <https://bit.ly/3rUeISO>
- » After comparison, learner examines interconnectedness of microeconomics and macroeconomics and shares the work with friends for peer assessment.

Reflective Questions:

1. Compare and contrast microeconomics and macroeconomics using relevant examples.
2. Explain how the study of macroeconomics is dependent on microeconomics.
3. Discuss a few economic problems related to each branch of economics that the country is going through at the moment.

Assessment:

Q&A:

The teacher may use Q&A to assess how learners can relate microeconomics with macroeconomics. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Differences between micro and macro economics	» Analytical skill » Exploratory skill	» Appreciate the complexity of how modern economic systems work. » Interconnectedness

Resources:

- » DCPD repository Economics XI, DCPD Franks ISC Economics XI
- » <https://bit.ly/3uQy2gh>
- » <https://bit.ly/3rUeISO>.

Chapter 2: Basic Problems of an Economy

As every individual faces various economic problems in day-to-day life, society at large faces the economic problem of choice owing to the scarcity of resources in relative to unlimited and ever multiplying human wants. Thus, the problem of scarcity and choice lies at the very heart of economics.

2.1 Topic: Economic Problem: [Scope: Basic economic problems and causes]

The economic problem is the problem of allocating the limited resources for the production of alternative goods and services, thus it is the problem of a choice.

Competencies:

- » Illustrate the concept of opportunity cost with help of production possibility curve to manage scarce resources efficiently at an individual level and address basic economic problems

Objectives:

- » Discuss the basic problems of an economy.
- » Explain the characteristics and assumptions of PPC.
- » Illustrate the basic economic problems using PPC.

Learning Experiences:

The teacher may use Guided Learning to illustrate the basic economic problems using Production Possibility Curve (PPC).

- » Learner watches video from the links:
 1. <https://www.youtube.com/watch?v=bZr2VTLQE9U&t=16>
 2. <https://www.youtube.com/watch?v=1cYMW5dbn> and <https://www.youtube.com/watch?v=WdS0sm5ERyg/> to understand the economic problem.
 3. <https://www.investopedia.com/terms/p/productionpossibilityfrontier.asp/> to understand the meaning of the PPF and its graphical illustration.
 4. <https://www.youtube.com/watch?v=lzccVWoulxM/> to learn how opportunity cost can be illustrated through a PPF.
- » Teacher demonstrates the basic economic problems with the help of PPC.
- » Learner practises the illustration of economic problem on PPC and few learners present the task class followed by teacher's feedback.

Reflective Questions:

1. Explain three basic economic problems.
2. Scarcity is the root cause of all economic problems. Justify the statement using relevant examples.
3. List two important features of the production possibility curve.
4. Illustrate economic problems using PPC.
5. How would the concept of PPC help in making choice?

Assessment:**Presentation:**

The teacher may assess the learners' illustration using appropriate rubrics. The teacher may also use checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Economic problem » PPF concept	» Graphical skills » Comprehension skill » Decision making skill	» Make rational decisions » Resilience

Resources:

- » DCPD repository Economics XI, DCPD Franks ISC Economics XI
- » <https://www.youtube.com/watch?v=bZr2VTLQE9U&t=16s>
- » https://www.youtube.com/watch?v=1cYMW5d_bn4
- » <https://www.youtube.com/watch?v=WdS0sm5ERYg/>
- » <https://www.investopedia.com/terms/p/productionpossibilityfrontier.asp/>
- » https://www.youtube.com/watch?v=ccVW_ouM/

2.2 Topic: Opportunity Cost

Opportunity cost is the measure of cost in terms of the best alternative given up, rather than in terms of money. It is a trade off in making a choice of producing or consuming something. It arises because of the problem of scarcity of resources relative to unlimited human wants and the fact that resources have alternative uses and the human wants have different priority.

Competencies:

- » Illustrate the concept of opportunity cost with help of production possibility curve to manage scarce resources efficiently at an individual level and address basic economic problems

Objectives:

- » Discuss the concept of opportunity cost.
- » Illustrate opportunity cost through production possibility curve.

Learning Experiences:

To deliver the lesson on Opportunity Cost (OC) and decision making,

- » Learner refers the document link <https://www.investopedia.com/terms/o/opportunitycost.asp/> to understand the meaning and computation of opportunity cost, its purpose in making choices; and examples to demonstrate the opportunity cost.
- » Teacher demonstrates the concept of OC with the help of PPC.
- » Learner practises the illustration of OC on PPC and few learners present the task class followed by teacher's feedback.

Reflective Questions:

1. How is the concept of opportunity cost different from the concept of cost used in ordinary sense?
2. How can individuals, firms and governments use the concept of opportunity cost in decision making?

Assessment:

Presentation:

The teacher may assess the learners' illustration using appropriate rubrics. The teacher may also use checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Concept of opportunity cost.	» Decision making skill » Graphical skill	» Rational decision making and choices

Resources:

- » DCPD Repository Economics XI, DCPD Franks ISC Economics XI
- » <https://www.investopedia.com/terms/o/opportunitycost.asp/>

Chapter 3: Demand and the Law of Demand

Demand is a fundamental factor that drives economic activities and it is one of the most important concepts in the study of economics. The theory of demand explains the behaviour of consumers in relation to different situations and commodities.

3.1 Topic: Meaning, Law of Demand and Derivation of Demand Curve

The law of demand explains the inverse price-quantity relationship. It states that other things remain the same, demand for a particular commodity increases with the decrease in price and vice versa. Thus, demand curve assumes negative slope.

Competency:

- » Analyse demand function and its determinants to understand the consumption pattern and production decision to forecast the price and market for goods and services.

Objectives:

- » Discuss demand with an example.
- » Illustrate law of demand through schedule and curve.

Learning Experience:

To introduce the concept of demand and law of demand, the teacher may use Reflective Learning.

- » Teacher provides pre-information on law of demand.
- » Learner writes few sentence on the relationship between the prices and demand for goods and services based on their past experiences.
- » Learner watches the video in the link <https://www.youtube.com/watch?v=QvGLcCTXk9o> to explore and validate information on the concept of law of demand and its graphical and tabular illustrations. Learner reflects on the inverse relationship between price and demand.
- » Learner represents the information gathered by creating his/her own hypothetical demand schedule and derives the demand curve therefrom.

Reflective Questions:

1. What is the difference between human desire and demand?
2. State the law of demand and explain with the help of diagram.

Assessment:

Demonstration:

The teacher may assess the learner's graphical skills using a rubric. The teacher may also use checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Law of demand » Illustrate demand function 	<ul style="list-style-type: none"> » Graphical skill » Analytical skill 	<ul style="list-style-type: none"> » Value of consumers (consumer rights) » Sustainable consumption » Interdependence

Resources:

- » DCPD repository Economics XI, DCPD
- » [ISC Franks Economics XII](#)
- » <https://www.youtube.com/watch?v=QvGLcCTXk9o>

3.2 Topic: Determinants of Demand, Shifts and Movements of Demand curve and Exceptions to the Law of Demand.

Demand of a consumer for a particular product at any given time is determined by various factors. The change in price leads to the movement along the demand curve, it is called change in quantity demanded. Whereas the change in other factors leads to the shift in demand curve, it is called change in demand.

Competency:

- » Analyse demand function and its determinants to understand the consumption pattern and production decision to forecast the price and market for goods and services.

Objectives:

- » Examine factors affecting demand.
- » Analyse exceptions to the law of demand.
- » Differentiate between shifts of demand curves and movements along the demand curve.

Learning Experiences:

The teacher may use Reflective Learning to teach factors affecting demand and the exceptions to the law of demand.

- » The learner writes on the determinants of demand for goods and services based on their past experiences.
- » Learner visits the link <https://www.youtube.com/watch?v=GwXypq9CR2E> to validate the information on the determinants of demand.
- » Learner visits the following links to explore and validate the information on change in demand and change in quantity demanded:
 1. <https://www.youtube.com/watch?v=ult-ezpv kM>
 2. [The Movement along the Demand Curve \(Change in Quantity Demanded\) | Economics](#)
 3. [Shift in Demand Curve: Increase and Decrease | Microeconomics](#)
- » Learner reflects on the determinants of demand and compares the shift in demand curve and movement along the demand curve.
- » Learner watches the video in the link https://www.youtube.com/watch?v=e_Zty4HCA-Q to analyse the exceptions to the law of demand. The teacher helps the learners while exploring the exceptions to the law of demand.

Reflective Questions:

1. How will the future price expectation of the commodity affect the present quantity demanded?
2. Explain with a diagram how government policy influences the quantity demanded.
3. Differentiate change in quantity demanded and change in demand.

4. The price of the iPhone is normally high in Bhutan, yet there is high demand for it. Justify.
5. Does the law of demand hold true for all types of goods? Explain?
6. Explain FOUR situations that lead to a positively sloped demand curve.

Assessment:

Q&A:

The teacher may use Q&A to assess how the learner analyses the determinants of demand to forecast the price and market for goods and services. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Determinants of demand » Shift and movement in demand curve. » Exceptions to the law of demand 	<ul style="list-style-type: none"> » Analytical skill » Graphical skill 	<ul style="list-style-type: none"> » Awareness of individual consumption activities in determining the market size in an economy. » Interdependence » Acceptance

Resources

- » DCPD repository Economics XI, DCPD
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=GwXypq9CR2E>
- » <https://www.youtube.com/watch?v=ult-ezpvkYM>
- » [The Movement along the Demand Curve \(Change in Quantity Demanded\) | Economics](#)
- » [Shift in Demand Curve: Increase and Decrease | Microeconomic](#)
- » https://www.youtube.com/watch?v=e_Zty4HCA-Q

Chapter 4: Supply and the Law of Supply

The concept of supply is equally important as demand in economics. It is complementary to the study of demand. The theory of supply pertains to the behaviour of producers and sellers, their decisions to produce and sell in different situations.

4.1 Topic: Meaning, Law of Supply and Derivation of Supply Curve.

The law of demand explains the positive price-quantity relationship. It states that other things remain the same, supply of a particular commodity increases with the increase in price and vice versa. Thus, the supply curve slopes positively upward.

Competency:

- » Analyse supply function and its determinants to understand the consumption pattern and production decision to forecast the price and market for goods and services.

Objectives:

- » Explain the meaning of supply.
- » Explain the law of supply through schedule and curve.

Learning Experiences:

To introduce the concept of supply and law of supply, the teacher provides pre-information about law of supply.

- » Learner writes a sentence on the relationship between the prices and supply of goods and services based on their past experiences.
- » Learner watches the video link <https://www.youtube.com/watch?v=c9lwnbV0iow> to validate the information from the past experiences.
- » Learner watches the video link <https://www.youtube.com/watch?v=JEJW8HGPS4Q> to graphically illustrate the law of supply using numerical values. Learner reflects on the inverse relationship between price and supply.
- » Learner represents the information gathered by creating his/her own hypothetical supply schedule and derives the supply curve therefrom.

Reflective Questions:

1. Differentiate supply from stock.
2. State the law of supply and explain it with the help of a diagram.
3. Explain the slope of the supply curve.

Assessment:

Demonstration:

The teacher may assess the learner's graphical skills using a rubric. The teacher may also use checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Concept of supply » Law of Supply » Supply schedule and supply curve 	<ul style="list-style-type: none"> » Graphical skill » Analytical skill 	<ul style="list-style-type: none"> » Predict market conditions for economic decision making. » Sustainable production » Interdependence

Resources:

- » DCPD repository Economics XI, DCPD
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=c9lwmbV0iow>
- » <https://www.youtube.com/watch?v=JEJW8HGPS4Q>

4.2 Topic: Determinants of Supply, Shifts and Movements in Supply Curve, Exceptions to the Law of Supply.

Supply of a particular product by the seller at any given time is determined by various factors. Change in any factor leads to either a movement along the supply curve or it will lead to shift in supply curve.

Competency:

- » Analyse supply function and its determinants to understand the consumption pattern and production decision to forecast the price and market for goods and services.

Objective:

- » Examine factors affecting supply.
- » Differentiate between shifts of supply curves and movements along the supply curve.
- » Analyse exceptions to the law of supply.

Learning Experiences:

To teach factors affecting supply and the exceptions to the law of supply,

- » The learner writes on the determinants of supply for goods and services based on their past experiences.
- » Learner watches the video in the links
 1. https://www.youtube.com/watch?v=FPcoSF_gFrU and
 2. https://www.youtube.com/watch?v=qg_pUMA_hHo to explore and validate the information on determinants of supply from the past experience.
- » Learner reflects on the determinants of supply and compares the shift in supply curve and movement along the supply curve.
- » Learner watches the video link: <https://www.youtube.com/watch?v=vnzl2RXSKPs> to analyse the exceptions to the law of supply. The teacher helps the learners while exploring the exceptions to the law of supply.

Reflective Questions:

1. With the help of a diagram, explain the effect of reduction in factor prices on the supply of a commodity.
2. Illustrate with the help of a diagram; the effect on the supply of a commodity due to outdated technology.
3. Indicate how each of the following will affect the current supply of mobile phones:
 - a. An increase in the number of producers of mobile phones.
 - b. The government increases tax on the production of mobile phones.
 - c. A rise in the wage rate of labour.
 - d. Subsidy granted on the production of mobile phones.
4. Differentiate change in quantity supplied and change in demand.
5. "The slope of supply curve is not always positive from left to right". Discuss.

Assessment:

Q&A:

The teacher may use Q&A to assess how the learner analyses the determinants of supply to forecast the price and market for goods and services. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Various factors affecting supply.	» Graphical Skill	» Acceptance
» Exceptions to the law of supply.	» Analytical skill	» Interdependence

Resources:

- » DCPD repository
- » Economics XI, DCPD
- » ISC Franks Economics XII
- » https://www.youtube.com/watch?v=FPcoSF_gFrU
- » <https://www.youtube.com/watch?v=qqIpUMOmH0>
- » <https://www.youtube.com/watch?v=vnzl2RXSKPs>

Chapter 5: Elasticity of Demand and Supply

The law of demand and supply makes a qualitative statement. The extent to which the quantity of a commodity changes, as a result of a change in its determinants is provided by the concept of elasticity. The concept of elasticity is important in understanding economic theories and in making various economic decisions.

5.1 Topic: Meaning, Types, Degrees of Price Elasticity of Demand and Measurement of Price Elasticity of Demand using Percentage Method.

Law of demand shows the change in quantity demanded due to change in the price but it fails to show by how much the quantity demanded changes. The concept that explains the proportional change in the amount demanded of a good as a result of change in its price is called the concept of elasticity of demand.

Competency:

- » Compute and examine price elasticity of demand to understand the decision about pricing strategies, taxation and market dynamics for business, policy maker and economist.

Objectives:

- » Discuss the types of elasticity of demand.
- » Calculate price elasticity of demand using percentage method.
- » Evaluate degrees of price elasticity of demand.

Learning Experiences:

To deliver the lesson on elasticity of demand, the teacher explains types of price elasticity of demand and demonstrates its computation and graphical representation.

- » Learner watches the video in the following links to supplement teacher's demonstration:
 1. <https://www.youtube.com/watch?v=e4AMzaTmZic> to illustrate the five types of price elasticities of demand without using numerical values.
 2. <https://www.youtube.com/watch?v=FBWJYH8DZ1g> to illustrate the five types of elasticities of demand using numerical values.
 3. <https://www.youtube.com/watch?v=9fZXWr7wXUM> to understand the meaning
 4. of price elasticity of demand and factors affecting price elasticity.
 5. https://www.youtube.com/watch?v=R-F_jbwclls to demonstrate the degree of price elasticity of demand by applying the percentage method.
- » Learner computes and represents different types of price elasticity of demand using graphs from the numerical problems provided by the teacher.

Reflective Questions:

1. Explain different kinds of price elasticity of demand with numerical examples.
2. A consumer demanded 10 Kg of potatoes when its price was Nu 20 per Kg. When the price of potatoes rises by 5 %, its quantity demanded falls by 15Kg. Calculate its price elasticity.
3. The consumer buys 30 Kg of a certain good at a given price. How many units will the consumer buy if the price rises by 5 %? The price elasticity of demand for a good is 1.

Assessment:

Peer Interaction:

The teacher may use peer interaction to assess learners' understanding of degree and measurement of price elasticity of demand.

Q & A:

The teacher may also use rubrics, checklist or any other relevant assessment tools google classroom to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Concept of elasticity. » Degrees of price » elasticity of demand. » Measurement of price elasticity of demand. 	<ul style="list-style-type: none"> » Computational skills » Graphical skill. » Decision making skill 	<ul style="list-style-type: none"> » Appreciate the role of price elasticity of demand in making production decisions by business firms and the government when it regulates prices. » Rational consumption decisions.

Resources:

- » DCPD repository Economics XI, DCPD ISC Franks XII
- » <https://www.youtube.com/watch?v=e4AMzaTmZic>
- » <https://www.youtube.com/watch?v=FBW JYH 8DZ 1g>
- » <https://www.youtube.com/watch?v=9fZXWr7wXUM>
- » https://www.youtube.com/watch?v=R-F_jbwclls

5.2 Topic: Factors Affecting Elasticity of Demand and the Importance of the Concept of Price Elasticity.

Price elasticity of demand is different for different commodities. The elasticity of demand depends on several factors. It is very important for business decision making.

Competency:

- » Compute and examine price elasticity of demand to understand the decision about pricing strategies, taxation and market dynamics for business, policy maker and economist.

Objectives:

- » Examine factors affecting price elasticity of demand.
- » Explain the importance of price elasticity of demand.

Learning Experiences:

The teacher may use Collaborative Learning to deliver on determinants of price elasticity of demand and its importance.

- » Teacher divides the class into groups for activity and provides instructions.
- » In groups, the learner explores information on the importance of elasticity of demand and the determinants of elasticity of demand from the textbook and from the following links:

1. https://www.youtube.com/watch?v=o_rZVRXmaOI- to understand the importance of elasticity of demand.
 2. <https://www.youtube.com/watch?v=gzs6m-J-d4A&t=71s-> to study the importance of elasticity of demand.
 3. <https://www.youtube.com/watch?v=77dUebOzPCg-> to find out various determinants of price elasticity of demand.
- » Learner consolidates the information through group discussion and teacher's assistance.
 - » A learner from each group presents their work to the class followed by teacher's feedback.
 - » Individual learners reflect on the topic learnt and the learning process they went through.

Reflective Questions:

1. How would the following factors determine the elasticity of demand?
 - a. Habits of the consumer.
 - b. Price range.
 - c. Goods and Service Tax (GST).
2. How will you apply the concept of elasticity of demand if you are businessman?
3. How would the changes in the price of related goods affect the elasticity of demand for a commodity?

Assessment:

Q & A:

The teacher assesses the learner's comprehension of determinants and the importance of price elasticity of demand. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Factors affecting price elasticity of demand. » Importance of elasticity. 	<ul style="list-style-type: none"> » Decision making » Analytical skill » Computational skill 	<ul style="list-style-type: none"> » Make rational consumption decisions

Resources:

- » DCPD repository Economics XI, DCPD
- » ISC Franks Economics XII
- » https://www.youtube.com/watch?v=o_rZVRXmaOI-
- » <https://www.youtube.com/watch?v=gzs6m-J-d4A&t=71s->
- » <https://www.youtube.com/watch?v=77dUebOzPCg->

5.3 Topic: Meaning, Degrees and Measurement of Price Elasticity of Supply Using Percentage Method

Law of supply pertains to the direction of change in supply while elasticity pertains to the degree of change in response to the change in price. The price elasticity of supply is a measure of responsiveness of the quantity supplied of a commodity to a change in its price.

Competency:

- » Compute and examine price elasticity of supply to understand the decision about pricing strategies, taxation and market dynamics for business, policy maker and economist.

Objectives:

- » Explain the categories of price elasticity of supply.
- » Calculate price elasticity of supply using percentage method.

Learning Experiences:

The teacher may use Guided Learning to teach the elasticity of supply.

- » Teacher demonstrates each type of price elasticity of supply, its computation and graphical representation.
- » Learner visits the following links to supplement teacher's demonstration:
 1. https://www.youtube.com/watch?v=lx4bp_6M3nY to compare and compute the price elasticity of demand and price elasticity of supply.
 2. <https://www.youtube.com/watch?v=fgghQkVvFTk> to apply the percentage method to compute elasticity of supply and to interpret its value.
- » Learner computes and represents different types of price elasticity of supply using graphs using the numerical problems provided by the teacher.
- » Teacher debriefs the whole lesson.

Reflective Questions:

1. Explain different kinds of price elasticity of supply with numerical examples.
2. Discuss the importance of price elasticity of demand.

Assessment:

Peer Interaction:

The teacher may use peer interaction to assess learners' understanding of degrees and measurement of price elasticity of supply.

Q & A:

The teacher may also use rubrics, checklist or any other relevant assessment tools google classroom to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Price elasticity of supply. » Degrees of Price » Elasticity of Supply. » Measurement of price elasticity of supply. 	<ul style="list-style-type: none"> » Computational skills » Graphical skills. » Decision making skill 	<ul style="list-style-type: none"> » Gain confidence and trust in applying numeracy and graphical skills of elasticity concept to solve problems in real life.

Resources:

- » DCPD repository Economics XI, DCPD ISC Franks XII
- » https://www.youtube.com/watch?v=lx4bp_6M3nY
- » <https://www.youtube.com/watch?v=fgghQkVvFTk>

5.4 Topic: Factors Affecting Elasticity of Supply and the Importance of the Concept of Price Elasticity.

Price elasticity of supply is different for different commodities. It is important to know why supply for some goods is more elastic, while for others it is less elastic. The elasticity of supply depends on several factors.

Competency:

- » Compute and examine price elasticity of supply to understand the decision about pricing strategies, taxation and market dynamics for business, policy maker and economist.

Objectives:

- » Examine factors affecting price elasticity of supply.
- » Explain the importance of price elasticity of supply.

Learning Experiences:

The teacher may use Collaborative Learning to deliver on the determinants of price elasticity of supply and its importance.

- » Teacher divides the class into groups for activity and provides instructions with a reminder to avoid the practices that were not found useful in the previous collaborative learning.
- » In groups, the learner explores the topic from the textbook and the following YouTube links:
 1. <https://www.youtube.com/watch?v=z8nbIHf thB> to comprehend on factors affecting the price elasticity of supply
 2. <https://www.youtube.com/watch?v=X7ZtG S-UD> to illustrate price elastic supply.
- » Learner consolidates information through group discussion and teacher's assistance.
- » A learner from each group presents their work to the class followed by teacher's feedback.
- » Individual learners reflect on the topic learnt and the learning process they went through.

Reflective Questions:

1. Inelastic goods are often described as necessities. Elaborate what happens to supply of such commodities with change in price.

2. Explain how the concept of price elasticity of supply is important to the suppliers.
3. Which of the following statements is true?
 - a. The short run supply curve is more elastic than the long run supply curve.
 - b. The long run supply curve is more elastic than the short run supply curve.
 - c. Short run and long run supply curves have the same elasticity.
 - d. Long run supply curve is always perfectly elastic.

Assessment:

Q & A:

The teacher assesses the learner’s comprehension of determinants and the importance of price elasticity of demand. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Importance of elasticity of supply.	» Graphical skill » Decision making. » Computational skill » Social skill	» Make rational decisions with the help of the concept of elasticity of supply. » Interdependence

Resources:

- » DCPD repository Economics XI, DCPD ISC Franks XII
- » <https://www.youtube.com/watch?v=z8nblHfthBI>
- » https://www.youtube.com/watch?v=X7ZtG_S-UDc

Chapter 6: Market Equilibrium

Market equilibrium is a situation in which forces of demand and supply are balanced without any influences from economic variables. It is a condition where a market price is established through an interplay of invisible hands.

6.1 Topic: Determination of Equilibrium Price and Quantity

The equilibrium price is a price that equates quantity demanded with the quantity supplied, and the equilibrium quantity is an amount that consumers are willing to buy and sellers are willing to offer for sale at the equilibrium price. The equilibrium is determined by the forces of market demand and market supply.

Competency:

- » Examine market mechanism to create balanced and efficient market for optimum allocation of resources by the consumers and producers.

Objectives:

- » Discuss equilibrium price and equilibrium quantity.
- » Examine determination of market price through demand and supply.

Learning Experience:

The teacher may use Guided Learning to introduce the concepts: the equilibrium, equilibrium price and quantity and its determination under perfect competition.

- » Teacher provides information on the concepts of equilibrium, equilibrium price and quantity.
- » The learner visits the following links to explore on the determination of equilibrium price and quantity:
 1. <https://www.youtube.com/watch?v=67DQIzX32oA> to illustrate equilibrium price, excess demand and excess supply graphically.
 2. https://www.youtube.com/watch?v=FycDxIh_Ntc to illustrate determination of equilibrium price through numerical examples.
 3. <https://www.youtube.com/watch?v=xXXPQIhKLBo> to illustrate through numerical examples and graphically, the cases of excess demand and excess supply.
- » Teacher demonstrates the determination of equilibrium price and quantity and learner practices the same as classwork.
- » Teacher guides and provides support to the learner while practising what has been demonstrated in the classroom.

Reflective Questions:

1. Explain with the help of a diagram how market price and market quantity is determined.
2. What will be the effect on price when there is:
 - a. excess demand in the market?
 - b. excess supply in the market?

Assessment:

Q&A:

The teacher may use Q&A to assess the learner's comprehension and analytical skill using online tools such as google

form, Mentimeter and H5P. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Market price and market quantity.	» Graphical skill. » Analytical skill » Evaluation skills	» Create self awareness regarding the effect of demand and supply on the price and quantity. » Interdependence

Resources:

- » DCPD repository
- » Economics XI, DCPD
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=67DQIzX32oA>
- » https://www.youtube.com/watch?v=FycDxlh_Ntc
- » <https://www.youtube.com/watch?v=xXXPQlhKLBo>

6.2 Topic: Effects of Changes in Demand and Supply on Equilibrium Price and Quantity [Scope: Effects of shift in demand and supply and effects of simultaneous shift in demand and supply]

It is quite obvious that the change in price of commodity influences the quantity of demand as well as the quantity of supply. But it is quite interesting that the changes in demand and supply affects the equilibrium price and quantity in inverse manner. For an intense, the way price influences demand is opposite to the way demand influences price.

Competency:

- » Examine market mechanism to create balanced and efficient market for optimum allocation of resources by the consumers and producers.

Objectives:

- » Illustrate and explain the influence of demand and supply on the equilibrium price and equilibrium quantity.

Learning Experiences:

The teacher may use Guided Learning to explain the effects of change in demand and supply on equilibrium price and quantity with the help of a diagram,

- » The teacher demonstrates the effects of change in demand and supply on equilibrium price and quantity with the help of a graph.
- » learner watches the videos in the following links to supplement teacher’s demonstration:
 1. <https://www.youtube.com/watch?v=kl4n-EWwPyA> to illustrate graphically the change in equilibrium price and quantity when the supply curve or the demand curve shifts
 2. <https://www.youtube.com/watch?v=VwgC> MAHM to illustrate graphically the change in equilibrium price and quantity when supply curve and demand curve shift simultaneously

- » Learners refer the document in the link <https://www.yourarticlelibrary.com/economics/4-cases-of-simultaneous-shifts-in-demand-and-supply-curves-economics/9221> to consolidate information and illustrate the change in equilibrium price and quantity due to simultaneous shifts in demand and supply curves.
- » Learner carries out an activity and presents to the whole class.
- » Teacher guides and provides support while learners carry out activity.

Reflective Questions:

1. Graphically explain the effects on equilibrium price and quantity when both demand and supply decrease by the same proportion.
 - a. How would the following conditions impact the market price of oranges:
 - b. Studies report that eating oranges will make you live longer.
 - c. Pest infestation to orange trees.
 - d. Bumper harvest of oranges.
2. Explain with the help of a diagrams, the impact on equilibrium price and quantity when:
 - a. there is an increase in income of a consumer,
 - b. there is a decrease in cost of production.

Assessment:

Presentation:

The teacher may assess the learner's comprehension and graphical skills through presentation using a checklist and rating scale. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Change in the market price and quantity due to change in demand and supply.	» Graphical skill » Analytical skill » Presentation skill	» Be insightful on how an economic agent can create both a balanced market and an efficient market. » Interdependence

Resources:

- » DCPD repository Economics XI, DCPD
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=kl4n-EWwPyA>
- » <https://www.youtube.com/watch?v=UQVwgC7MAHM>
- » <https://www.yourarticlelibrary.com/economics/4-cases-of-simultaneous-shifts-in-demand-and-supply-curves-economics/9221>

6.3 Topic: Impact of Government Policies on Market Price [Scope: Price ceiling, price floor and its impact]

Generally, the price mechanism ensures that the equilibrium price-quantity is settled in a free market system. However, the government intervention comes into a play when the free price mechanism is inefficient in achieving certain economic objectives. The government uses price ceiling and price floor to regulate the price in such situations.

Competency:

- » Examine market mechanism to create balanced and efficient market for optimum allocation of resources by the consumers and producers.

Objectives:

- » Analyse the impact of government policies on the market price.

Learning Experiences:

To study the impact of government policies on the market price, the learner reads about the impact of government policies on market price from the textbook and visits the following links to explore additional information:

1. <https://www.youtube.com/watch?v=XgBPAucs-W4> to explore information on the floor price and price ceiling
 2. <https://opentextbc.ca/microeconomics2openstax/chapter/price-ceilings-and-price-floors/> to differentiate between price floor and price ceiling.
- » Learner discusses the plausible impacts of floor price and price ceiling on the economy in groups.
 - » Teacher poses questions to prompt learner’s ability to analyse information.

Reflective Questions:

1. For what type of goods does the government set a price ceiling? Which section of the society will benefit the most from such a policy?
2. Explain the rationale behind the floor price.
3. The government intervention in the free market system is necessary sometimes. Justify.

Assessment:

Quiz:

The teacher may assess learner’s comprehension and analytical skill using online quiz (google form/Mentimeter/ H5P). The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» How government policies affect the market price.	» Evaluative skill » Analytical skill	» Appreciate the government control of prices in the market to protect consumers » Respect and loyalty

Resources:

- » DCPD Repository Economics XI, DCPD Franks ISC Economics XI
- » <https://www.youtube.com/watch?v=XgBPAucs-W4>
- » <https://opentextbc.ca/microeconomics2openstax/chapter/price-ceilings-and-price-floors/>

Chapter 7: Forms of Market

A market is an arrangement where the buyers and sellers strike a deal to buy or sell goods and services. The current globalization and digital technology have swept away the concept of market as a place. It can be classified based on geographical location, nature of goods and services, and the degree of competition.

7.1 Topic: Market Structure [Scope: meaning and features of perfect competition, monopoly, monopolistic competition and oligopoly]

Market structure is classified based on the degree and nature of competition that exists among the firms within the industry. It pertains to the type of market in which the producers or firms operate.

Competencies:

- » Examine various market structures according to the level of competition to anticipate the appropriateness of a market for establishment of a firm.

Objectives:

- » Explain types of market structure and its features.

Learning Experiences:

- » The teacher may use an Inductive Method to explain the forms of the market.
- » Teacher provides examples and features of different types of market and learners visits the link <https://www.youtube.com/watch?v=ohO3wybmLxw> for additional information on difference amongst perfect competition, monopoly, monopolistic and oligopoly.
- » Learner constructs the meaning of each form of market based on information received.
- » Learner performs activity to find out types of market existing in the country.

Reflective Questions:

1. From the three types of market based on the degree of competition, which one is the most prevalent in the Bhutanese market? Explain with examples?
2. In which market form, a firm cannot influence the price of the product?
3. Which features of monopolistic competition makes it look like monopoly? Explain.
4. For oligopoly firms to survive, what strategies should these firms adopt?
5. Which kind of market structure exists the most in the community you live in? Give reasons for the existence of such a market.
6. Compare the different types of market and explain how each market is different from one another?

Assessment:

Quiz:

The teacher may assess learner's comprehension and analytical skill using online quiz (google form/Mentimeter/ H5P). The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Types of market structure and their features	» Comprehension skill » Analytical skill » Decision making	» Confident in explaining and predicting market outcomes impacted by the degree of competition existing in the economy. » Interdependence » Respect for diversity

Resources:

- » DCPD repository Economics XI, DCPD Economics Class IX, REC
- » <https://www.youtube.com/watch?v=ohO3wybmLxw>

Chapter 8: Economic System

There are different types of economies around the world and each has its own distinguishing characteristics, although they all share some basic features. The type of economies that a country has is determined by the extent of government involvement in carrying out economic and non-economic activities in addressing basic economic problems. Every economy must answer the three basic questions of what, how and for whom to produce. Countries answer these basic questions differently based on the economic system they follow.

8.1 Topic: Types of Economic System [Scope: Meaning and features of Capitalism, Socialism and mixed economy]

Different economic systems use different methods to solve their basic economics problems. While some countries follow a socialistic or capitalistic system, others follow the blend of the two and called it as mixed economic system.

Competencies:

- » Analyse different economic system to evaluate their appropriateness for the economy

Objectives:

- » Explain different economic systems with examples.

Learning Experiences:

The teacher may use Gallery Walk to understand the nature of various economic systems and identify suitable systems to be practised in Bhutan.

- » Teacher divides class into groups and each group chooses any of the economic systems (Capitalism, Socialism & Mixed economies) based on their interest. Here, the teacher ensures all three economic systems are chosen at least by one group.
- » Group gathers information to compare the features, merits and demerits amongst the type of economic systems.
- » Learner may watch the video in the link <https://www.youtube.com/watch?v=k62eauSYchE/> to comprehend the economic systems capitalism, socialism and communism
- » Group consolidates the information through discussion and develops an idea to create poster(s) clearly showing characteristics of the economic system chosen.
- » Learners display their work around the classroom walls and move around to observe the displays of other groups.
- » Learner observes and tries to interpret features of different economics systems. They may ask questions to understand better or to check the understanding of other friends.

Reflective questions:

1. Which economic system is more suitable for our country to promote the philosophy of Gross National Happiness? Justify?
2. Why do pure free market economies in the world do not exist?
3. Write the most appropriate answer
 - a. An..... is the way in which a society decides to answer these three economic questions.
 - b. A capitalist economy uses a price mechanism, a socialist economy uses central planning and a

mixed economy uses..... to solve its basic economic problems.

c. Most of the economic systems in the world today are.....

Assessment:

Debate:

Assess how the learner argues on the merits and demerits of economic systems using check-list. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Types of economic systems.	» Organisation of ideas and presentation skill » Argumentative skill » Analytical skill	» Make connections with the global economic systems. » Respect for others view » courteousness

Resources:

- » DCPD repository Economics XI, DCPD Franks ISC Economics XI
- » <https://www.youtube.com/watch?v=k62eauSYchE/>

8.2 Topic: Bhutanese Economic System

The economy of Bhutan is middle income, developing mixed economy. The private and public sectors function together for economic development guided by the overarching philosophy of Gross National Happiness (GNH). Since the commencement of planned socio-economic development in 1961, the country has set precondition for accession from the traditional to modern economic take off.

Competencies:

- » Analyse different economic system to evaluate their appropriateness for the economy

Objectives:

- » Discuss Bhutanese economic system.

Learning Experiences:

The teacher may use Cooperative Learning to analyse the characteristics of Bhutanese economy as a mixed economy.

- » Teacher divides the class into groups based on number of features of Bhutanese economy (in the textbook) and assign a topic (features) each prior to the lesson.
- » Learner explores on the feature his/her group is assign with from the different sources individually.
- » During the lesson, learner consolidates information he/she has gathered through group discussion and ensures that all the group members understand and can explain the feature to the members of other groups.
- » A member each from all the groups will come together and form a new group wherein at least one member from all the features of Bhutanese economy is present.
- » All the members in the new group is expertise of a feature each. So, the member shares about the respective feature in turns and takes responsibility to make all the members clear about one's topic.

- » In the new group, learner discusses and prepares presentation on features of Bhutanese economy using PowerPoint/Prezi or any other ICT tools and presents it to the class.

Reflective Questions:

1. Examine the role played by the public and private sector in Bhutan.
2. Do you see the prevalence of a mixed economic system in Bhutan? Give five reasons to support your answer.

Assessment:

Presentation:

The teacher may assess the learners' presentation using a set of criteria. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Planned economic system.	<ul style="list-style-type: none"> » ICT skill » Presentation skill » Interpersonal skill 	<ul style="list-style-type: none"> » Decision making and resource allocation. » Respect for others view

Resources:

- » DCPD repository
- » Economics XI, DCPD
- » Bhutan Economics (A Supplementary Text for Class XI)
- » <https://www.youtube.com/watch?v=fqL44IH5vw>

Chapter 9: Economy of Bhutan

The Bhutanese economy is buffer economy between the two Asian giants. It is known for a unique development philosophy of Gross National Happiness (GNH) envisioned by the fourth Druk Gyalpo. Bhutan opened up itself to the outside world in 1960s, after which modern development began. Ever since the country's economy has been growing.

9.1 Topic: Features and Challenges of Bhutanese Economy

Bhutanese economy is one of the fastest growing economies in South Asia. However, it is not exceptional to the challenges. The economy, though small and growing, faces lots of challenges some of which are very unique.

Competencies:

- » Analyse the features and challenges of Bhutanese economy to suggest measures and address the issues.

Objectives:

- » Examine the features of Bhutanese economy to forecast scope.
- » Explain the challenges faced by the Bhutanese economy and suggest remedial measures.

Learning Experiences:

The teacher may use the Inquiry Method to analyse the characteristics and challenges of Bhutanese economy.

Learner refers the document in the link:

- » <https://www.isas.nus.edu.sg/papers/structural-transformation-of-bhutans-economy-challenges-remain/> to explore the structural changes and the challenges of the Bhutanese economy.
- » Teacher divides the class into groups and provides relevant sources (websites of National Statistical Bureau, National Accounts Statistics, World Bank etc.) through which the learner collects information on the following:
 - a. GDP per capita
 - b. Capital formation
 - c. Balance of payment
 - d. Sector-wise contribution to GDP
 - e. Rate of unemployment
- » Learner collects data for the last five years, represents it in a graph and interprets the trend.
- » In groups, the learner deliberates on the features, challenges and measures to address the challenges of Bhutanese economy; and presents using PowerPoint/Prezi or any other presentation tool in the classroom.

Reflective Questions:

1. What are some of the challenges faced by Bhutanese Economy in the current situation?
2. Suggest some measures to overcome the challenges.
3. Why do you think the Five Year Plans are guided by the philosophy of Gross National Happiness? Explain any one of them.

Assessment:**Presentation:**

The teacher may assess the learners' presentation using rubrics. The teacher may use also rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Features and challenges of Bhutanese economy .	» Exploratory skill » Interpretational skill » ICT skill » Presentation skill	» Be insightful for learning of a Bhutanese citizen to connect to the current economic scenario. » Information access

Resources:

- » DCPD repository
- » Economics XI, DCPD
- » <https://www.isas.nus.edu.sg/papers/structural-transformation-of-bhutans-economy-challenges-remain/> -

9.2 Topic: Role of Economic Sectors

The economy is divided into three sectors based on the nature of economic activities. Each sector plays an important role in economic growth and development of the country.

Competencies:

- » Analyse the trend of contribution made by economic sectors to recognize their roles in the economic growth and development.

Objectives:

- » Explain the role played by primary, secondary and tertiary sectors for economic development.
- » Analyse the trend of contribution made by economic sectors to the Bhutanese economy.

Learning Experiences:

The teacher may use Interactive Lecture to analyse the contribution made by economic sectors to the Bhutanese economy.

- » Learner refers the document in the link: <https://www.bhutan.travel/page/economy> to obtain an overview of the Bhutanese economy.
- » Teacher introduces the role of different economic sectors and provides relevant sources (websites of National Statistical Bureau, National Accounts Statistics, World Bank etc.) to explore and gather more information.
- » In groups, the learner gathers information and deliberates on the contributions of three sectors and the factors which could have influenced their contribution.

Reflective Questions:

4. Which sector, according to you, is the most important sector. Why?
5. Should Bhutan give equal importance to promote all the three economic sectors in the country? Why?

Assessment:

Q & A

The teacher may assess the learners’ understanding through advanced questioning. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Types of economic sectors.	» Analytical skill » Exploratory skill » Presentation skill	» Induce human dignity and respect in a citizen's role in undertaking economic activities in various sectors to contribute to a country's economy. » Interdependence (amongst sectors)

Resources:

- » DCPD repository Economics XI, DCPD
- » <https://www.bhutan.travel/page/economy>

9.3 Topic: Five Year Plans [FYP] in Bhutan [Scope: Rationale, guiding principles and objectives]

The Five Year Plan outlines the socio-economic development plans, priorities and programmes to be implemented over a period of five years. It specifies critical economic targets to be achieved through various developmental activities inline with GNH philosophy. The GNH Commission spearheads this planning process.

Competencies:

- » Examine the goals of five-year plans to comprehend how resources are allocated, sectors are prioritized, and Gross National Happiness (GNH) objectives are integrated into the planning process, along with assessing the economic status of the country.

Objectives:

- » Explain the rationale of initiating Five Year Plan in Bhutan (goal).
- » Discuss the Guiding Principles of Five-Year Plan.
- » Explain the Objectives of the recent Five Year Plan and analyse the reasons for prioritising in those areas.

Learning Experiences:

To explain the rationale, guiding principles and objectives of FYP, the teacher explains the rationale and guiding principles of FYP and learner reads the textbook to consolidated the information.

- » Learners refer the document in the link www.gnhc.gov.bt to explore the objectives and area of priority of the current FYP; and writes some of the plausible reasons for areas prioritised by the government in the particular FYP.
- » Learner visits nearest gewog centre to find out of the any plan activity (learner or group may explore different activities) of the gewog and sort out as follows:
 1. Activity name
 2. Budget allotted

3. Outcome of the activity
 4. Benefit to the community
- » Learner presents the work to the class followed by feedback session.

Reflective Questions:

1. How is FYP important for the economic development? What will happen if it is not there?
2. Self-reliance is one of the objectives of Five-Year Plans. Formulate one practical method to achieve it.
3. The country has seen a great socio-economic development in different sectors over the years. Provide some examples of recent development in the education sector.
4. Why do you think the government expenditure has been escalating over the Five Years Plans in Bhutan?

Assessment:

Q & A

The teacher may assess the learners' understanding of the importance of five year plans. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Importance of Five Year Plans.	» Comprehension skill » Analytical skill » Financial management skill	» To demonstrate the attributes and values of a GNH citizen. » Financial literacy » Appreciate government's role (respect and loyalty)

Resources:

- » DCPD repository Economics XI, DCPD
- » www.gnhc.gov.bt

Chapter 10: Human Capital Formation

The human capital formation has gained immediate attention among policymakers in Bhutan, as it champions the development philosophy of Gross National Happiness; education, health and psychological wellbeing are considered as vital factors for the socio-economic development of the nation. The strives to build a knowledge-based economy and it is indicated by substantial public expenditure on education and health.

10.1 Topic: Human Capital Formation [Scope: Relationship between population and economic development, Role and components of human capital formation]

Human capital is a set of knowledge, skills, ability and physical capacity of the people in a country and it plays a crucial role in the economic development. The quality of the human capital depends on the population and the quality of education and health in the country.

Competencies:

- » Examine the role of human capital and entrepreneur to understand its importance in enhancing economic development.

Objectives:

- » Draw relationship between population and economic development .
- » Analyse the role of human capital in economic development.
- » Discuss the components (health and education) of human capital formation.

Learning Experiences:

To deliver the lesson on human capital formation,

- » learner visits the link: [Human Capital Theory - YouTube](#) to acquire information on its meaning, human capital management and theories of various economists.
- » Learner also refers the document in the link Human Capital Formation: Meaning, Importance and Composition ([economicsdiscussion.net](#)) to explore further.
- » Learner refers the textbook to gather more and consolidate information on human capital formation, its components and the role.
- » Teacher divides the class into two groups and assigns the following task:
 1. Human Capital: investing in yourself for your future
 2. Significance of social system on human capital formation.
- » Learner discusses and presents their work to the class.
- » Teacher supplements the presentation followed by feedback session.

Reflective Questions:

1. What are components of human capital formation?
2. How does investment in human capital contribute to economic growth?

3. Human capital benefits not only the owner but also the society in general. This is called external benefit. Justify.
4. It is evident that the government makes huge investments in education. Do you think parents need to invest in their children's education equally? Justify.
5. Population growth and economic development are closely related to each other. What type of relationship can you draw between population and economic development?

Assessment:**Presentation:**

The teacher may assess the learners' presentation using a set of criteria. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Role of Human Capital in the economic development.	» Analytical skill » Leadership skill	» Assume leadership roles in various capacities to strengthen the country's economy and ensure self-sufficiency and security.

Resources:

- » DCPD Repository
- » Economics XI, DCPD
- » [Human Capital Theory - YouTube](#)
- » [Human Capital Formation: Meaning, Importance and Composition \(economicsdiscussion.net\)](#)

10.2 Topic: Entrepreneur [Scope: Meaning, Characteristics of entrepreneurs]

Entrepreneurship is a significant aspect of human resources. An entrepreneur is a person who initiates a new venture, brings in innovation and takes risks in the hope of earning profit. It plays a vital role in the economic development of a nation.

Competencies:

- » Examine the role of human capital and entrepreneur to understand its importance in enhancing economic development.

Objectives:

1. Define an entrepreneur.
2. Discuss the features of entrepreneur.
3. Explain the role of entrepreneur.

Learning Experiences:

The teacher may use Field Trip to explore the characteristics and role of an entrepreneur.

1. Pre -Trip Stage

- » Teacher and learner collaboratively discuss the purpose of the field trip and identify all the possible sites for the trip such as business entities, cottage, small scale and medium scale industries, farmers and production units.

- » They prepare a questionnaire, in collaboration, which includes the following:
 1. Name of the product or business
 2. Objectives of the business
 3. Impact on the community
 4. Innovative idea
 5. Business model
- » Learner may use the following link to prepare questionnaire:
 1. <https://www.youtube.com/watch?v=LnJUA67W80> to get an insight about how to frame a good questionnaire for the survey.
 2. <https://www.youtube.com/watch?v=ZR7PQh4Im9E> for the tips for interviewing through the telephone.
- » Teacher divides learners into groups according to the number of firms available in the locality and briefs dos and don'ts for their field trip.
- » Teacher makes all the necessary arrangements (logistics, administrative approval, arrange transportation, taking consent from the guardian).

2. Trip Stage

- » Learner conducts the survey using the questionnaire and compiles the information while teacher assesses students' behaviour using observation forms.

3. Post Trip Stage

- » In groups, learner compiles the information based on the questionnaire and develops an innovative business plan that they would execute in future.
- » Learner shares experiences of the field trip and presents their business plan to the class followed by feedback session.

Reflective Questions:

1. Explain essential attributes of a good entrepreneur?
2. How does entrepreneur play a vital role in the economic development of a country.
3. Acquiring entrepreneurial skills and choosing to be self-employed is better employment alternative in Bhutan. Comment.

Assessment:

Observation:

The teacher may assess the learner' behavior using the observation checklist during the field trip.

Presentation:

The teacher may assess the business plan using rubrics to check the innovativeness and feasibility of their business idea.

The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Characteristics of a successful entrepreneur. » Business proposal 	<ul style="list-style-type: none"> » Research skill » Communication skills » Innovation and creativity » Social skill 	<ul style="list-style-type: none"> » Responsible entrepreneurship » Global citizenship

Resources:

1. DCPD Repository Economics XI, DCPD
2. <https://www.youtube.com/watch?v=LnbJUA67W80>
3. <https://www.youtube.com/watch?v=ZR7PQh4Im9E>

Chapter 11: International Trade

With the current of liberalisation and an advent of globalisation, no country can achieve economic prosperity in isolation. It demands international interdependence and economic integration to realise economic efficiency to accrue economies of scale. The international trade facilitates to actualise this target. It accelerates economic growth and development.

11.1 Topic: Basis of International Trade [Scope: Division of labour, absolute cost advantage and comparative cost advantage]

Economists have established theories that explain why and what happens in international trade. Primarily, there are two theories of international trade, which justifies the basis of international trade globally. It explains which commodities should a country specialise in and which commodity should a country import to accrue mutual benefits.

Competency:

- » Analyse absolute and comparative cost theories to specialise and maximise gains from the international trade

Objectives:

- » Examine the basis of trade with the help of Absolute Cost Advantage theory.
- » Examine the basis of trade with the help of Comparative Cost Theory using Opportunity Cost and PPC.
- » Explain division of labour and specialisation.

Learning Experience:

The teacher may carry out Guided Learning to deliver the lesson on meaning, need for trade and the basis for international trade.

- » Teacher introduces the lesson by explaining reasons for trade and division of labour and specialisation.
- » Teacher demonstrates application of absolute and comparative cost theories for the country's specialisation using hypothetical table.
- » Learner visits the link <https://www.youtube.com/watch?v=YboSszwySzU> to gather additional information on the law of comparative advantage.
- » Learner creates their own hypothetical table and explains how the trading partners will benefit from the trade using comparative cost advantage theory.
- » Few learners present their work to the class and the teacher supplements and provides feedback.

Reflective Questions:

1. Explain division of labour and specialisation.
2. Explain how division of labour and specialisation increase productivity?
3. Would Bhutanese farmers benefit if they specialise in producing one single commodity? Explain your argument.
4. Examine the Absolute Cost Advantage Theory.
5. Explain comparative cost advantage using opportunity cost approach.

Assessment:**Presentation:**

The teacher may assess the learners' ability to interpret and compute comparative cost using a rubric. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Division of labour » Basis of trade 	<ul style="list-style-type: none"> » Numerical skills » Problem solving » Decision making » Graphical skill 	<ul style="list-style-type: none"> » Importance of interdependence among trading partners

Resources:

1. DCPD repository Economics XI, DCPD
2. ISC Franks Economics XII
3. [Absolute Cost Advantage Theory of International Trade -](#)
4. <https://www.youtube.com/watch?v=YboSszwySzU>
5. [Absolute and comparative advantage -](#)

11.2 Topic: Free Trade, Protectionism and Bhutan's Trade Policy

Certain trade policies are prerequisite for smooth flow of goods and services in an international trade. It comprises a set of regulations and agreements put in place by governments to control the import and export of goods and services of a country. Bhutan's trade is governed by bilateral trade agreements and regional trade agreements.

Competency:

- » Analyse absolute and comparative cost theories to specialise and maximise gains from the international trade

Objectives:

- » Analyse Bhutan's trade policy and agreement and its impact on the economy.
- » Analyse the impact of Free trade and Protectionism.

Learning Experiences:

The teacher may carry out Exploratory Instruction to deliver the lesson on impact of trade policies and agreements. Learner obtains information on free trade, protectionism and Bhutan's trade policy from the textbook. Learner also visits the following links:

1. <https://www.youtube.com/watch?v=nvgZcc43wfg> to comprehend the meaning of free trade.
2. https://www.youtube.com/watch?v=wFO_8FD_Loms to comprehend the meaning of protectionism.
3. <https://www.youtube.com/watch?v=50GDYghMg2k> to compare and contrast between free trade and protectionism based on meaning, advantages and disadvantages.
4. <https://www.youtube.com/watch?v=8CeM3eJK37k> to explore some of the arguments against protectionism.

5. <https://www.economicdiscussion.net/trade/arguments-for-and-against-protection-trade/26238> - to tabulate arguments for and against protectionism.
 6. www.moea.gov.bt (publications and reports) to generate some ideas on trade statistics of Bhutan.
- » Teacher provides a set of questions to enable learners to discuss and evaluate the impact of trade policy and agreements in groups.
 - » Learner presents group work to the class and the teacher supplements and validates the information.
 - » A learner from the class consolidates all the information and comes up with a shared interpretation and displays it in the classroom.

Reflective Questions:

1. How is free trade different from protectionism?
2. Examine the impact of free trade and protectionism.
3. What are the economic benefits of Bhutan being a member of South Asian Free Trade Agreement (SAFTA)?
4. Though international trade provides a market for both primary and finished products, there are certain challenges associated with it. Why do you think Bhutan is faced with such challenges to export its products?

Assessment:

Presentation

The teacher may assess the learner’s presentation skills using rubrics. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Trade policies. » Bhutan’s trade policy. 	<ul style="list-style-type: none"> » Analytical skill » Problem solving » Presentation skill 	<ul style="list-style-type: none"> » Importance of interdependence among trading partners

Resources:

- » DCPD repository Economics XI, DCPD
- » <https://www.youtube.com/watch?v=nvgZcc43wfg>
- » <https://www.youtube.com/watch?v=wFO8FDvLoms> -
- » <https://www.youtube.com/watch?v=50GDYghMg2k>
- » <https://www.youtube.com/watch?v=8CeM3eJK37k>
- » <https://www.economicdiscussion.net/trade/arguments-for-and-against-protection-trade/26238>
- » www.moea.gov.bt

Chapter 12: Balance of Payments

In the 21st century, the economic interdependence among countries has become important for economic growth and development. The constant flow of goods and services amongst countries demand every country to maintain an account of economic transactions to monitor imports and exports. The balance of payment (BoP) captures caters to this objective.

12.1 Topic: Balance of Payment [Scope: Meaning & components, causes of deficit BoP and the measures to correct the deficit.]

The balance of payment (BoP) is a record of country's international transactions for a particular time period. It is classified into current account and capital account. The countries resort to various methods when there is deficit balance of payment.

Competency:

- » Analyse the balance of payments to evaluate country's trade position and assess country's competitiveness, economic stability, and vulnerability to recommend trade policies.

Objectives:

- » Define the concept of balance of trade and balance of payment.
- » Discuss the cause and effect of deficit balance of payment.
- » Examine the measures to correct the deficit balance of payment.

Learning Experiences:

The teacher may use the Interactive Lecture to teach the lesson on the meaning and components of BoP, causes of deficit BoP and the measures to correct deficit BoP.

- » Teacher explains the meaning and components of the BoP and provides think-time.
- » Learner reflects on the current scenario relating to domestic and imported products available in the market.
- » Learner watch the video in the link: <https://www.youtube.com/watch?v=ZUjsfO35ZSE> to understand the causes and consequences of disequilibrium in BoP.
- » The teacher poses questions to prompt student's ability to identify the causes and effects of deficit BoP (if anyone is found struggling).
- » Learners refer to the document in the link www.mof.gov.bt (National Budget Report) to explore the current BoP status of Bhutan.
- » Learner suggests relevant measures to improve the status followed by the teacher's supplement.

Reflective Questions:

1. Distinguish balance of trade and balance of payment?
2. Explain the effect of deficit balance of payment.
3. Industrialisation through provision of subsidy, tax holidays and technical assistance is one of the ways of correcting the deficit Balance of payment. What drawbacks do you think are associated with such a measure?
4. How do you think a developing country like Bhutan would be successful in conducting import substitution as a remedy to solve the deficit Balance of payment?

5. Do you think the demonstration effect is a cause of the deficit Balance of Payment in Bhutan? Explore suitable examples to validate your stand.
6. Which measure do you think is most appropriate in correcting the deficit Balance of Payment situation in Bhutan? Validate your opinion(s).
7. 'Export promotion through domestic industrialisation is one of the measures to correct the deficit balance of payment and can be adopted by Bhutan.' Do you think this can be achieved in Bhutan? What hurdles can you foresee in adopting this measure?

Assessment:

Q & A:

The teacher may use Q&A to assess how the learner analyses the cause and suggest measures to correct deficit balance of payment. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Balance of payments » Causes and measures to correct deficit BOP 	<ul style="list-style-type: none"> » Research skills » Analytical skill 	<ul style="list-style-type: none"> » Understand that a trade deficit is not necessarily bad or a trade surplus is not necessarily good.

Resources:

- » DCPD repository Economics XI, DCPD
- » <https://www.youtube.com/watch?v=ZUjsfO35ZSE> -
- » www.mof.gov.bt

Chapter 13: Financial Institutions

Financial system is a life blood of the economy. The sound financial system insures the ease of doing business by supplying the funds and covering risks. It plays an important role in intermediating the savers and borrowers by simplifying the complex and risky processes. Moreover, the central banks use monetary policies to stabilise the economy while economic distress.

13.1 Topic: Role of Financial Institutions

A financial institutions are business entities that provide services as intermediaries for different types of financial and monetary transactions. It is classified as banking and non-banking financial institutions. The financial institutions operate under the regulation and supervision of the Central Bank of a country.

Competencies:

- » Examine the role of financial institutions in maintaining economic stability and growth.

Objectives:

- » Explain the role of financial institutions on the economic development of the country.
- » Recognise financial institutions as an agent of economic growth.

Learning Experiences:

The teacher may use Contextual Analysis to make the learner discuss the role of financial institutions.

- » Learner refers the document in the link: [performance of financial institutions in bhutan](#) to consolidate information on the performance of the financial institutions in Bhutan.
- » Learner explores the role of financial institutions and analyses financial institutions as an agent of economic growth from various sources.
- » Learner shares their work in pairs, consolidates the information and examines the role of financial institutions.
- » Teacher divides the class into groups for another activity.
- » In groups, learner examines the significance of responsible finances in light of transparent, inclusive and equitable financial markets.
- » Learner shares the work to the class followed by teacher's feedback.

Reflective Questions:

1. Differentiate banking and non-banking financial institutions.
2. Explain the role of financial institutions in the growth of the economy.
3. Financial institutions are considered as 'agents of economic growth' of a country. Comment.

Assessment:

Q & A:

Teacher may use Q & A for assessing the lesson. Questions may be framed covering Bloom's higher-level thinking. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Role of financial institutions	» Analytical skill » Financial management skill	» Financial literacy

Resources:

4. DCPD Repository Economics XI, DCPD
5. [performance of financial institutions in bhutan -](#)

13.2 Topic: Regulatory Role of Central Bank [Scope: Meaning, objectives, instruments and mechanism of monetary policy]

The central bank is the apex of the financial system in a country. It is responsible for overseeing the monetary system and regulating financial institutions in the nation. It maintains currency stability, minimal inflation and full employment through various tools of monetary policy.

Competencies:

- » Examine the role of financial institutions in maintaining economic stability and growth.

Objectives:

- » Discuss the meaning of monetary policy.
- » Explain the objectives of monetary policy.
- » Explain the instruments of monetary policy used by the central bank.
- » Examine the regulatory mechanism put in place by the central bank.

Learning Experiences:

To introduce the concept of monetary policy and discuss how monetary policy can influence consumption and investment spending in the economy,

- » learner writes the roles of the central Bank in the economy to examine the functions of central bank based on the prior lesson.
- » Teacher discusses on the objectives of monetary policy
- » Learner visits the link to obtain ideas about the central bank and its monetary policy.
 1. <https://www.youtube.com/watch?v=1dq7mMort9o>
 2. <https://www.youtube.com/watch?v=gUGxGCW-k7o>
 3. https://www.youtube.com/watch?v=IMkLAP_aj3l
- » Learner gathers and consolidates information objectives and instruments of monetary policy in table group/pairs; and shares to the class.
- » Teacher facilitates learners by providing feedback and assistance as and when required.

Reflection Questions:

1. What is monetary policy?
2. How can monetary policy be used during inflation?
3. What is the purpose of regulation in financial management?
4. Differentiate between expansionary monetary policy and contractionary monetary policy of a central bank.

Assessment:**Q & A:**

Teacher may use Q & A for assessing the lesson. Questions may be framed covering Bloom's higher level thinking. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Regulatory Role of Central Bank	» Analytical thinking	» Financial literacy
» Monetary policy	» Financial management skill	» Appreciate the government's monetary policy.
	» Leadership	

Resources:

1. DCPD Repository Economics XI, DCPD
2. <https://www.youtube.com/watch?v=1dq7mMort9o>
3. <https://www.youtube.com/watch?v=gUGxGCW-k7o>
4. https://www.youtube.com/watch?v=IMkLAP_aj3l-

13.3. Topic: Credit creation by commercial banks

Commercial banks possess a unique ability to create money more than base money issued by the central banks. The majority of the supply of the money in economy is created by the commercial banks in the form of deposit money.

Competencies:

- » Examine the role of financial institutions in maintaining economic stability and growth.

Objective:

- » Explain the process of credit creation by commercial banks.

Learning Experiences:

The teacher may use Guided Learning to derive the process of credit creation by commercial banks.

- » Learner visits the link: <https://www.youtube.com/watch?v=jFWzyYPIJjk/> to examine the process of credit creation by the commercial banks.
- » Learner also visits the link: <https://www.youtube.com/watch?v=SsbwUo-M5Yo/> to elucidate the concept of credit creation and money multiplier.
- » Teacher demonstrates the process of credit creation step by step with explanation using hypothetical sum.

- » Drawing from the link and demonstration, learner practises the process of credit creation with the problem set provided by the teacher to understand how commercial banks generate revenue from the deposits of clients.
- » Learner carries out activity on the importance of cash reserve ratio and the limitations of credit creation in groups and shares their learning experiences to the class.
- » Teacher guides the learner by providing feedback and assistance as and when required.

Reflective Questions:

1. What is credit creation?
2. In the year 2002, the CRR had been increased to 20% during the month of July and decreased to 7 % in April 2020? Under what situation does RMA raise or reduce the CRR?
3. Assuming that the initial deposit with the first bank is Nu 12000 and the cash reserve ratio is 10%, explain the process of credit creation by commercial banks.
4. Commercial banks can create credit depending on the funds available. However, there are certain limitations in creating credit.
5. What is the importance of credit creation?

Assessment:

Presentation

The teacher may assess the learner’s presentation skills using rubrics. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Credit creation by commercial banks	<ul style="list-style-type: none"> » Financial management skill » Numerical skill » Analytical skill 	» Financial literacy

Resources:

6. DCPD Repository Economics XI, DCPD
7. <https://www.youtube.com/watch?v=jFWzyYPIJjk/>
8. <https://www.youtube.com/watch?v=SsbwUo-M5Yo/>

Chapter 14: Inflation

Inflation is one of the most serious macroeconomic problems confronting the world today. Its effect on the economy is immense and can be either beneficial or damaging. On the other contrary, deflation is an opposite phenomenon of inflation which occurs when the rate of inflation falls below zero percent. It pushes the economy into recession.

14.1 Topic: Causes of Inflation and Types of Inflation

Inflation is a persistent and sustained rise in the general price level in the economy over a period of time. It can be either demand-pull or cost-push inflation caused by various factors underplaying behind the forces of demand and supply (cost of production).

Competencies:

- » Evaluate the causes of inflation and deflation to suggest measures in navigating economic conditions, make informed decisions, and contribute to overall economic stability and growth.

Objectives:

- » Examine cost-push and demand-pull inflation.

Learning Experiences:

To examine the causes of inflation and explain the types of inflation,

- » learner shares experiences of rise in prices of goods and services s/he face in day to day life and teacher connects their experiences with topic giving examples of his/her own experiences.
- » Learner visits the links:
 1. <https://www.youtube.com/watch?v=AaR1mPrdbTc/> to understand the meaning of inflation and measuring the cost of living.
 2. <https://www.youtube.com/watch?v=yahEP620480/> to examine what inflation is and how it is measured.
 3. <https://www.youtube.com/watch?v=q8LwZkid740> to analyse the causes of inflation.
 4. <https://www.youtube.com/watch?v=tAt9ru4PnTY&list=PL8WWToQ5KvkdZ> to comprehend the meaning of inflation and the types inflation, demand pull and cost push inflation.
 5. <https://kuenselonline.com/inflation-beyond-governments-control> - Speech by the Honourable Prime Minister to substantiate on inflation in Bhutan.
- » To supplement, teacher explains the causes of inflation and illustrates how demand-pull and cost-push inflation are caused.
- » Drawing on the information from the likes and demonstration, learner practises the diagram which represents demand pull and cost push inflation to understand the causes of inflation from the demand and supply side.
- » Teacher guides the learner by providing feedback and assistance as and when required.
- » Learner shares their learning experiences to the class which would help the teacher to get feedback on how the learners have learnt the lesson.

Reflective Questions:

1. Distinguish cost-push and demand-pull inflation.
2. Examine the common causes of inflation in Bhutanese economy.

3. Do you think the causes of inflation are the same for all the economies of the world? Give reason for your answer.
4. Why do you think inflation in Bhutan is a borrowed inflation?

Assessment:

Peer Interaction:

In pairs, the learners are assessed on how they can explain the demand pull and cost push with the help of a diagram. The teacher may use a simple rubric to check their comprehension and graphical skills. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Meaning, causes and types of Inflation	» Financial management skill » Analytical skill	» Financial literacy

Resources:

- » DCPD Repository Economics XI, DCPD
- » Frank ISC Economics XI (old Curriculum)
- » <https://www.youtube.com/watch?v=AaR1mPrdbTc/>.
- » <https://www.youtube.com/watch?v=yahEP620480/>
- » <https://www.youtube.com/watch?v=q8LwZkid740> -
- » <https://www.youtube.com/watch?v=tAt9ru4PnTY&list=PL8WWToQ5KvkdZhiZU0FnPFj95uiUGji-y&index=91>
- » <https://kuenselonline.com/inflation-beyond-governments-control-lyonchhen>

14.2 Topic: Measures to control inflation, inflation in Bhutan and effects of inflation on different groups of society

A mild inflation has a positive effect on the healthy functioning of the economy. However, if the inflation rate is more than 10%, it results in negative impacts on the economy. Therefore, high inflation in the economy is controlled by government through various fiscal and monetary measures.

Competencies:

- » Evaluate the causes of inflation and deflation to suggest measures in navigating economic conditions, make informed decisions, and contribute to overall economic stability and growth.

Objectives:

- » Evaluate the impact of inflation and deflation in an economy and on personal life.

Learning Experiences:

The teacher may use Problem Based Learning to provide solutions to mitigate the problems of price fluctuation in different groups of society.

- » Learner visits the following links (teacher may look for recent issues as well) to access information on inflation in Bhutan from various internet sources:

1. <https://www.rma.org.bt/publication.jsp?id=5/>

2. <https://www.nsb.gov.bt/publications/price-statistic/consumer-price-index/> to elucidate inflation by examining the statistics of CPI.
 3. <https://www.macrotrends.net/countries/BTN/bhutan/inflation-rate-cpi> to substantiate on the inflation rates from the year 1981 to the current year.
 4. <https://kuenselonline.com/food-prices-rose-by-11-percent-last-year/?fbclid> and <https://kuenselonline.com/food-prices-drive-inflation-amid-covid-19/> to analyse the inflation of food prices during the year 2020 in Bhutan.
 5. <https://kuenselonline.com/controlling-inflation/> to comprehend the measures adopted to control inflation in Bhutan.
- » Learner identifies a latest issue on inflation from the relevant government documents, articles, websites and mainstream media such as BBS and Kuensel besides above links.
 - » To prompt learners, teacher provides instructions and guidelines including objectives to be fulfilled at the end of activity.
 - » In groups, learner diagnoses the causes and effects of inflation in Bhutan from the information gathered based on the questions (objectives) framed by the teacher.
 - » Learner comes up with solutions to address inflation through discussion and presents their findings.
 - » During the presentation, the rest of the members assess the presenter using the rubrics provided.
 - » Participants share experiences of presentation and the use of rubrics followed by feedback session.

Reflective Questions:

1. Were you affected by inflation in recent times? Discuss this issue based on your experience as a consumer.'
2. Inflation is considered as a 'double-edged sword' for the economy'. Critically evaluate the positive and negative impacts of inflation
3. What are some of the fiscal measures taken by the government to control inflation in Bhutan?

Assessment:

Observation:

The process of the work shall be carried out using observation form to assess student's level of participation in learning activities and behavioural conduct with teacher and friends.

Presentation:

The presentation of the final work on how to control inflation and effect of inflation shall be assessed using rubrics. The learners may be provided with rubrics to assess the group presentation. Each group will take turns to assess each presentation.

The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Effects of inflation	» Problem solving	» Financial literacy
» Measures to control inflation	» Business decision making	» Collaboration /team spirit
	» Analytical skill	» Respect for other's opinion
	» Presentation skill	

Resources:

- » DCPD Repository
- » Economics XI, DCPD
- » <https://www.rma.org.bt/publication.jsp?id=5/>
- » <https://www.nsb.gov.bt/publications/price-statistic/consumer-price-index/>
- » [https://www.macrotrends.net/countries/BTN/bhutan/inflation-rate-cpi.](https://www.macrotrends.net/countries/BTN/bhutan/inflation-rate-cpi)
- » <https://kuenselonline.com/food-prices-rose-by-11-percent-last-year/?fbclid=IwAR28wD0MO>
- » <https://kuenselonline.com/food-prices-drive-inflation-amid-covid-19/> -
- » <https://kuenselonline.com/controlling-inflation/> -

14.3 Topic: Deflation [Scope: Meaning, causes and impacts of deflation.]

Deflation is an opposite phenomenon of inflation but is equally concerning issue as inflation. It occurs when the rate of inflation falls below zero percent and pushes the economy into recession.

Competencies:

- » Evaluate the causes of inflation and deflation to suggest measures in navigating economic conditions, make informed decisions, and contribute to overall economic stability and growth.

Objectives:

- » Evaluate the impact of inflation and deflation in an economy and on personal life.

Learning Experiences:

To discuss a lesson on the meaning, causes and impacts of deflation, the teacher shares the document on links to gather information on deflation, its causes and impacts:

1. <https://www.moneycrashers.com>
 2. <https://www.deflationexplained.com> - YouTube
- » Learner visits the links and shares understanding in pairs.
 - » In pairs, learner consolidates the information regarding causes and impacts of deflation and suggests measures to control deflation with the help of teacher.

Reflective Questions:

1. Explain some causes of deflation.
2. How would deflation affect different section of the economy?
3. Suggest some measures to control deflation.

Assessment:**Q & A:**

Teacher may use Q & A for assessing the lesson. Questions may be framed covering Bloom's higher-level thinking. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Meaning, Causes and effects of deflation	» Comprehension skill » Analytical skill	» Financial literacy » Causal effect

Resources:

- » DCPD Repository Economics XI, DCPD
- » <https://www.moneycrashers.com>
- » [https://www.deflation explained - YouTube](https://www.deflationexplained.com)

Class XII

Chapter 1: Consumer and Their Preferences

Consumers behaviour are the actions and the decision processes of people who purchase goods and services for personal consumption. These economic actions of individuals, societies, firms and any other entities involves trade-off in the world of scarcity. Therefore, understanding consumer and their preferences became important for addressing consumers need. This can be done through utility analysis and indifference curve analysis.

1.1 Topic: Marginal Utility Analysis

Utility analysis (Scope: Concept and features of utility, relationship between TU and MU using schedule and curve), Law of diminishing marginal utility (Scope: Concept, assumptions and illustrations), Consumer's equilibrium: MU approach (Scope: Concept and determination)

Competency

- » Analyse consumer's equilibrium through marginal utility and indifference curve approach to maximise consumer's satisfaction

Objectives

- » Explain total and marginal utility
- » Discuss the relationship between total utility and marginal utility
- » Explain the law of diminishing marginal utility
- » Explain consumer's equilibrium through the marginal utility approach using an illustration

Learning Experience:

The teacher may use Guided Learning to teach the marginal utility analysis.

- » Teacher demonstrates the computation of TU and MU using hypothetical values and illustrates with the help of graph.
- » Teacher explains the law of diminishing marginal utility to illustrate consumer's equilibrium.
- » Learner visits the following link to explore additional information: <https://www.youtube.com/watch?v=S2tG8wkq2KE>
- » Learner takes note of information discussed by the teacher and from the link attached.
- » Learner practises the same as classwork under the guidance and support of the teacher followed by feedback session.

Reflective Questions:

1. Explain the concept of marginal utility and its significance in consumer decision-making?
2. Analyze how the law of marginal utility can be applied to explain price discrimination strategies employed by businesses.
3. Can consumer equilibrium be achieved solely through maximizing marginal utility? Or are there other factors or constraints that need to be considered?

Assessment:**Q&A:**

The teacher may use Q&A to assess the learner's numeracy skills, graphical skills and ability to analyse the marginal utility approach to make decision on the allocation of resources to maximise utility. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Total and marginal utility	» Analytical skill	» Interdependence
» Law of diminishing marginal utility	» Graphical skill	» Awareness of optimal consumption (contentment)
» Consumer's equilibrium	» Numeracy	

Resources:

- » DCPD repository
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=S2tG8wkq2KE>

1.2 Topic: Indifference Curve Analysis

Indifference curve analysis (Scope: Concept, properties, assumptions, illustrations, indifference map, and MRS), Budget line (Scope: Concept, schedule and illustration), Consumer's equilibrium – IC approach (Scope: Concept and determination), MU and IC approach: (Scope: Similarities and differences)

Competency:

- » Analyse consumer's equilibrium through marginal utility and indifference curve approach to maximise consumer's satisfaction

Objectives:

- » Explain the indifference curve and its properties
- » Examine budget line with an example
- » Explain consumer's equilibrium through indifference curve approach using illustrations
- » Compare the marginal utility analysis and indifference curve analyse

Learning Experience:

The teacher may use Guided Learning to teach the indifference curve analysis.

- » Teacher explains indifference curve and map with a help of a schedule to show marginal rate of substitution.
- » The learner identifies the properties of IC from the information provided by the teacher. Teacher explains the budget line to illustrate consumer's equilibrium.
- » Learner visits the following YouTube links to explore additional information:
 1. <https://www.youtube.com/watch?v=4RLEf70CDnw>
 2. <https://www.youtube.com/watch?v=ef8lFnomNec>

3. <https://www.youtube.com/watch?v=pQO74NJ6BH0>
4. <https://www.youtube.com/watch?v=dQjsjRoaHfQ&t=19s>
5. <https://www.youtube.com/watch?v=QT8p8KiSKMg>

- » Learner notes the information discussed by the teacher and from the link attached.
- » Learner draws comparison between ICA and MUA and presents to the class followed by the feedback session.

Reflective Questions:

1. Explain the properties of indifference curve with the help of a diagram.
2. How does the concept of marginal utility differ from the analysis of indifference curves in understanding consumer preferences and decision-making?
3. Imagine a situation where a consumer’s budget line becomes steeper due to an increase in the price of one goods. Assess the implications of this change on the consumer’s affordability and their willingness to substitute between the goods.
4. Discuss the role of diminishing marginal rate of substitution in explaining the shape and behavior of indifference curves.

Assessment:

Q&A:

The teacher may use Q&A to assess the learner’s numeracy skills, graphical skills and ability to analyse the indifference curve approach to make decision on the allocation of resources to maximise utility. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Indifference curve and map » Marginal rate of substitution and budgetline » Consumer’s equilibrium » Compare MUA and ICA 	<ul style="list-style-type: none"> » Analytical skill » Graphical skill 	<ul style="list-style-type: none"> » Interdependence » Awareness of optimal consumption (contentment)

Resources:

- » DCPD repository
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=4RLEf70CDnw/>
- » <https://www.youtube.com/watch?v=ef8IFnomNec/>
- » <https://www.youtube.com/watch?v=pQO74NJ6BH0/>
- » <https://www.youtube.com/watch?v=dQjsjRoaHfQ&t=19s/>
- » <https://www.youtube.com/watch?v=QT8p8KiSKMg>

Chapter 2: Production Decision: *Returns to a Factor and Scale*

The prime aim of producer is increasing its output and maximise returns therefrom. However, applying the best combination of factor inputs to give the maximum output is a challenging task for every producer. The law of returns to a factor and the law of returns to a scale explains how to maximise returns from the production.

2.1. Topic: Production function

(Scope: Concept and types; total, average, and marginal product)

Competency

- » Analyse the law of variable proportion and returns to scale to determine the optimum level of production.

Objectives

- » Explain production function
- » Analyse laws of production in short run and long run

Learning Experience:

The teacher may use Guided Learning to explain production function, its types and the basic concepts of physical products.

- » Learner visits the following links to explore on production function, its types and the basic concepts of physical products:
 1. <https://www.youtube.com/watch?v=D1jny31C7R0>
 2. <https://www.youtube.com/watch?v=6TRDwOFPww8>
- » Teacher demonstrates computation of TP, AP and MP using hypothetical values.
- » Learner practices from the given problem set using excel sheet and uploads the work in the google classroom.
- » Teacher guides and provides support to the learner while carrying out the activity.

Reflective Questions:

1. Explain production under short-run and long-run.
2. Describe the relationship between total product and marginal product.

Assessment:

Quiz:

The teacher may assess learner's comprehension and analytical skill through quiz (google form/Mentimeter/H5P). The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economics Knowledge	Economics Skills	Economics Values and Attitudes
<ul style="list-style-type: none"> » Total, average and marginal product » Short-run and long-run production function 	<ul style="list-style-type: none"> » Analytical skill » Presentation skill 	<ul style="list-style-type: none"> » Interdependence » Productivity and efficiency

Resources:

- » SCD repository
- » Economics XII, DCPD
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=D1jny31C7R0>
- » <https://www.youtube.com/watch?v=6TRDwOFPww8>
- » <https://www.youtube.com/watch?v=4kFLOoA5l4s>
- » <https://www.youtube.com/watch?v=qxHLM3Jkh2Y>

2.2. Topic: Law of Variable Proportion and Returns to Scale

Competency

- » Analyse the law of variable proportion and returns to scale to determine the optimum level of production

Objectives:

- » Explain the causes of returns to factor and returns to scale
- » Interpret laws of production using illustrations and numerical examples

Learning Experience:

The teacher may use Guided Learning to explain the law of variable proportion and returns to scale using diagrams.

- » Learner visits the following links to explore the law of variable proportion and law of returns to scale:

1. <https://www.youtube.com/watch?v=JJ4YHTCenN4&t=306s>
2. <https://www.youtube.com/watch?v=8qO5zi8EBSM&t=29s>
3. <https://www.youtube.com/watch?v=HOi54g1UFDM>
4. <https://www.youtube.com/watch?v=yd4VbkIHFyw>

To add on to the learner's finding, the teacher further explains the law of variable proportion and returns to scale.

- » Teacher provides a hypothetical schedule to the learners to derive TP, AP and MP curves and identify the stages of law of variable proportion.
- » Learner compares and contrasts the two laws.
- » Teacher guides and provides support to the learner while carrying out the activity.

Reflective Questions:

1. Explain three stages of production using suitable diagram when one factor input is variable.
2. Discuss the reason behind the law of variable proportion.
3. Explain the reasons behind the increasing, decreasing and constant returns to scale.

Assessment:

Paper-Pencil-Test:

The teacher may use paper-pencil-test to assess learner's comprehension and graphical skills. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economics Knowledge	Economics Skills	Economics Values and Attitudes
» Law of variable proportion » Law of returns to scale	» Graphical Skill » Analytical skill » Presentation skill	» Interdependence » Productivity and efficiency

Resources:

- » SCD repository
- » Economics XII, DCPD
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=JJ4YHTCenN4&t=306s>
- » <https://www.youtube.com/watch?v=8qO5zi8EBSM&t=29s>
- » <https://www.youtube.com/watch?v=HOi54g1UFDM>
- » <https://www.youtube.com/watch?v=yd4VbkIHFyw>

Chapter 3: Cost and Revenue Analysis

Cost is a critical factor that drives business decisions and operations, influencing production, supply, sales, and pricing in the market. The primary goal for producers is to minimize costs and maximize profits by effectively managing all factor inputs. This strategic approach ensures efficient operations and financial success.

3.1 Topic: Costs

(Scope: Concept of explicit, implicit, and social costs, and opportunity cost and its applications, and impact of social cost [positive and negative externalities])

Competency

- » Analyse the behaviour of costs in short and long run to determine the level of output.

Objectives

- » Explain types of cost
- » Analyse the impact of social cost as a result of production
- » Explain the application of opportunity cost

Learning Experience:

The teacher may use Guided Learning Method to introduce various concepts of cost and engage learners to effectively do cost benefit analysis.

- » Teacher introduces the concept of costs and their significance in firms production decision.
- » Provide a brief overview of costs and their role in determining production and pricing decisions. You can use examples from various industries to illustrate the concept.
- » Teacher defines and provide examples of explicit costs (e.g., wages, raw materials) and implicit costs (e.g., opportunity cost of using owned resources).
- » Teacher explains the difference between explicit and implicit costs and their importance in cost analysis. Use real-world examples to make the concepts more relatable using this link <https://www.investopedia.com/terms/e/explicitcost.asp>
- » Learners discusses the concept of social costs, including positive externalities (e.g., research and development) and negative externalities (e.g., pollution) using following link <https://www.indeed.com/career-advice/career-development/positive-and-negative-externalities>
- » Teacher engages learners in case studies or scenarios where they analyze the impact of social costs on production decisions and market outcomes in Bhutanese context to do cost benefit analysis using the link <https://thebhutanese.bt/the-human-and-social-costs-of-mega-hydropower-construction-in-samcholing/>
- » Teacher introduces the concept of opportunity cost which plays a crucial role in decision-making, its application on reality
- » Teacher divides the learners in group and engages them to explore the application of opportunity cost using following links and present in the class <https://www.youtube.com/watch?v=7eMjwqO6WnY> <https://www.youtube.com/watch?v=ae09HOFmIVl>

Reflective Questions:

1. Teacher provides examples of explicit and implicit costs in a business context. How do these costs influence production and pricing decisions?
2. Teacher discusses the positive and negative externalities associated with production. How can these social costs affect market outcomes and the well-being of society?
3. Teacher explains the concept of opportunity cost and its application in decision-making. How can considering opportunity cost help businesses make more informed choices?
4. Learners reflect on the importance of considering social costs and externalities in business practices. How can businesses mitigate negative externalities and promote positive externalities?

Assessment

Teacher may use Assignment and Gallery Walk to assess learners where students identify and analyse explicit, implicit and social costs for a specific industry or business and present to class through gallery walk.

Economic Knowledge	Economic Skills	Economic Values and Attitude
» Understanding the various types of costs, their impact on decision-making, and the role of social costs in the economy	» Comprehension » Analytical skills	» Cost benefit analysis » Problem solving

Resource:

- » SEC Repository
- » Economics XII DCPD
- » <https://www.investopedia.com/terms/e/explicitcost.asp>
- » <https://www.indeed.com/career-advice/career-development/positive-and-negative-externalities>
- » <https://thebhutanese.bt/the-human-and-social-costs-of-mega-hydropower-construction-in-samcholing/>
- » <https://www.youtube.com/watch?v=7eMjwqO6WnY>
- » <https://www.youtube.com/watch?v=ae09HOFmIVl>
- » <https://www.youtube.com/watch?v=TNxg1auV2AM>
- » <https://www.youtube.com/watch?v=pkEiHZAatoro>

3.2 Topic: Types of Cost

Short run total cost (Scope: Concept, calculation illustration and behavior of TFC, TVC, and TC), Short run average cost (Scope: Concept, calculation, illustration and behavior of AFC, AVC, and AC), Short run marginal cost (Scope: Concept, calculation, illustration, behavior, relationship with AC, and reasons for U-shaped AC and MC), Long run cost (Scope: Concept and illustration of LTC, LAC, and LMC. Relationship between LAC and LMC. Reasons for U-shaped LAC curve, economies and diseconomies of scale)

Competencies.

- » Examine the concept of costs to understand cost-benefit analysis.

Objectives:

- » Analyse the behaviours of cost in short and long run
- » Interpret the behaviour of cost in short and long run using illustrations and numerical examples

Learning Experiences

The teacher may use Interactive Discussion to make the learners explore and understand the concept, calculation and illustration and behavior of short run and long run costs:

- » Teacher explains concept the short run cost and introduces types of short run cost.
- » Teacher defines total cost (TC) as the sum of fixed cost (TFC) and variable cost (TVC) and explains the difference between TFC and TVC.
- » Learners practices numerical examples to calculate TFC, TVC, and TC and draw cost curves.
- » Learners discuss the behavior of TFC, TVC, and TC as output changes
- » Teacher defines average cost (AC) as the total cost per unit of output.
- » Teacher demonstrates the calculation of AFC, AVC, and AC using formulas and illustrates the behavior of AFC, AVC, and AC with graphical representations.
- » Teacher defines marginal cost (MC) as the additional cost incurred by producing one additional unit of output.
- » Teacher explains the calculation of MC using the change in total cost divided by the change in quantity produced.
- » Learners calculate MC and illustrate the behavior of MC with a graph using the numerical examples provided.
- » Learners visit the links below and draw the relationship between MC and AC:
- » Average Cost and Marginal Cost curves – Relation: <https://www.youtube.com/watch?v=LVmPzL-6T64>
- » Short Run Costs ATC AVC AFC & MC Graphic Approach: <https://www.youtube.com/watch?v=dHJJPd3KPoY>
- » Teacher explains the reasons for U-shaped AC and MC curves.
- » Teacher introduces the concept of long-run cost (LTC) and its distinction from short-run costs and explain that in the long run, all costs become variable, including previously fixed costs.
- » Teacher defines long-run average cost (LAC) as the cost per unit of output when all inputs can be adjusted.
- » Teacher demonstrate the relationship between LAC and long-run marginal cost (LMC) with the illustration.
- » Teacher illustrates the U-shaped LAC curve with a graph.
- » Teacher explains economies of scale and diseconomies of scale.
- » Learners visit the following links for additional information:
- » Long Run Average Cost Curve : Part-1 https://www.youtube.com/watch?v=KUZ_cUdkfAc&list=RDCMUCcLR34EO8E92fQmqfv5asrg&index=5
- » Long Run Average Cost Curve : Part - 2 <https://www.youtube.com/watch?v=cbArHqOYSqw&list=RDCMUCcLR34EO8E92fQmqfv5asrg&index=7>
- » Long-Run Average Cost Curve Part 3: Why LAC doesn't have any scallops?
 1. <https://www.youtube.com/watch?v=aYJRUPKjCCU>

- » Long-Run Average Cost Curve Part-4 Derivation of LMC curve.
 2. <https://www.youtube.com/watch?v=GDP03LYeXwg>
- » Long Run Average Cost Curve Part - 5 Why LAC curve is 'U' shaped?
 3. <https://www.youtube.com/watch?v=xo7dy5ppQo4&list=RDCMUCcLR34EO8E92fQmqfv5asrg&index=28>

Reflective Questions

1. Provide real-life examples of fixed costs and variable costs.
2. Describe the relationship between average variable cost and average total cost in the short run.
3. Explain the reasons for the U-shaped pattern of both average cost and marginal cost.
4. Explain the relationship between long-run average cost and long-run marginal cost. How does this relationship impact production decisions in the long run?
5. Can you identify examples of economies of scale and diseconomies of scale in business? How do these concepts relate to the long-run cost curve?

Assessment

Worksheets

Teacher may use worksheets that require students to apply their knowledge of short-run and long-run costs to solve problems or questions. This worksheet can involve calculating different cost measures, interpreting cost behavior graphs, etc.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Total, average and marginal cost curves and relationships » Behavior of cost in short and long run. 	<ul style="list-style-type: none"> » Graphical skill » Analytical skill » Numeracy 	<ul style="list-style-type: none"> » Value relationships (Interdependence) » Productivity and efficiency » Social costs

Resources

- » DCPD repository
- » Economics XII, DCPD
- » ISC Franks Economics XII
- » <https://www.youtube.com/watch?v=LVMpZL-6T64>
- » <https://www.youtube.com/watch?v=dHJJPd3KPoY>
- » https://www.youtube.com/watch?v=KUZ_cUdkfAc&list=RDCMUCcLR34EO8E92fQmqfv5asrg&index=5
- » <https://www.youtube.com/watch?v=cbArHqOYSqw&list=RDCMUCcLR34EO8E92fQmqfv5asrg&index=7>
- » <https://www.youtube.com/watch?v=xo7dy5ppQo4&list=RDCMUCcLR34EO8E92fQmqfv5asrg&index=28>
- » <https://www.youtube.com/watch?v=aYJRUPKjCCU>
- » <https://www.youtube.com/watch?v=GDP03LYeXwg>

Chapter 4: Production Decision -Revenue Analysis

The theory of cost of production and revenue are supplementary to each other. The revenue of the firm depends on the cost of production, as an excess revenue over the cost of production constitutes profit for the firm. Thus, the producer makes business decision based on the cost and revenue to maximise profit.

4.1. Topic: Revenue

(Scope: Concept and types of revenue, Revenue under perfect and imperfect competition: illustration, calculation, behaviour and relationship between AR and MR, and TR and MR)

Competencies:

- » Examine the behaviour of revenue under perfect and imperfect competition to understand the firm's production decision.

Objectives:

- » Explain types of revenue
- » Examine the behaviour of revenue under different market structure

Learning Experiences:

The teacher may use Guided Learning to make the learners explore and understand the meaning of AR, TR and MR with the use of their textbooks.

- » Teacher explains the concept of revenue and introduces the types of revenue.
- » Teacher illustrates the relationship between TR, AR and MR under perfect, imperfect competition and monopoly with diagrams.
- » Learner visits the following links for additional information:
 1. Revenue Types : Total, Average and Marginal Revenue: <https://www.economicdiscussion.net/revenue/revenue-types-total-average-and-marginal-revenue/6855>
 2. Firm's Revenue Curve in Different Markets: <https://www.youtube.com/watch?v=gEf70Qvm9TE>
 3. Introduction to Perfect Competition: https://www.youtube.com/watch?v=5c_dBgYMzCQ
 4. TR, AR and MR - Perfect Competition: <https://www.youtube.com/watch?v=xnnBRfQOFdQ>
 5. How to calculate profit, loss, marginal cost in a Perfect Competition: <https://www.youtube.com/watch?v=V81gQroEszl>
 6. TR, AR and MR Imperfect Competition: <https://www.youtube.com/watch?v=cVGExojmJok>
- » Learner constructs meaning of TR, AR and MR and illustrates their relationship with help information from the textbook, links and demonstration.
- » Learner computes and illustrates the behaviour of TR, AR and MR under different markets structures.
- » Teacher provides feedback following student's presentation.

Reflective Questions

1. Differentiate between the price line of perfect and imperfect competition.

2. Explain the relationship between average revenue and marginal revenue with the help of a suitable diagram.
3. Calculate price, AR and TR from the following data:

Unit of output	1	2	3	4
MR (Nu)	20	16	9	3

4. Pema is a face mask seller and wants to maximise revenue. She knows that she can sell more by lowering the price. Use a simple tabular illustration to explain this situation.
5. The manager of National Museum wants to increase the revenue. Should the manager increase or decrease the entry fee? Explain.

Assessment

Presentation

The teacher may assess the learner's comprehension, numeracy and graphical skill through presentation using appropriate rubrics. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Total, average and marginal revenue curves and relationships » Behavior of revenue under different markets 	<ul style="list-style-type: none"> » Graphical skill » Analytical skill » Numeracy 	<ul style="list-style-type: none"> » Value relationships (Interdependence) » Productivity and efficiency » Social costs

Resources

- » DCPD repository
- » Economics XII, DCPD
- » ISC Franks Economics XII
- » <https://www.economicdiscussion.net/revenue/revenue-types-total-average-and-marginal-revenue/6855>
- » <https://www.youtube.com/watch?v=gEf70Qvm9TE>
- » https://www.youtube.com/watch?v=5c_dBgYMzCQ <https://www.youtube.com/watch?v=xnnBRfQOFdQ> <https://www.youtube.com/watch?v=V81gQroEszl> <https://www.youtube.com/watch?v=cVGExojmJok>

Chapter 5: Firm’s Equilibrium

A firm’s equilibrium is a state where a firm attempts to maximize its profits by allocating the resources at the best manner with the production at an optimum level. It is equally important that a firm’s equilibrium is impacted by various external factors including market conditions, government policies, technology over period of time. Firm’s equilibrium provides the foundation for understanding firm’s behavior in different market structure.

5.1. Topic: Firm and Industry

(Scope: short and long run equilibrium conditions of a firm under different market structures, determination of the firm’s optimal level of output for profit maximisation and cost minimisation)

Competency

- » Analyse short and long run equilibrium conditions of a firm under different market structures to determine the optimal level of output for profit maximisation and cost minimisation.

Objectives

- » Explain firm and industry

Learning Experiences

To explain the concept of firms and industries:

- » Teacher may use visual aids to simplify concepts,
- » Use the relative examples to help students grasp the key concepts of firms and industries.
- » Encourage group discussion/class debates to foster learners understanding of firm and industry.
- » Learners create their own interpretations and draw connections to real life situations.

Reflective Questions

1. How do firms and industry differ in terms of scale, scope and focus?
2. Mention some of the firms/industries located in your locality.
3. How can an establishment of a firm in the locality be of advantage?

Assessment

Teacher may use group discussion/Q&A to assess learners understanding of the concept of firm and industry. The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Concept of firm and industry	» Communication skills	» Realize economic values of firms and industry. » Open-mindedness, curiosity, resilience, collaboration

Resources

- » Economics XII, DCPD
- » Franks ISC Economics XII

5.2 Topic: Goal of firm.

(Scope: Rule of profit maximization under perfect and imperfect competition)

Competency

- » Analyse short and long run equilibrium conditions of a firm under different market structures to determine the optimal level of output for profit maximisation and cost minimisation.

Learning Objectives

- » Discuss firm's equilibrium
- » Explain the two rules of profit maximization

Learning Experiences

Teacher may use lecture method/demonstration method to teach the goal of firm and rules of profit maximization under different market structure.

- » Teacher may use the video links:
 1. <https://www.youtube.com/watch?v=SON0BtLMUHw> for MR and MC approach
 2. <https://www.youtube.com/watch?v=REU8ca2Wqs4> for Total revenue and Total cost approach
 3. <https://www.youtube.com/watch?v=EP-jGfedgFQ> for MR and MC approach
- » Teacher may use collaborative learning through group discussion.
- » Learners may be divided into groups to collate the concepts taught and the video lessons.

Reflective Questions

1. What are the primary objectives that a firm intends to achieve in its operations?
2. Can a firm have goals other than maximizing profits? If so, what are some alternatives goals that firms might pursue?
3. How does profit maximization serve as a guiding principle for firms in different market structures?
4. How does the pursuit of profit maximization vary in perfect competition compared to imperfect competition?

Assessment

Teacher may use Q&A to assess learners understanding about the types of profit.

The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Condition for abnormal profit, normal profit and loss » Rules of profit maximization 	<ul style="list-style-type: none"> » Analytical skills » Critical thinking » Communication skills » Decision making skills » Graphical skills 	<ul style="list-style-type: none"> » Ethical awareness, communicate the understanding of goal of a firm in profit maximization, efficiency and rational decision.

Resources

- » Economics XII, DCPD
- » Franks ISC Economics XII
- » <https://www.youtube.com/watch?v=SON0BtLMUHw>
- » https://en.wikipedia.org/wiki/Profit_maximization
- » <https://www.youtube.com/watch?v=REU8ca2Wqs4>
- » <https://www.youtube.com/watch?v=16ULJLVfGDI>
- » <https://www.youtube.com/watch?v=EP-jGfedgFQ>
- » <https://www.youtube.com/watch?v=xGkE0oHyNhk>
- » <https://www.studysmarter.co.uk/explanations/microeconomics/supply-and-demand/cost-revenue-and-profit-maximization/>
- » <https://www.youtube.com/watch?v=BQvtnjWZ0ig&t=31s>

5.3. Topic: Equilibrium price and output under different market structures

Short and long run equilibrium of a firm under perfect competition (Scope: Concept, equilibrium condition, illustration)

Short and long run equilibrium of a firm under imperfect competition (Scope: Concept, equilibrium condition, illustration)

Equilibrium of a firm under Oligopoly (Scope: Concept, equilibrium condition, illustration)

Competency

- » Analyse short and long run equilibrium conditions of a firm under different market structures to determine the optimal level of output for profit maximisation and cost minimisation

Objectives

- » Explain firm's equilibrium under different market structures using illustrations

Learning Experiences

- » Teacher may use demonstration method /collaborative method to explain firm's equilibrium under different market structures using illustrations
- » Teacher may demonstrate the process to explain firm's equilibrium price and quantity under different market structures.
- » Teacher divides the class into groups and provides the learning materials for additional information on the equilibrium price and output of firm under different market structure in short and long run.
 1. Perfect Competition and Profit Maximization <https://www.youtube.com/watch?v=eh1cc6P-eeI>
 2. From Short-run to Long-run in Perfect Competition
 - a. https://www.youtube.com/watch?v=krUu_u63MiA
 - b. <https://www.youtube.com/watch?v=fg08G21ZiV0>
 - c. <https://www.youtube.com/watch?v=RUVsEovktGU>

3. Concept and Profit maximization for a firm in an oligopoly industry. The kinked demand curve.

- a. <https://www.youtube.com/watch?v=ToMI9tA0kpc>
- b. https://www.youtube.com/watch?v=7_SvfMx53sE
- c. <https://www.youtube.com/watch?v=laTizvoV8BE>
- d. <https://www.youtube.com/watch?v=VacBFOc-1k8>

» Learner refers to the videos to gain more information on the equilibrium price and output of firm under different market structure in short and long run.

Reflective Questions

1. How does the presence of numerous buyers and sellers impact the equilibrium outcome in terms of price and output levels?
2. How does a monopolistic firm set its price and output levels to maximize profits?
3. Assess the firms profit maximization in the short and long run under different market structures.

Assessment

Teacher may use Q&A to assess learners understanding of the concept of firm and industry.

The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Equilibrium price and quantity of firm under different market structure in short and long run	» Communication skills » Analytical skills » Decision making skills » Graphical skills	» Assess students' ability to interpret and analyze graphical representations of equilibrium price and quantity of firm under different market structure.

Resources

- » Economics XII, DCPD
- » Franks ISC Economics XII
- » <https://www.youtube.com/watch?v=eh1cc6P-eel>
- » https://www.youtube.com/watch?v=krUu_u63MiA
- » <https://www.youtube.com/watch?v=fg08G21ZiV0>
- » <https://www.youtube.com/watch?v=RUVsEovktGU>
- » <https://www.youtube.com/watch?v=ToMI9tA0kpc>
- » https://www.youtube.com/watch?v=7_SvfMx53sE
- » <https://www.youtube.com/watch?v=laTizvoV8BE>
- » <https://www.youtube.com/watch?v=VacBFOc-1k8>

Chapter 6: Theory of Distribution

The process of production involves the combination of various factors, including land, labor, capital, and enterprise, each of which receives compensation for their contributions. Therefore, the theory of distribution focuses on the principles governing the determination and allocation of prices for each factor of production. The distribution of factors of production encompasses two aspects: personal distribution, which concerns the allocation of income among individuals, and functional distribution, which relates to the division of income among different factors based on their respective roles, such as wages, rent, interest, and profit. This chapter examines theories regarding the returns received by factors of production.

6.1. Topic: Wages

(Scope: Concept, determination of modern theory of wage, concept of collective bargaining)

Competencies

- » Discuss factor earnings as a payment for the factors of production to understand their significance in the national income.

Learning objective(s):

- » Explain wages
- » Describe modern theory of wage
- » Explain collective bargaining

Learning Experiences:

The teacher may use Lecture and Role-play as methods to teach the topic:

- » Teacher explains the concept and type of wages using real-life examples or stories like part-time jobs that the learners could easily connect.
- » Teacher introduces the modern theory of determination of wage.
- » Teacher explains the concept of demand for and supply of labour.
- » Teacher instructs the learners to devise a simple demand and supply schedules on their own and encourages them to share their work to the whole class.
- » Teacher uses one of demand and supply schedules and demonstrates the relationship between wage rate and demand for and supply of labour.
- » Teacher explains the modern theory of determination of wage using illustration.
- » Teacher provides practice time for the learners to develop diagrammatical skills and familiarize them the determination of wage rate.
- » Teacher explains the concept of collective bargaining.
- » Teacher conducts role-play by creating two groups [trade union and employer association] to teach determination of wage rate through collective bargaining.
- » Learners visit the link during preparation phase of role-play to acquaint themselves with the processes of collective bargaining: <https://www.youtube.com/watch?v=iA7XX6UQKDC>

Reflective Questions

1. What factors do you think contribute to wage differences in different occupations or industries?
2. In what ways can collective bargaining contribute to improving working conditions and addressing the needs of workers?
3. Mention the challenges and potential conflicts that may arise during collective bargaining.

Assessment**Case Studies**

Teacher may provide case studies related to collective bargaining scenarios and assess students' ability to analyze the cases, identify key factors, and propose solutions or strategies based on their understanding of the concepts. The teacher may use a rubric or other relevant assessment tool.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
» Wage	» Analytical and critical thinking	» Interdependence
» Determination of wage	» Graphical skills	» Fairness and equity
» Collective bargaining	» Collaboration and communication skills	

Resources

- » Economics XII, DCPD
- » <https://www.youtube.com/watch?v=iA7XX6UQKDC>

6.2 Topic: Rent

(Scope: Concepts and determination of modern theory of rent)

Competencies

- » Discuss factor earnings as a payment for the factors of production to understand their significance in the national income.

Learning objective(s):

- » Describe modern theory of rent

Learning Experiences:

The teacher may use Guided learning to explain modern theory of rent:

- » Teacher explains the concept of rent from classical and modern economists point view.
- » Learners visit the given link: <https://www.economicdiscussion.net/difference-between/difference-between-ricardian-theory-of-rent-and-modern-theory-of-rent/17165> and write the differences between classical and modern views of rent.
- » Teacher explains the modern theory of rent and different perspectives of determination of rent.
- » Teacher demonstrates determination of rent of land from scarcity theory point of view.
- » Teacher explains rent as difference between actual earning and transfer earning with diagrams.

- » Learners visit to following links:
 1. <https://www.youtube.com/watch?v=cQgHaeOwTlc>
 2. <https://www.youtube.com/watch?v=qsMrIVOC3S0>

Reflective Questions

1. How does the modern theory of rent explain the concept of economic rent?
2. Reflect on the concept of economic scarcity and its role in the determination of land rent. How does scarcity of land resources affect its value and the rent paid for its use?

Assessment

Q & A

Teacher may conduct quiz or written test to assess student's knowledge and comprehend of modern theory of rent.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
Rent Modern theory of rent	Analysis Graphical skills	Resource management

v. Resources

Economics XII, DCPD

<https://www.economicdiscussion.net/difference-between/difference-between-ricardian-theory-of-rent-and-modern-theory-of-rent/17165>

<https://www.youtube.com/watch?v=cQgHaeOwTlc>

<https://www.youtube.com/watch?v=qsMrIVOC3S0>

6.3. Topic: Interest and profit

(Scope: Concept, computation of gross and net interest and profit, and reasons for paying interest)

Competencies

- » Discuss factor earnings as a payment for the factors of production to understand their significance in the national income.

Learning objective(s):

- » Analyse gross and net interest
- » Analyse gross and net profit

Learning Experiences:

The teacher may use Activity-Based Method for teaching interest and Flipped Classroom for profit.

- » Teacher explains the concept of interest and introduces net and gross interest.
- » Learners differentiate net and gross interest.
- » Teacher provides questions to the learners for net and gross interest calculation.
- » Learners discuss the reasons paying interest in small groups.

- » Learners visit the link provided by the teacher and prepare for the class: https://www.youtube.com/watch?v=DM7TqljUues&list=RDCMUCnVHZKYx1vWVnhRjJqJbNdQ&start_radio=1&rv=DM7TqljUues&t=220
- » Teacher explains the concept of profit.
- » Learners carry out learning activity applying knowledge learnt from video.

Reflective Questions

1. How would you define gross interest and net interest?
2. What are some reasons why individuals or businesses may find it necessary or beneficial to pay or receive interest?
3. Why is it important for businesses to analyze both gross profit and net profit? What insights can they gain from these calculations?
4. How can businesses optimize their operations to increase both types of profit?

Assessment

Q&A

Teacher may conduct written test to assess student's ability to apply their knowledge in real-life context.

Economic Knowledge	Economic Skills	Economic Values and Attitudes
<ul style="list-style-type: none"> » Interest » Net and gross interest » Profit » Net and gross profit 	<ul style="list-style-type: none"> » Numeracy » Analysis » Exploratory skill 	<ul style="list-style-type: none"> » Financial literacy » Accountability

Resources

- » Economics XII, DCPD
- » https://www.youtube.com/watch?v=DM7TqljUues&list=RDCMUCnVHZKYx1vWVnhRjJqJbNdQ&start_radio=1&rv=DM7TqljUues&t=220

Chapter 7: Economic Statistics

Statistics refers to statistical methods of collection, classification, presentation, description, analysis and interpretation of numerical facts or data. It is a collection of information in terms of numerical facts or statistical data related to income, employment and public expenditure which can be used in any field of study. The statistical data is an important step towards establishing a general statement about economic entities to help in establishing theoretical concepts and models by providing evidence.

7.1 Topic: Statistics

(Scope: Concept, importance, limitations, sources of data, and data presentation)

Competency

- » Apply the concepts of statistics to analyse, interpret and evaluate statistical data in economics.

Objectives

- » Discuss the importance of statistics
- » Analyse the limitations of statistics
- » Discuss the sources of data and methods of collection
- » Present data in different forms

Learning experiences

The teacher may use Problem Based Learning to collect data on any economic issues in Bhutan to present the data with the help of charts and graphs for descriptive analysis.

- » Teacher introduces the concept of statistics and discusses the importance of statistics in economics.
- » Teacher discusses the sources of data and methods to collect and present data.
- » Teacher provides link on creating graph using excel ahead of the lesson to learn the skills of presenting the information using graph
 1. https://www.youtube.com/watch?v=sRMX5SFj_p0
 2. <https://www.youtube.com/watch?v=kYcPyv4PnN8>
 3. <https://www.youtube.com/watch?v=62Ljzx-ik50>
- » Teacher demonstrates on how to use data to using graphs and charts.
- » Teacher divides the learners into groups and let them choose their topic different from other groups.
- » A learners uses the link to learn the skills of drawing graph in excel.
- » A learner accesses information on any economic issues such as unemployment, GDP, inflation, government spending and, export and import in Bhutan from relevant websites.
 1. <https://www.mof.gov.bt/>
 2. <https://www.nsb.gov.bt/>
 3. <https://www.rma.org.bt/>
- » A learners chooses any latest issue from the suggestive website from the relevant government documents,

articles, websites and mainstream media such as BBS and Kuensel.

- » A learner receives instructions and guidelines from the teacher with regard to data transformation using charts.
- » A learner gathers information as per the teacher's instructions.
- » A learners uses the gathered data to plot suitable charts and graphs to present their findings.
- » A learners makes descriptive analysis of their findings.
- » A learners draws conclusions and makes presentation on their findings to the class.
- » The group assess the presenters using the rubrics provided by the teacher.
- » Learners share experiences on their presentation
- » Learners shares their experiences as a assessors.

Reflective questions

1. Is the data used for the chosentopic, a primary or secondary? Why?
2. Why is quantitative data mostly used in statistical analysis?
3. What were some of the challenges you faced at the time of gathering data?
4. Are you able to represent all your information in the form of graphs and charts? How?

Assessment

Observation

The process of the work shall be carried out using observation form to assess learner's participation in learning activities and behavioral conduct with teacher and friends.

Presentation

The presentation of the final work on any chosen issue using descriptive analysis shall be assess using rubrics. Learners may be provided with rubrics to assess the group presentation. Each group will take turns to assess each presentation.

Economics Knowledge	Economics Skills	Economics Values
<ul style="list-style-type: none"> » Importance of statistics Limitations of statistics » Sources of data » Methods of data collection » Presentation of data 	<ul style="list-style-type: none"> » Data analysis » Digital skills » Graphical skill » Data visualization » Reasoning » Information literacy 	<ul style="list-style-type: none"> » Collaboration » Problem solving » Aesthetic values

Resources

- » https://www.youtube.com/watch?v=sRMX5SFj_p0
- » <https://www.youtube.com/watch?v=kYcPyv4PnN8>
- » <https://www.youtube.com/watch?v=62Ljzx-ik50>

- » <https://www.youtube.com/watch?v=pSQYn4c2MyM>
- » DCPD repository
- » Economics, class 12, DCPD publication.

7.2. Topic: Index numbers

Index numbers (Scope: Concept, types, and considerations for construction of index number), Method of constructing price index numbers (Scope: Concept and methods – weighted and unweighted), Consumer price index numbers (Scope: Concept, methods of constructing CPI - Aggregate expenditure method and Weight relative method)

Competency

- » Construct index numbers using different methods to evaluate the price of commodity and consumption pattern in an economy.

Objectives

- » Analyse different methods of constructing index numbers
- » Compute indices to measure changes in price and quantity over time

Learning experiences

Step I: I do (Teacher Modelling)

The teacher may use guided learning to deliver the lesson on construction of index number and price index number.

Teacher provides the following resources in advance: https://www.youtube.com/watch?v=E3y8_Bgns2E

- » Teacher models how to construct index number and price index number by demonstrating on the board with relevant examples. Modelling gives learners the opportunity to understand the task and gather initial details about how it would be performed.
- » Teacher demonstrates sample problems on index numbers and price index numbers

Step II: We do (Co-Construction)

- » Learners carry out the task in pairs with guidance from the teacher.
- » Learners shares their work with other groups to support each other through the learning process. This involve re-doing the modeling stage while the teacher assists learners work.

Step III: You do (Facilitation)

- » Teacher provides questions to construct index numbers and price index numbers.
- » Teacher makes learners to discuss on different methods of constructing index numbers and price index numbers
- » Learners practices the task independently.
- » Teacher supports their learnings.
- » Learners presents their work by demonstrating on the board.

Reflective questions

1. Are the three index numbers same? Explain
2. What conclusions can you draw from the value of price index from the questions you used?
3. Why is it important to calculate consumer price index in economics?

Assessment

The teacher may assess the learner's comprehension, numeracy and through demonstration using appropriate rubrics. The teacher may use observation for process assessment using rubrics.

Economics Knowledge	Economics Skills	Economics Values
<ul style="list-style-type: none"> » Index numbers » Construction of index number » Method of constructing price index numbers » Constructing CPI 	<ul style="list-style-type: none"> » Data analysis » Numeracy » Reasoning 	<ul style="list-style-type: none"> » Decision making » Collaboration

Resources

- » https://www.youtube.com/watch?v=E3y8_Bgns2E
- » <https://www.youtube.com/watch?v=3jNiDE33XWw>
- » DCPD repository
- » Economics, Class XII, DCPD Publication.

Chapter 8: Public Revenue and Expenditure

Public finance is the study of the role of the government in the economy. It is the branch of economics which assesses the government revenue and government expenditure of the public authorities and the adjustment of one or the other to achieve desirable effects and avoid undesirable ones. Public finance plays a special role in promoting economic growth besides maintaining price stability. Public revenue, public expenditure, and budgeting are some of the major subject matter of the public finance.

8.1. Topic: Public Finance

Public finance (Scope: Concept and branches of public finance), Public revenue (Scope: Concept), Tax (Scope: Concept, objectives, types, importance and taxation system), Non-tax revenue (Scope: Concept and sources), Grants (Scope: Concept) Public expenditure (Scope: Concept, importance and types), Budget (Scope: Concept, importance, types, budgetary procedure and preparation)

Competency

- » Discuss different sources of government revenue and expenditure to understand the allocation and distribution of resources for sustainable and equitable economic development.

Objectives

- » Explain public finance
- » Discuss branches of public finance
- » Discuss the sources of government revenue
- » Discuss the importance and types of taxation system
- » Explain types, components and importance of public expenditure
- » Explain budget and its types
- » Discuss budgetary procedures in Bhutan

Learning experiences

The teacher may use PQ4R method (Preview, Question, Read, Reflect, Recite & Review) to meaningfully engage students in learning about public revenue and expenditure

Step I: Preview

- » Teacher provides the following links to explore on the sources of revenue and trends and pattern of expenditure.
- » <https://www.mof.gov.bt/publications/reports/budget-reports/>
- » The learner skims and scans through source of government revenue, public expenditure and budgeting in Bhutan.

Step II: Question

- » Teacher asks learners to gather data on public expenditure, revenue and budget allocation for the past five fiscal years.

Step III: Read

- » A learner reads and takes note on the sources of government revenue, government expenditure and budget.

- » Teacher divides the class into groups and assigns a topic each on revenue, expenditure and budget allocation.

Step IV: Reflect

- » The teacher provides specified time to reflect on what they have understood from the learning activity.

Step V: Recite

- » A learner from each group presents summary of the topic to the class.

Step VI: Review

- » The teacher reviews their presentation and provides feedback.

Reflective questions

1. Which taxation system is more prevalent in Bhutan?
2. Which sector has been allocated the highest budget, and what are some possible reasons for this allocation?
3. Why budget is important in an economy?

Assessment

The teacher may assess the learner's comprehension and interpretation skills using appropriate rubrics.

The teacher may use observation for process assessment using rubrics.

Economics Knowledge	Economics Skills	Economics Values
» Public finance, public revenue and its type, expenditure, its importance and importance of budgeting.	<ul style="list-style-type: none"> » Analytical thinking » Graphical skills » Critical thinking 	<ul style="list-style-type: none"> » Reasoning » Responsibilities » Resource management » Decision making

Resources

- » REC repository
- » Economics class XII, DCPD publication.
- » <https://www.youtube.com/watch?v=BnrBRuoVefY>
- » <https://www.youtube.com/watch?v=DeFH585iBWI>

8.2. Topic: Trends in public expenditure of Bhutan

(Scope: Recent trends in public expenditure of Bhutan)

Competency

- » Discuss different sources of government revenue and expenditure to understand the allocation and distribution of resources for sustainable and equitable economic development.

Objectives:

- » Examine the recent trends in public expenditure of Bhutan

Learning experiences:

Teacher may use "Plus-Minus" teaching strategy to analyse data on public revenue and expenditure.

Step I: Introduce the Concept

- » Teacher introduces general idea on trends and pattern of public revenue and expenditure.

Step II: Divide the Class

- » Teacher divides the class into two groups: the “Plus” group and the “Minus” group.
- » Teacher instructs one group to collect data on domestic revenue and the other group on public expenditure in Bhutan for the period of minimum five years
- » Learner collects data using the link provided: <https://www.mof.gov.bt/publications/reports/budget-reports/>

Step III: Research and Preparation

- » Teacher provides time for learners to gather data from any relevant websites.

Step IV: Presentation

- » Learner presents their findings and arguments.
- » Teacher facilitates question-and-answer session and encourages the opposing group to ask critical questions to promote deeper analysis and critical thinking.
- » Teacher facilitates learners to have discussions on the topic presented. This allows learners to broaden their perspective and consider alternative viewpoints.

Step V: Synthesis and Reflection

- » Teacher concludes the activity by summarising main points presented by the groups.
- » Teacher encourages learners to reflect on the strengths and weaknesses of each perspective and analyze the overall implications for public finance.

Reflective question

1. What have been the trends in public expenditure, and what factors have influenced these trends and what will be effects.
2. As an individual, what factors should you consider when allocating your income?
3. As a taxpayer, how can you ensure the effective utilization of your taxes?

Assessment

The teacher may assess the learner’s comprehension and interpretation skills using appropriate rubrics.

The teacher may use observation for process assessment using rubrics.

Knowledge	Skills	Values
» Public expenditure, its importance and importance of budgeting.	<ul style="list-style-type: none"> » Analytical thinking » Graphical skills » Critical thinking 	<ul style="list-style-type: none"> » Reasoning » Responsibilities » Resource management » Decision making

Resources

- » REC repository
- » Economics class XII, DCPD publication.

Chapter 9: Deficit financing

Governments have many competing demands for financial support. Most of the time, it is very difficult for the government on its own to generate all the revenue that it needs to finance its recurrent and capital expenditure. When government expenditure is more than its revenue collected through taxes and other sources, a budget deficit is created commonly known as fiscal deficit.

Any attempt to reduce the deficit has fundamental effects on various aspect of government operations.

9.1. Topic: Deficit financing (Scope: Concept, reasons and methods)

Competency

- » Analyse deficit financing to evaluate appropriate method of financing the resource gap.

Objectives

- » Explain deficit financing
- » Discuss the methods of deficit financing

Learning experiences

The teacher may use 'Learning through Argumentation' to examine the deficit financing as a method of public financing in Bhutan.

- » Teacher divides the class into groups of four to organise a debate on "Deficit financing is an important scheme of public financing."
- » Teacher provides topics to the group
- » Teacher briefs on the steps to follow for debate.
- » Learner explores information on their topic
- » Learner brain storms their gathered information in the group
- » Learner shares key points and ideas with their friends in the group
- » Learner constructs their ideas together
- » Learner chooses speakers in the group to represent the group
- » Learner chooses the summary speaker to speak on the big issues of the topic.

Reflective questions

1. Do you think deficit financing is a desirable method of government expenditure for Bhutan? Justify your answer.
2. Deficit financing comes with certain costs and risk factors. Share your opinions on how the government can finance deficits efficiently.
3. Deficit financing can be related at your personal level as 'borrowing' and availing loans from the bank. Is borrowing a good alternative source of finance at personal level? Justify.

Assessment

The teacher may assess learner’s competencies such as organisation of ideas, presentation, and support of argument, communication skill and courteousness using a checklist.

Economics Knowledge	Economics Skills	Economics values
» Deficit financing (reasons, methods	» Critical thinking	» Citizenship
» Public debt and its types	» Presentation skills	» Etiquette
» Reasons and effects for borrowing	» Abstract thinking	» Teamwork
» Methods of debt redemption effect	» Organization	» Cooperation
	» Persuasion	
	» Communication	
	» Research	

Resources:

- » REC repository
- » Economics Class XII, DCPD Publication

9.2. Topic: Public Debt

(Scope: Concept, types [on the basis of sources, purpose, time frame & liquidation], methods of debt redemption, and effects of borrowing)

Competency:

- » Analyse deficit financing to evaluate appropriate method of financing the resource gap.

Objectives:

- » Discuss the types of public debt
- » Analyse the reasons for borrowing by the government
- » Evaluate the methods of debt redemption used by the government
- » Analyse the effects of public borrowing on Bhutanese economy

Learning experience

The teacher may use Case Analysis to examine the causes of the public debt and evaluate the trend of debt in Bhutan and its impacts on Bhutanese economy.

- » The teacher discusses on public debt related to types and methods of debt redemption.
- » The teacher briefs on the procedure to carry out case analysis.
- » The teacher guides the learner to obtain information from the case.
- » Questions are provided to identify the variables from the case study.
- » The learner accesses information on public debt in Bhutan from various web sites.
- » Following are the suggestive websites learners may access information on public debt in Bhutan.

1. <https://www.rma.org.bt/RMA%20Publication/Annual%20Report/RMA%202022%20report.pdf>
 2. <https://www.mof.gov.bt/wp-content/uploads/2022/06/BUDGET2021-22.pdf>
 3. <https://www.cabinet.gov.bt/wp-content/uploads/2022/12/State-of-the-Nation2022.pdf>
- » Learner gathers information to understand and analyse the public debt status in Bhutan
 - » Learner receives instructions and guidelines from the teacher for case analysis which includes information seeking, case analysis or diagnosis, conclusion, implementation and application or reflection.
 - » Learner gathers data for the last five years from the document using the questions provided, to achieve the desired outcome.
 - » Learner analyses the gathered data using a excel sheet to see the causes public debt in Bhutan and its impact on the economy.
 - » Learner suggests measures to check public debt in Bhutan from the result analysed.
 - » Learner draws conclusions and makes presentation on their findings.

Reflective questions

1. Do you think it is rational to increase public borrowing to foster economic growth? Justify your opinion with reasons.
2. Which kind of loans should the government avail? Why do you think so?

Assessment:

Observation:

The teacher may use checklist to assess the learner's level of participation and behavioral conduct with friends and teacher.

Presentation:

The final presentation may be assessed using rubrics to evaluate their analytical and decision making skills.

Economics Knowledge	Economics Skills	Economics values
» Public debt and its types	» Analytical skills	» Collaboration
» Methods of debt redemption	» Decision making	» Resource management
» Reasons for borrowing	» Data analysis	» Ethical values
» Effects of borrowing	» Data gathering	
	» Digital skills	

Resources

- » DCPD repository
- » Economics XII, DCPD Publication
- » <https://www.rma.org.bt/RMA%20Publication/Annual%20Report/RMA%202022%20report.pdf>

Chapter 10: Fiscal Policy

Fiscal policy is a macroeconomic policy that involves changes in the Government spending and taxation to influence aggregate demand in the economy. The change in public spending and taxation impacts the gross domestic product. Either expansionary or contractionary fiscal policy is used to achieve economic stability, growth and equity.

10.1 Topic: Fiscal policy

(Scope: Concept [expansionary and contractionary fiscal policy], instruments and objectives)

Competencies

- » Discuss the instruments of fiscal policy to evaluate their impact on achieving economic equity, stability and growth

Learning Objectives

- » Discuss fiscal policy
- » Explain the objectives of fiscal policy
- » Evaluate the impact of fiscal instruments on achieving economic goals

Learning Experiences

The teacher may use an Inductive Method to introduce the concept of fiscal policy in relation to achieving national objectives of equity, stability and economic growth.

- » Teacher explains some examples of fiscal policy in Bhutan.
- » Learner sorts out the examples of fiscal policies implemented in the country under the following:
 - a. Equity,
 - b. Stability and
 - c. Economic growth.
- » Learner relates and analyses the given examples and construct the meaning of fiscal policy.
- » Learner writes down how the different fiscal policy tools help in achieving the national objectives of equity, stability and economic growth.

Reflective Questions

1. Discuss the need of flexibility in taxation system.
2. Explain the fiscal measures adopted to control inflation.
3. How can fiscal policy be used to promote sustainable development and address environmental challenges?

Assessment

Symposium:

The teacher may conduct a symposium to assess the learner's analysis of fiscal policy in relation to equity, stability and growth to monitor and influence the performance of the country's economy. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following domains.

Economics Knowledge	Economics Skills	Economics values
» Meaning, objectives and tools of fiscal policy.	» Analytical skill, Exploratory skill (information access), Communication skill	» Appreciate government's role (respect and loyalty), Responsible citizen, Interdependence

Resources

- » DCPD repository
- » Economics XII, DCPD
- » ISC Franks Economics XII
- » Bhutan Economics (supplementary text)
- » <https://www.youtube.com/watch?v=cMwFO3u3PzU>
- » <https://www.youtube.com/watch?v=qmEKll7okq0> (expansionary fiscal policy)
- » <https://www.youtube.com/watch?v=DAF81UKWCOI> (fiscal policy explained)
- » <https://www.youtube.com/watch?v=4mEAPW4TI88> (Fiscal policy tools)
- » <https://www.youtube.com/watch?v=NEcfy0HpewQ> (Fiscal policy)

10.2. Topic: Economic issues

Scope: Analysing the impact of national economic issues

Competencies

- » Discuss the instruments of fiscal policy to evaluate their impact on achieving economic equity, stability and growth

Learning Objectives

- » Discuss the impact of national economic issues

Learning Experiences

Teacher may use collaborative learning to teach the impact of national economic issues.

- » Teacher assigns groups of students to gather information on national economic issues from different sources. Following resources may be used:
 1. https://www.mof.go.jp/pri/international_exchange/technical_cooperation/fy2022/bhutan.pdf Economic situation in Bhutan
 2. <https://thebhutanese.bt/are-we-heading-towards-a-recession/#:~:text=According%20to%20International%20Monetary%20Fund,tourism%20sector%20being%20highly%20affected.> Are we heading towards a recession?
 3. <https://www.adb.org/sites/default/files/publication/863591/bhu-ado-april-2023.pdf> Bhutan - Asian Development Outlook April, 2013
 4. <https://www.dw.com/en/how-serious-is-bhutans-economic-crisis/a-62836752> How serious is Bhutan's economic crisis?

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- » In groups, learners deliberate the economic problems and measures to address the issues.
- » Groups present their findings using any of the presentation tools in the classroom

Reflective Questions

1. How would the economic issues impact Bhutanese economy?
2. What are some of the fiscal measures implemented to combat the economic issues?

Assessment

Teacher may assess the learners' presentation using rubrics. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following domains:

Economics Knowledge	Economics Skills	Economics values
» Economic issues	» Communication skills » Analytical skills » Critical thinking » Presentation skills	» Assess learners' ability to communicate, organise information and demonstrate a clear understanding of the topic.

Resources

- » Economics XII, DCPD
- » https://www.mof.go.jp/pri/international_exchange/technical_cooperation/fy2022/bhutan.pdf
- » <https://thebhutanese.bt/are-we-heading-towards-a-recession/#:~:text=According%20to%20International%20Monetary%20Fund,tourism%20sector%20being%20highly%20affected.>
- » <https://www.adb.org/sites/default/files/publication/863591/bhu-ado-april-2023.pdf>
- » <https://www.dw.com/en/how-serious-is-bhutans-economic-crisis/a-62836752>

Chapter 11: National Income

National Income refers to the total value of goods and services produced within a country's borders in a given period of time or a year serving as key indicators of the economic health of a nation. Circular flow of income helps us understand the interdependence among different sectors. Accordingly understanding the relationship among different national income aggregates, we gain insight into the composition of national income and factors that contribute to the growth or decline of national income.

11.1 Topic: National Income (Scope: Concept and attributes)

Competencies

- » Illustrate the circular flow of income to analyse the interdependence amongst different sectors in the economy.

Learning Objectives

- » Explain the circular flow of income in a three and four sector model

Learning Experiences:

- » Teacher may use Visual Representation of the three and four-sector models of the circular flow of income. It could be use of video link: <https://www.youtube.com/watch?v=6N1DTpNYI5Y> or could be use diagrams or charts to illustrate the flow of money and goods among households, businesses, government, and the foreign sector. Explain the roles and interactions of each sector in the economy.
- » It could be followed by real world examples to help students understand the application of three and four sector models. May show how each sector are inter-related.
- » Teacher may then engage students in interactive activities to deepen their understanding by dividing the class into groups and assign each group with specific sectors (household, business, government or foreign sectors. Ask them then to brain storm and write down the income sources and expenditure for their assigned sectors after which each group may present their finding.

Reflective Questions

1. Explain the relationship between sectors in the three and four sectors model.
2. Analyze the changes in one sector impacting the other sectors.
3. Explain income sources and expenditure categories of different sectors in an economy.

Assessment

- » Teacher may use the Q&A approach be designing MCQ, short answer questions and problem-solving questions.
- » It could be also through case study analysis by providing students with real-world situation in the context of circular flow of income in an economy or the group presentation.
- » Teacher may use the relevant rubrics to assess students' ability to understand different sectors, their relationship.

The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic skills	Economic Values and Attitudes
» Circular flow of income in a three and four sector model	» Communication skills, analytical skills	» Interdependence, Economic literacy, global awareness, Socio economic equity, entrepreneurial mindset.

Resources

- » 3&4 sector model Circular flow of income
- » <https://www.youtube.com/watch?v=cfpCLv7kZ0A>
- » <https://www.youtube.com/watch?v=JacbmD0dMrA>

11.2 Topic: National income aggregates

(Scope: Concepts, derivation and interrelationship amongst national income aggregates)

Competency

- » Analyse the interrelationship amongst various national income aggregates to understand different components of income used in calculating national income.

Learning Objectives

- » Interpret the national income aggregates
- » Derive the interrelationship amongst national income aggregates

Learning Experiences:

- » Teacher may design variety of instructional strategies, like lecture, discussions, group activities to keep the learning experience interactive and engaging.
- » While introducing, teacher may provide clear definition of national income aggregates, their relationship and their significance in measuring the economic performances of a country.
- » Teacher may also explain the components of national income aggregates like consumption, investment, government investment, depreciation, taxes, subsidy, exports/imports and their contribution to overall national income.
- » Finally, teacher may use charts or visual aids to help students visualize and interpret national income aggregate.

Reflective Questions

1. How does national income contribute to measuring the economic performance of a country?
2. Why are national income aggregates like GDP and GNI important in economic analysis?
3. Reflect on how changes in one national income aggregates such as consumption can affect the other aggregates like savings, investment or government investment.

v. Assessment

- » Teacher may design quizzes, MCQ questions, True/False or short answer question related to national income aggregates.
- » May ask students prepare presentation on national income aggregates to be assessed as per the relevant

rubrics or may lead the class discussion in different groups.

- » Teacher may also ask to create the concept maps or the diagram that illustrate the concept and the inter-relationship.
- » Teacher may monitor the student's performances and provide feedback.

The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic skills	Economic Values and Attitudes
» National income aggregates.	» Communication, comprehending, analytical skills	» Develop utmost understanding of NI aggregates and their significance in economic analysis and decision making, collaboration, relevancy, critical thinking.

Resources

- » Text book DCPD
- » Frank ISC economics
- » <https://www.youtube.com/watch?v=j4ko84PkXbU>

Chapter 12: Measurement of National Income

National income of a country is the sum of all the factor incomes such as wages, interest, rent and profit from all the factors of production in a given year. The measurement of national income is necessary and important to understand the performance of the economy. It helps to ascertain the contribution made by different sectors, identify the structural weaknesses, evaluate the performance of the economy and assist in overall socio-economic planning and policy formulation.

The national income of a country can be viewed in terms of product, income and expenditure. Accordingly, the three methods to measure national income are product or value-added method, income method and expenditure method. However, the type of method to be used depends on the availability of data in a country and the purpose in hand.

12.1 Topic: Methods of measuring national income

Product method (Scope: Concept, steps, computation, precautions and difficulties), Income method (Scope: Concept, steps, computation, precautions and difficulties), Expenditure method (Scope: Concept, steps, computation, precautions and difficulties)

Competency

- » Discuss the methods of measuring national income to identify appropriate methods of calculating national income.

Objectives

- » Explain steps of estimating national income by output, income and expenditure method
- » Discuss the precautions taken in estimating national income by different methods

Learning experiences

Step I: I do (Teacher Modelling)

- » Teacher may use guided learning to deliver the lesson on estimation of national income using all output method.
- » Teacher provides the following resources in advance:
 1. <https://www.youtube.com/watch?v=BnrBRuoVefY>
 2. <https://www.youtube.com/watch?v=DeFH585iBWl>
- » Teacher models how to calculate national income by demonstrating on the board with relevant examples. Modelling gives learners the opportunity to understand the task and gather initial details about how it would be performed.
- » Teacher makes learners to read through the difficulties and precautions of the output method.
- » Teacher provides income and expenditure method as a class activity

Step II: We do (Co-Construction)

- » Learners carry out the task in pairs with guidance from the teacher.
- » Learners shares their work with other groups to support each other through the learning process. This involve re-doing the modeling stage while the teacher assistant students work.

Step III: You do (Facilitation)

- » Teacher provides a set of questions to estimate national income using income and expenditure method.
- » Teacher makes the learners to discuss on difficulties and precaution in estimating national income for two methods.
- » The student practices the task independently.
- » Teacher supports students' learning.
- » Teacher walk around the classroom giving guidance to any students who need it.
- » Learners presents their work to the class by demonstrating on the board.

Reflective questions

1. If you are to compute national income of Bhutan, which method would you prefer? Why?
2. What will be the effect on estimation of national income if the maintenance cost of a property is included? Explain.
3. Do you include the value of child care provided by a grandmother at day care centre in estimation of national income? Give reasons.

Assessment

The teacher may assess the learner's comprehension, numeracy and computational skills through demonstration using appropriate rubrics.

The teacher may use observation for process assessment using rubrics.

Economics Knowledge	Economics Skills	Economics Values
<ul style="list-style-type: none"> » Methods of measurement of national income (product, income and expenditure method) » Precautions and difficulties in calculating national income. 	<ul style="list-style-type: none"> » Analytical thinking » Computational skills » Quantitative skills 	<ul style="list-style-type: none"> » Reasoning » Resource management » Decision making

Resources

- » REC repository
- » Economics class XII, DCPD publication.
- » <https://www.youtube.com/watch?v=BnrBRuoVefY>
- » <https://www.youtube.com/watch?v=DeFH585iBWI>

12.2 Topic: Application of different methods of estimation and common difficulties in estimation of national income.

(Scope: Explanation of common difficulties, practical application of different methods to estimate national income)

Competency

- » Discuss the methods of measuring national income to identify appropriate methods of calculating national income

Objectives

- » Analyse the difficulties faced in estimation of national income
- » Apply different methods to estimate national income

Learning experiences

The teacher may use Peer Tutoring to deliver the lesson on explanation of common difficulties and practical application of different methods to estimate national income.

Step I: Identification

- » Teacher identifies students with high and low achievers
- » Teacher gives reinforcement on the topics to be covered
- » Teacher provides additional help for low achievers

Step II: Group Formation

- » Teacher identifies tutor and tutee and divides the class into pairs.
- » Teacher ensures that each group consists of a student who is proficient in the topic (the tutor) and a student who needs assistance (the tutee).

Step III: Preparation

- » Teacher divides the class into two major groups consisting of pairs and assigns income method to one group and expenditure method to another group.
- » Teacher provides the tutor with specific guidelines and resources to review and understand the topic.
- » Teacher encourages tutor to explain and facilitate the tutees for better understanding of topic.

Step IV: Tutoring Sessions

- » Organise tutoring sessions where the tutor and tutee needs to discuss the topic.
- » Tutor may incorporate interactive activities that promote active engagement and reinforce learning.

Step V: Monitor Progress

- » Teacher regularly guides the tutor and tutee to assess their progress.
- » Teacher provides feedback and guidance to both parties, ensuring that the tutor is effectively supporting the tutee's learning needs.
- » Teacher addresses any challenges or concerns that may arise during the tutoring sessions.

Step VI: Reflection and Assessment

- » Teacher encourages the tutor and tutee to share their insights, experiences, and learning strategies.
- » Concludes the tutoring sessions with a reflection period where the tutor and tutee discuss their progress, challenges, and achievements.

- » Teacher asks voluntaries to share their opinion on the difficulties in estimation of national income.
- » Teacher assess the tutee's understanding on learned topic through questions and answers.

Reflective questions

1. How can the problem of double counting be avoided?
2. Discuss some practical problems associated with estimation of national income in Bhutan.

Assessment

Teacher may use Q & A technique to assess learner's comprehension and analytical skill by incorporating differentiated questions.

Economics Knowledge	Economics Skills	Economics Values
<ul style="list-style-type: none"> » Methods of estimating national income » Difficulties in estimating national income 	<ul style="list-style-type: none"> » Computational skills » Numeracy » Analytical skills » Communication 	<ul style="list-style-type: none"> » Team work » Collaboration » Respect for diversity » Empathy

Resources

- » <https://www.youtube.com/watch?v=k3iDTLXWFWI>
- » <https://www.youtube.com/watch?v=d7yusValTvQ>
- » DCPD repository
- » Economics, Class XII, DCPD publication.

Chapter 13: Economic Integration

Economic integration refers to the process by which countries eliminate barriers to trade and establish closer economic ties. It plays a vital role in understanding international economics, globalization, and the functioning of regional trade agreements.

13.1 Topic: Trade liberalization and Globalisation

Competencies

- » Discuss the importance of economic integration in global economy to understand the significance of international trade and relationship.

Objectives

- » Explain globalisation and liberalisation
- » Analyse the importance of interconnectedness and interdependence among trading partners

Learning Experiences

Teacher may use collaborative learning to understand the concept and importance of liberalization and globalization.

- » Teacher divides the class into groups and provides instructions.
- » Provide following resources for the learners to gather information on the given topic.
- » Links on globalization
 1. <https://www.youtube.com/watch?v=hz-hFaAvgRM>
 2. <https://www.youtube.com/watch?v=B6nHmCM84Yo>
 3. <https://www.youtube.com/watch?v=3ebu5XJjwmM>
 4. <https://www.youtube.com/watch?v=hBVu-EYNKWY>
 5. <https://www.youtube.com/watch?v=ONZ4LkN4yqs>
- » Links on liberalization
 1. <https://www.youtube.com/watch?v=VJTwt0YvoEM>
 2. https://www.youtube.com/watch?v=zX_nRB0kHyw
- » Links on economic integration
 1. <https://www.youtube.com/watch?v=yNTkBon-w8s>
 2. <https://www.youtube.com/watch?v=CQnvMXhgm-s>
 3. <https://www.youtube.com/watch?v=UMubLFC9VKs>
- » (Teacher and learner may explore on other sources of information beyond the links provided)
- » Teacher may guide the Learners to consolidate the information in their groups and prepare the presentation.
- » Teacher may give feedback/supplement on the presentation.
- » Individual learners reflect on the topic learnt and the learning process they went through

- » Teacher may engage students in activities to explore how changes in one system can have ripple effect on others.

Reflective Questions

1. What are the potential benefits and drawbacks of trade liberalization and globalization for different stakeholders, such as businesses, workers, consumers, and governments?
2. How does trade liberalization and globalization impact economic growth and development in different countries or regions?
3. What are the challenges and considerations governments face in managing the effects of trade liberalization and globalization?

Assessment

Teacher may assess the learner's ability to critically analyze and present their information to the class using rubrics. The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic skills	Economic Values and Attitudes
» Trade liberalization, globalization and international trade	<ul style="list-style-type: none"> » Communication skills » Analytical skills » Decision making skills 	» Collaboration, interdependence,

Resources

- » Economics XII, DCPD.
- » Links on globalization
- » <https://www.youtube.com/watch?v=hz-hFaAvgRM>
- » <https://www.youtube.com/watch?v=B6nHmCM84Yo>
- » <https://www.youtube.com/watch?v=3ebu5XJjwmM>
- » <https://www.youtube.com/watch?v=hBVu-EYNKWY>
- » <https://www.youtube.com/watch?v=ONZ4LkN4yqs>
- » Links on liberalization
- » <https://www.youtube.com/watch?v=VJTwt0YvoEM>
- » https://www.youtube.com/watch?v=zX_nRB0kHyw
- » Links on economic integration
- » <https://www.youtube.com/watch?v=yNTkBon-w8s>
- » <https://www.youtube.com/watch?v=CQnvMXhgm-s>
- » <https://www.youtube.com/watch?v=UMubLFc9VKs>

13.2 Topic: International economic organization

(Scope: Different economic organisations and their functions)

Competency

- » Discuss the importance of economic integration in global economy to understand the significance of international trade and relationship.

Objectives

- » Discuss the benefits accrued from the international economic organisations

Learning Experiences

- » Teacher may use collaborative learning/simulations to teach different economic organizations and their functions.
- » Teacher assign groups of students to gather information on international economic organizations (WTO, IMF, WB, ICTAD)
- » In group, learners can prepare presentations highlighting the organizations objectives and key functions.
- » Teacher encourages group discussions by allowing students to ask questions and provide feedback on each other's presentations.

Reflective Questions

1. How do international economic organizations promote global economic stability and growth?
2. How can economic integration promote regional stability and peace?
3. In light of one of the projects funded by the World Bank for Bhutan, how do you think Bhutan would be benefited?

Assessment

Teacher may assess the learner’s ability to critically analyze and present their information to the class using relevant rubrics.

The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic skills	Economic Values and Attitudes
» International economic organizations.	<ul style="list-style-type: none"> » Communication skills » Analytical skills » Decision making skills 	» Assess the learners understanding of the functions and roles of these organizations

Resources

- » Economics XII, DCPD
- » International Economic Organisations General Awareness
- » <https://www.youtube.com/watch?v= IHX1gR8GOU>
- » <https://www.youtube.com/watch?v=VEYIcYXar5w>
- » https://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr_e.htm#:~:text=In%20brief%2C%20the%20World%20Trade,predictably%20and%20freely%20as%20possible.

- » <https://www.imf.org/en/Home>
- » https://www.worldbank.org/en/home?cid=ECR_GA_worldbank_EN_EXTP_search&kwcid=AL!18468!3!610032451099!b!!g!!what%20does%20the%20world%20bank%20do&gclid=CjwKCAjw-IWkBhBTEiwA2exyO61q5HmCWjBRN8P8JBYEF42eth6Z3Jnr1li_CJbnrJWrikVJCb_MBoCXhcQAvD_BwE

13.3. Topic: Volume of trade

Competency

- » Discuss the importance of economic integration in global economy to understand the significance of international trade and relationship.

Objective

- » Analyse volume of trade

Learning Experiences

The teacher may use Case Study to analyse the trend of public expenditure in Bhutan.

- » Learner accesses volume of trade for their case study from various internet sources such as;
 1. <https://www.mof.gov.bt/wp-content/uploads/2023/04/Bhutan-Trade-Statistics-2022-.pdf> Bhutan trade statistics, 2022
 2. <https://www.mof.gov.bt/wpcontent/uploads/2022/04/BhutanTradeStatistics2021.pdf> Bhutan Trade Statistics, 2021
 3. <https://wits.worldbank.org/CountryProfile/en/BTN> Bhutan Trade Statistics WITS
 4. <https://www.moice.gov.bt/wp-content/uploads/2023/03/Report-on-Bhutans-External-Trade-2020.pdf> Report on Bhutan's External Trade -2020
- » Learner gathers information to understand and analyse the trends of trade volume in Bhutan.
- » Teacher provides instructions and guidelines for case analysis which may include information seeking, case analysis, conclusion and reflection.
- » Learner gathers, analyse and draws conclusion and make presentation of their findings followed by teacher's feedback.
- » Learner suggests measures to check unfavorable condition of volume of trade in Bhutan from the result analysed.

Reflective Questions

1. What kind of situations do you foresee regarding the volume of trade after five years? Why?
2. How does increased trade volume affect issues such as carbon emissions, resource depletion, and waste generation? Suggest some sustainable practices/solutions that can mitigate these impacts.

Assessment

Teacher may assess the learner's analytical skills and ability to apply theoretical knowledge to practical situations. The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic skills	Economic Values and Attitudes
» Volume of trade	» Communication skills » Analytical skills » Decision making skills	» Assess students' ability to interpret and analyze the trend of trade volume of Bhutan through collection of data from different sources.

Resources

- » Economics XII, SCD
- » <https://www.mof.gov.bt/wp-content/uploads/2023/04/Bhutan-Trade-Statistics-2022-.pdf> Bhutan trade statistics, 2022
- » <https://www.mof.gov.bt/wpcontent/uploads/2022/04/BhutanTradeStatistics2021.pdf> Bhutan Trade Statistics, 2021
- » <https://wits.worldbank.org/CountryProfile/en/BTN> Bhutan Trade Statistics WITS
- » <https://www.moice.gov.bt/wp-content/uploads/2023/03/Report-on-Bhutans-External-Trade-2020.pdf> Report on Bhutan's External Trade -2020

13.4. Topic: International Economic Issues

Competency

- » Analyse the impact of current international economic issues to suggest measures to strengthen trade policies.

Objectives

- » Analyse current international economic issues

Learning Experiences

- » Teacher may use contextual analysis to discuss international economic issues and their measures. Teacher may select materials that contain the economic issues and shares with learners. Teacher may also shares following links to elucidate on the economic issues:
- » https://historyguild.org/global-concerns/?gclid=EAlalQobChMI3YXDsaK1wIVCX99Ch0kFQeuEAAYAAEgL4BPD_BwE
- » https://reliefweb.int/report/world/world-economic-situation-and-prospects-2023-enarruzh?gclid=EAlalQobChMIoZHOi6O1_wIV2JJmAh1LHwplEAAYASAAEgLWt_D_BwE
- » Teacher poses questions to facilitate learners to analyse information and draw conclusions.
- » In groups, learners deliberate the economic problems and measures to address the issues.
- » Groups present their findings using any of the presentation tools in the classroom

Reflective Questions

1. Explore the impacts of climate change on the economic development of a nation.

2. Explore any economic issue that has brought a spillover effect globally.
3. Explore on world economic situation and prospectus, 2023.

Assessment

Teacher may adopt project-based presentation using rubrics that are relevant.

Teacher may assess the learners' presentation using rubrics. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains:

Economic Knowledge	Economic skills	Economic Values and Attitudes
» International economic issues	» Communication skills » Analytical skills » Critical thinking » Presentation skills	» Assess students' ability to analyse economic issues, evaluate different perspectives, and draw conclusions.

Resources

- » Economics XII, DCPD
- » https://historyguild.org/global-concerns/?gclid=EAlaIqobChMI3YXDsaK1wIVCX99Ch0kFQeuEAAYAAEgL4BPD_BwE
- » https://reliefweb.int/report/world/world-economic-situation-and-prospects-2023-enarruzh?gclid=EAlaIqobChMIoZHOi6O1_wIV2JJmAh1LHwplEAAYASAAEgLWt_D_BwE
- » <file:///Users/damphucs/Downloads/World%20Economic%20Situation%20and%20Prospects%202023.pdf>

13.5 Topic: Technology and Trade

(Scope: roles of technology in trade)

Competency

- » Discuss the importance of economic integration in global economy to understand the significance of international trade and relationship.

Learning Objectives

- » Discuss the role of technology in trade

Learning Experiences

To teach the concept and role of technology in trade learners may debate on the topic "Is technology a driving force for global trade growth?"

- » Teacher divides the class into teams representing a different perspective on the topic.
- » Learner explores and gathers evidence, statistics and real-world examples to support their arguments.
- » Teacher facilitates a reflective discussion among learners after the debate.
- » Learners share their insights, challenges faced, and any changes in their perspectives based on the debate.

Reflective Questions

1. How can economic integration initiative facilitate knowledge transfer, research collaboration and adoption of new technologies?
2. How has technology influenced global trade pattern and economic integration?

Assessment

Teacher may assess the level of engagement, participation, and teamwork displayed by the team members during the debate.

The teacher may also use rubrics, checklist or other relevant assessment tools to assess the following domains.

Economic Knowledge	Economic skills	Economic Values and Attitudes
» Technology and trade	» Communication skills » Analytical skills » Critical thinking » Decision making skills	» Assess students' ability to analyse how investing in technology would change the scope of international trade.

Resources

- » Economics XII, DCPD
- » Technology affect global trade in the future
- » https://www.youtube.com/watch?v=9U_YERIKnLA
- » <https://www.youtube.com/watch?v=OzDXPRy38c0>
- » <https://www.youtube.com/watch?v=mZFJXxY5gt8>

Chapter 14: Exchange Rate

The exchange rate plays a crucial role in international trade and finance. It determines the value of one currency relative to another and affects various economic activities. Understanding exchange rates and their determinants is essential for analyzing international trade flows, managing foreign exchange risk, and making informed economic decisions.

14.1 Exchange rate

(Scope: Concept, determination, increase and decrease in exchange rate, and effects)

Competencies:

- » Illustrate the determination of exchange rate and regimes to understand the impact of fluctuation in the value of currency on international trade flows.

Learning objective(s):

- » Explain the determination of exchange rate

Learning Experiences:

The teacher may use a Guided Learning and Demonstration Method to explain the Concept, determination of exchange rate, increase and decrease in exchange rate, and effects)

- » Teacher introduces the concept of exchange rates and their importance in international trade.
- » Learners visit the link <https://thebhutanesebt.com/appreciating-dollar-rate-against-ngultrum-continues-to-hurt-bhutan/> to explore the importance of exchange rate for international trade
- » Teacher guides the learners to explore in analysing the importance of exchange rate
- » Teacher demonstrates the effect of demand and supply of currencies while determining the exchange rate using illustrations.
- » Teacher provides real-world examples and case studies illustrating the increase and decrease in exchange rates due to economic factors or market forces.
- » Teacher demonstrates the effects of an increase or decrease in the exchange rate on using the illustrations.
- » Learners visit the link <https://youtu.be/fxvsb373URw> to analyze exchange rate data and interpret the effects on international trade and foreign investments

Reflective Questions

1. What is an exchange rate, and why is it important in international trade?
2. Determine rate of exchange using appropriate illustrations.
3. How increase in decrease in demand and supply for currency influences the exchange rate?
4. What are some factors that influence the determination of exchange rates?
5. Provide examples of situations where the exchange rate increased or decreased significantly. What were the reasons behind these fluctuations, and what effects did they have on trade?
6. Discuss the advantages and disadvantages of a strong exchange rate for a country's economy. How does it impact imports and exports?

Assessment

Quiz:

The teacher may assess learner’s comprehension and analytical skill using online quiz (google form/ Mentimeter/ H5P). The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains

Economic Knowledge	Economic Skills	Economic Values and Attitude
» Understanding of exchange rate	» Comprehension skills	» Economic literacy
» Determination of exchange rates using illustration	» Graphical skills	» Flexibility and adaptability
» Importance of exchange rate	» Analytical skills	
	» Problem solving	

Resources:

- » SCD repository
- » Economics XII, DCPD
- » <https://thebhutanese.bt/appreciating-dollar-rate-against-ngultrum-continues-to-hurt-bhutan/>
- » <https://blog.remitly.com/finance/exchange-rates/>
- » <https://youtu.be/fxvsb373URw>
- » <https://youtu.be/tEblzKbZhY>

14.2 Topic: Exchange rate conversion

(Scope: Calculation)

Competencies:

- » Illustrate the determination of exchange rate and regimes to understand the impact of fluctuation in the value of currency on international trade flows.

Learning objective(s):

- » Compute exchange rate

Learning Experiences:

The teacher may use a Demonstration Method and Problem-based learning to compute exchange rate

- » Teacher starts the lesson by recalling the concept of exchange rates and their importance in international trade.
- » Teacher presents examples and exercises where students practice converting currency using given exchange rates.
- » Learners visit the official website of the Royal Monetary Authority of Bhutan to explore the current exchange rates of the Bhutanese Ngultrum (BTN) against various foreign currencies to make comparisons and understand the relative values of different currencies. <https://www.rma.org.bt/>
- » Provide resources, such as currency conversion websites or mobile applications, for students to explore and practice converting exchange rates.

1. <https://www.oanda.com/currency-converter/en/?from=EUR&to=USD&amount=1>
2. <https://www.xe.com/currencyconverter/>

Reflective Questions

1. What factors influence the accuracy of exchange rate conversions?
2. A Bhutanese student studying abroad in the United States needs to pay \$5,000 for tuition fees. If the exchange rate is 1 USD=Nu. 75, how much will the student need to pay in Bhutanese currency?

Assessment

Q&A

The teacher may use Q&A to assess learners understanding on conversion of Exchange rate. The teacher may also use rubrics, checklist or any other relevant assessment tools to assess the following three domains

Economic Knowledge	Economic Skills	Economic Values and Attitude
<ul style="list-style-type: none"> » Understanding of exchange rates and their role in determining the value of currencies. » Computing Domestic currency against foreign currency 	<ul style="list-style-type: none"> » Numeracy » Analytical skills 	<ul style="list-style-type: none"> » Appreciate the significance of exchange rate on the country's economy

Resources

- » SCD Repository
- » Economics XII DCPD
- » <https://www.rma.org.bt/>
- » <https://www.oanda.com/currency-converter/en/?from=EUR&to=USD&amount=1>
- » <https://www.xe.com/currencyconverter/>
- » https://www.youtube.com/watch?v=JRf7_RKF3uA

14.2 Topic: Exchange Rate Regime

(Scope: exchange rate and regimes to understand the impact of fluctuation in the value of currency on international trade flows)

Competencies:

- » Illustrate the determination of exchange rate and regimes to understand the impact of fluctuation in the value of currency on international trade flows.

Learning objective(s):

- » Analyse fixed and floating exchange rate
- » Discuss effects of fluctuations in the value of domestic currency on trade

Learning Experiences:

- » Teacher uses Reflective Learning to discuss types, challenges and opportunities associated with different exchange rate regimes.
- » Teacher provides an overview of different exchange rate regimes, focusing on fixed and floating exchange rates.

- » The learners are divided into groups assigning each group with a type of exchange rate regime.
- » Teacher provides handouts downloaded from and discuss in group. <https://www.managementstudyguide.com/exchange-rate-regimes.htm>
- » Learners discuss the characteristics and mechanisms of fixed exchange rate regimes, including currency pegging, central bank intervention, and exchange rate stability.
- » Learners discuss the advantages and disadvantages of fixed exchange rate.
- » Facilitate class discussions or debates where students evaluate the pros and cons of fixed and floating exchange rate regimes, considering their implications for economic stability, investment, and trade.
- » Learner presents group work to the class and the teacher supplements and validates the information.
- » A learner from the class consolidates all the information and comes up with a shared interpretation and displays it in the classroom.

Reflective Questions

1. How does a fixed exchange rate regime impact a country's ability to manage inflation and monetary policy?
2. Discuss the advantages and disadvantages of a floating exchange rate regime for a country's export-oriented industries.
3. Reflect on the advantages and disadvantages of a fixed exchange rate regime. How does this regime impact a country's ability to control inflation and maintain price stability?
4. Consider a scenario where a country with a fixed exchange rate regime experiences a significant decline in its foreign exchange reserves. Discuss the potential implications of this situation on the country's trade balance and overall economic stability.

Assessment:

Q&A

Design quizzes or written assessments to evaluate students' understanding of exchange rate regimes and their implications for trade.

Economic Knowledge	Economic Skills	Economic Values and Attitude
» Exchange Rate Regime	» Comprehension skills » Analytical skills	» Understanding the importance of economic stability in relation to exchange rate regime.

Resources:

- » SCD Repository
- » Economics XII DCPD
- » <https://www.managementstudyguide.com/exchange-rate-regimes.htm>
- » <https://www.adda247.com/upsc-exam/exchange-rate-types-of-exchange-exchange-rate-regime-in-india/>
- » <https://www.sciencedirect.com/topics/economics-econometrics-and-finance/exchange-rate-regime>

Assessment in Economics

Educational assessment is the process of documenting, usually in measurable terms, outcomes of knowledge, skills, attitudes and beliefs of the learners. This includes the processes of gathering and interpreting information about the progress of their learning. In order for the assessment to be valuable to individuals and organisations, the assessment must be accurate and objective. The learners should be well informed about what will be assessed and how it will be assessed. This makes the teacher's expectations clear to the learners to set appropriate learning outcomes. The teachers can play an important role in the learners' achievement by effectively monitoring their learning and giving them constructive feedback on how they can improve and provide the necessary scaffolding for the needy learners as identified through the reliable assessment techniques and tools.

Purpose of Classroom Assessment

Assessment is used to:

- » inform and guide teaching and learning
- » help students set learning goals
- » assign grades in report card
- » motivate students

Domains of Assessment

The achievements and performances of the learners in Economics are assessed on the following three domains:

- » **Economic Knowledge**

Knowledge shall be assessed based on three conceptual strands; individual economic unit, national economy, and global economy.

- » **Economic Skills**

Quantitative analysis, application in real life, collective decision making, effective communication (including Critical Thinking, rational thinking, problem solving, innovative, and entrepreneurial, and to make informed decision)

Alternatively arranged as:

- Questioning and research (inquiry) – explore,
- interpretation and analysis (analysis)- analyse,
- Economic reasoning, Decision making and application (application)- apply,
- communication and reflection (communicating)- communicate

- » **Economic Values and Attitudes**

Values such as sustainability, resource management, dignity of labour, significance of paying tax, value of saving, eco-friendly production, to realise the national development philosophy of GNH.

The Assessment Process

Effective classroom assessment in Economics:

- addresses specific outcomes in the program of studies
- shares intended outcomes and assessment criteria with students prior to the assessment activity
- assesses before, during and after instruction
- employs a variety of assessment strategies to provide evidence of student learning
- provides frequent and descriptive feedback to students
- ensures students can describe their progress and achievement and articulate what comes next in their learning
- informs teachers and provides insight that can be used to modify instruction.

Scheme of Assessment

These are assessed through the following schemes of assessment:

» **Continuous Formative Assessment (CFA)**

Formative assessment is used to provide feedback to teachers and learners, so that teaching and learning can be improved through the provision of regular feedback and remedial learning opportunities for the learners when needed. It also enables the teachers to understand what teaching methods and materials work best.

CFA facilitates the teachers to diagnose the learning needs of the learners and recognise the individual differences in learning. Through the constructive feedback provided, the learners can understand their strengths and weaknesses. It also empowers them to be self-reflective learners who monitor and evaluate their own progress. CFA should happen daily throughout the teaching-learning processes of the academic year. It is NOT graded, as it is to give continuous feedbacks to the learners.

The suggested techniques for CFA for the three domains are:

- Economic knowledge: Debate, Quiz, Question Answer Session, etc.
- Economic Skills: Field trip, case analysis, Seminar Presentation
- Economic values and attitudes: Group work, field trip, case analysis, and peer interactions

The tools identified for CFA are checklists, anecdotal records, and Rating Scale.

» **Continuous Summative Assessment (CSA)**

Continuous Summative Assessment is another form of continuous assessment. It helps in determining the learner's performance and the effectiveness of instructions. The feedback from this assessment help to improve the learners learning and mandates the teachers to incorporate varied teaching strategies and resources to ensure quality teaching and learning in the economics classes. It empowers learners to be self-reflective learners who monitor and evaluate their own progress. In CSA, the learner's performances and achievement are graded. This ensures active participations of learners in the teaching-learning processes.

The suggested techniques for CSA for the three domains are:

- Economic knowledge: Class tests.
- Economic Skills: Project work
- Economic values and attitudes: Observation.

The main tools for CSA are rubrics, rating scale and paper pencil tests.

Summative Assessment (SA)

Summative assessment (SA) is conducted at the end of the first term and at the end of the year to determine the level of learning outcomes achieved by the learners. The information gathered is used by the teachers to grade learners for progression and to report to parents and other stakeholders.

The identified techniques for SA are term examinations – term I and term II examinations. The questions for the term examinations should cover all the three domains of economics learning objectives using the principles of Bloom's taxonomy.

Annexeure

Assessment Matrix

Broad Assessment based on Knowledge, Skills and Values and Attitudes (KSA)

Assessment Type	Continuous Formative Assessment (CFA)			Continuous Summative Assessment (CSA)			Summative Assessment (SA)	
	Knowledge	Economic Skill	Values & Attitude	Knowledge	Economic Skill	Values & Attitude	KSA Term I	KSA Term II
Techniques	Debate, Quiz, Question Answer Sessions	Field trip, Case study, Seminar Presentation	Group work, field trip, case analysis, peer interactions	Class Test	Project Work	Observation	Exams	Exams
Assessment Tools	Checklist & Rating Scale	Rating Scale & Anecdotal notes, Rubrics	Checklist & anecdotal notes	Paper-Pencil-Test	Rubrics	Rating Scale	Paper-Pencil-Test	Paper-Pencil-Test
Frequency	Maintain checklist & anecdotal records for classroom assessment	Maintain rating scale & anecdotal records for classroom assessment	Maintain checklist & anecdotal records for classroom assessment	Once in each Term	One project - assessed at every stage	Assesed at every stage	Once in a term	Once in a term
Weighting				T1=4 T2=4	T1=7 T2=7	T1=4 T2=4	T1=35	T2=35

Weighting and Period Allocation- Class XI

Chapters	Weighting (%)	Time Period Allocation (Min)
Chapter 1- Definition and subject Matter of economics	8	288
Chapter 2- Basic Problems of an Economy	7	252
Chapter 3- Demand and Law of Demand	9	324
Chapter 4- Theory of Supply	9	324
Chapter 5- Elasticity of Demand and Supply	8	288
Chapter 6- Market Equilibrium	8	288
Chapter 7- Forms of Market	6	216
Chapter 8- Economic System	7	252
Chapter 9- Economy of Bhutan	7	252
Chapter 10- Human Capital Formation	6	216
Chapter 11- international Trade	7	252
Chapter 12- Balance of Payments	4	144
Chapter 13- Financial Institutions	8	288
Chapter 14- Inflation	6	216
Total	100%	3600

Weighting and Period Allocation- Class XI

Chapters	Chapter weighting	Time Period Allocation (Min)
Chapter 1- Consumer's and their Preferences	7	504
Chapter 2- Production Decision: Returns to a Factor and Scale	8	576
Chapter 3- Production Decision: Cost Analysis	8	576
Chapter 4- Production Decision: Revenue Analysis	5	360
Chapter 5- Firm's Equilibrium	8	576
Chapter 6- Theory of Distribution	7	504
Chapter 7- Statistics for Economics	6	432
Chapter 8- Public Revenue and Expenditure	9	648
Chapter 9- Deficit Financing	7	504
Chapter 10- Fiscal Policy	6	432
Chapter 11- National Income	7	504
Chapter 12- Measurement of National Income	8	576
Chapter 13- Economic Integration	7	504
Chapter 14- Exchange Rates	7	504
	100%	7200 (120 hrs)

Sample Observation check list for assessment of Field Trip

Key:	The student:						Teacher's comments
✓ YES X NO Class:..... Criteria→ Name↓	Reports on time (punctuality)	Demonstrates curiosity in the observations/field	Collaborates with other to do activities	Shows courtesy with others during the interview	Relate conceptual with the observations	Follows the safety direction without needing a reminder	
Dorji							
Sonam							

Sample Checklist for Assessment of Debate

Key:	Organises the idea points tied to the bigger idea	Presents ideas and information convincingly	Presents ideas clearly with originality	Supports the arguments with relevant facts & figures	Provides accurate counter arguments	Completes presentation on time	Demonstrates courteous body and spoken language	Teacher's Comments
✓ YES X NO Class: Criteria Name								
Sonam								
Tshering								

Sample Anecdotal notes for assessment of group work

Date:	Class:	Lesson Topic:	
Name of Student:	Observation/Comments		
1	Contribution		
2	Skill Input		
3	Responsibility		
4	Respect for Other		
5	Cooperation & Collaboration		

Sample Checklist for Peer Interaction (to test Values and Attitude)

Key: √ YES X NO Class: Name ↓	Criteria				Teacher's comments
	The student				
	Initiates positive discussions in the class	Respects other ideas	Collaborates with other learners	Demonstrates sensitivity of oneself and others	
Tshering					
Sonam					

Sample Rating for Observation (Values & attitude)

Class: Name ↓	Rating Scale						Teacher's comments
	Always (3), Sometimes (2), Rarely (1), Never (0)						
	Punctuality	Integrity	Collaboration	Respect for Diversity	Resilience	Resource Management	
Tshering							
Sonam							

Note: Teacher to identify attributes of each parameter and record the observations

Sample checklist-Rating Scale for assessment of Case Study analysis

Criteria→ Name ↓	The student:					Teacher's Comments
	Clearly identifies the key issues in the case (1-4)	Evaluates the information in the case in relation to relevant principles and theories. (1-4)	Identifies realistic and appropriate options or alternatives for rational decisions. (1-4)	Recommends solution for solving the issues presented in the case. (1-4)	Presents the analysis report with appropriate writing format. (1-4)	
Sonam						
Wangmo						

Analytical Rubrics for assessment of Project Work

Criteria	Score				Total Score (28)
	4	3	2	1	
Problem & Hypothesis	Problem is new, meaningful & well researched. Hypothesis is clearly stated	Problem is not new but meaningful. Hypothesis is clearly stated	Problem is stated but not new & so meaningful. Hypothesis is not clearly stated	Problem is not stated, and hypothesis is unclear	
Background Research on the hypothesis	Research is thorough & specific. All the ideas are clearly explained	Research is thorough but not specific. Most ideas are explained.	Research is not thorough and specific. Few Ideas are explained	Research not thorough and ideas are not explained	
Methodology	Procedure and plans are detailed and sequential. All materials are listed. Ethical issues have been addressed	Procedure and plans are detailed but not sequential. Most materials are listed. Ethical issues have been addressed.	Procedure and plans not detailed and not sequential. Few materials are listed. Few ethical issues have been addressed.	A few steps of procedure are listed and no concrete plans evident. No materials are listed. Ethical issues were not addressed	
Investigation/ Data Collection	Variables have been identified and explained. Sample size is appropriate and explained. Data collected from appropriate number of sources.	Variables have been identified but not explained. Sample size is appropriate. Data collected from appropriate number of sources.	Variables have somewhat been identified. Sample size is not appropriate. Data collected from reasonable number of sources.	Missing two or more variables Sample size is not considered. Data collected from limited number of sources.	
Analysis	Conclusion is supported by the data. Explanation is made for how or why the hypothesis was supported or rejected. Reflection of what was learned and how it could be made better is made.	Conclusions are supported by the data. Not enough explanation is made for how or why the hypothesis was supported or rejected. Reflection of what was learned and how it could be made better is made.	Conclusions are not supported by enough data. Not enough explanation is made for hypothesis. Reflection is not clear.	Conclusions are not supported by data. Not enough explanation is made for hypothesis. Reflection is not stated.	
Format & Editing	Correct format followed throughout. Report is free of errors in grammar, spelling or punctuation.	Only one aspect of format is incorrectly done. Report contains a few errors in grammar, spelling or punctuation.	Only two aspects of format are incorrectly done. Report contains some errors in grammar, spelling or punctuation.	Three or more aspects of format are incorrectly done. Report contains many errors in grammar, spelling or punctuation.	

Bibliography	Five or more references are cited in APA format and referenced throughout the paper and presentation	Three or four references are cited in APA format and referenced throughout the paper and presentation	One or two references are cited in APA format and referenced throughout the paper and presentation	No References made	
Total Score					