

# NCERT SIMPLIFIED SERIES

- ◆ Focus on Core Concepts
- ◆ Crisp and Clear Language
- ◆ Subject-wise Organization
- ◆ New NCERT Updated Content
- ◆ Practice Questions for Assessment

## **ECONOMY** **Summary Notes** **From Classes 9-12**

**For UPSC & other competitive exams**

# Preface

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**Dear Aspirants,**

Welcome to "**NCERT Simplified**," a comprehensive guide designed to provide a concise and focused overview of the National Council of Educational Research and Training (NCERT) textbooks. This book is tailored to meet the needs of aspirants preparing for competitive examinations like SSC, UPSC, and other government-related exams. Published by **StudyIQ**, this book aims to simplify the vast NCERT syllabus and equip you with the essential knowledge to ace your exams.

In the realm of competitive examinations, NCERT textbooks are regarded as the foundation for building a strong understanding of various subjects. They are trusted by educators and students alike for their well-structured content and accuracy. However, with an ever-expanding syllabus, it becomes challenging for aspirants to cover every detail. Recognizing this need, "**NCERT Simplified**" is crafted as the ideal companion to streamline your preparation and maximize your chances of success.

## **Key Features of the Book:**

1. **Comprehensive Summary:** We have retained the core concepts, theories, and principles while eliminating redundant details, so you can focus on mastering the essential knowledge.
2. **Subject-wise Organization:** The book is divided into distinct sections, each dedicated to a specific subject, such as History, Geography, Economics, Polity, Society and more.
3. **Crisp and Clear Language:** We understand that clarity and simplicity are crucial in the learning process. Thus, our language is crafted to be lucid and accessible, making complex ideas easier to grasp. This writing style not only aids in a quick review but also facilitates better retention of information.
4. **Practice Questions:** Alongside the summaries, "**NCERT Simplified**" includes thoughtfully selected practice questions to assess your understanding and reinforce your learning.

As you embark on your journey to crack competitive examinations, "**NCERT Simplified**" promises to be your reliable companion. We hope this book empowers you with the knowledge, confidence, and skills required to excel in your exams and achieve your dreams.

**Wishing you all the best!**

**Team StudyIQ**

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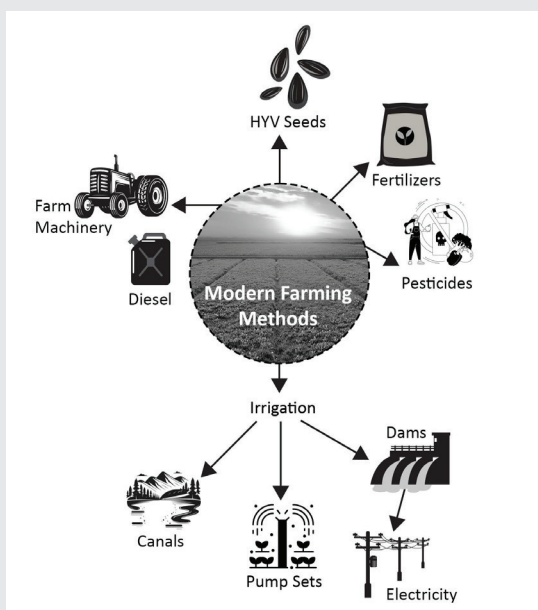
**SAMPLE PAGES**

**Land under cultivation in India in units of million hectares**

Years (P) - Provisional Data									
1950-51	1990-91	2000-01	2010-11 (P)	2011-12 (P)	2012-13 (P)	2013-14 (P)	2014-15 (P)	2015-16 (P)	2016-17 (P)
Cultivated Area (in Million hectares)									
132	186	186	198	196	194	201	198	197	200

**How to increase production from the same land?**

- Multiple cropping
- Use modern farming methods for higher yield. Yield is measured as crop produced on a given piece of land during a single season.

**Green Revolution**

- Green Revolution introduced **high yielding varieties (HYVs)** of seeds for wheat and rice cultivation.
- HYV seeds promised increased grain production compared to traditional seeds.
- HYV seeds required ample water, chemical fertilizers, and pesticides for optimal results.
- **Punjab, Haryana, and Western Uttar Pradesh** were the **first regions** in India to adopt modern farming methods.
- Farmers in these regions utilized irrigation through tubewells and employed HYV seeds, chemical fertilizers, and pesticides.
- Some farmers also invested in farm machinery like tractors and threshers for faster plowing and harvesting.

- The adoption of modern farming methods led to high wheat yields in these regions.

**land's sustainability**

- Land, as a natural resource, requires careful use.
- Modern farming methods have been reported to overuse the natural resource base.
- Green Revolution has led to soil fertility loss due to increased chemical fertilizer usage.
- Tubewell irrigation has depleted groundwater levels.
- Environmental resources like soil fertility and groundwater are built up over time and difficult to restore once destroyed.
- Environmental preservation is necessary for sustainable agricultural development.

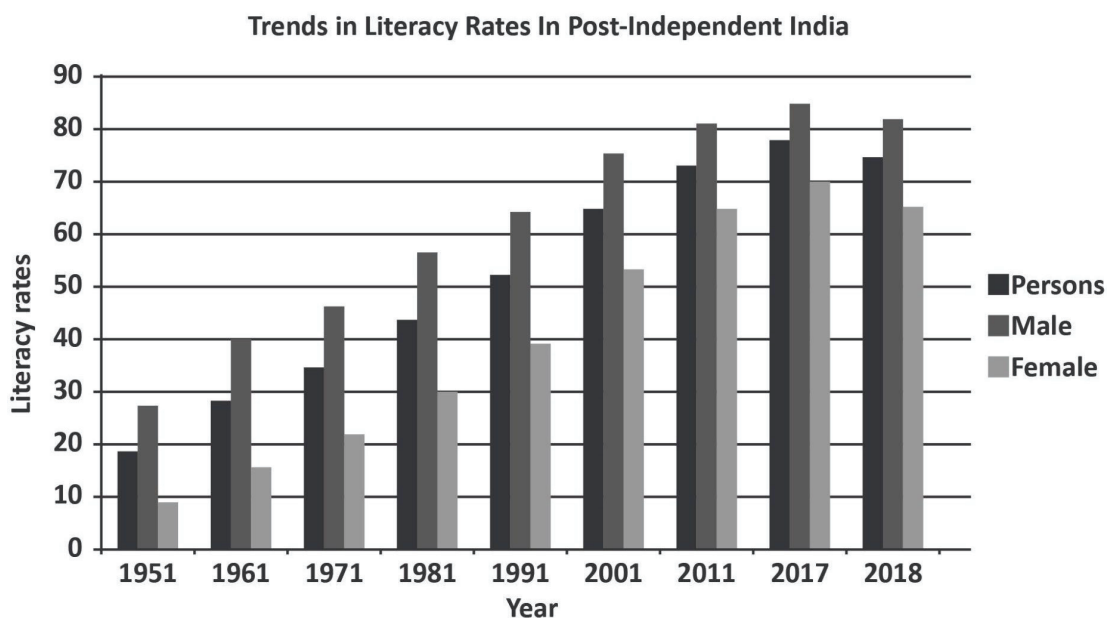
**Impact of Chemical Fertilizer**

- Chemical fertilizers provide readily available minerals to plants.
- However, these minerals may not stay in the soil for long and can escape, polluting groundwater, rivers, and lakes.
- Chemical fertilizers can also harm soil bacteria and microorganisms.
- Over time, the soil's fertility may decline after the use of chemical fertilizers.

**LABOR**

- Labour is essential for production in farming.
- Small farmers and their families provide labor for their own fields.
- Farm laborers do not have a right over the crops grown on the land.
- Medium and large farmers hire farm laborers.
- Farm laborers come from landless or small-plot cultivating families.

- **Gross Enrolment Ratio (GER) in India** in higher education is 27% in 2019–20, focusing on access, quality, vocationalization, and IT usage.
- Strategies focus on increasing access, quality, vocationalization, and the use of information technology.
- Distance education and convergence of formal and non-formal education are emphasized.
- There has been significant growth in the number of universities and specialized institutions over the past 60 years.



**Note:** As per 2011 census, literacy rates varied from 94% in Kerala to 62% in Bihar.

### Health

- Health is crucial for individuals to reach their potential and contribute to organizational growth.
- The improvement of population health is a priority and India's national policy focuses on healthcare accessibility, family welfare, and nutrition, especially for the underprivileged.
- Over the last five decades, India has developed a comprehensive healthcare infrastructure and skilled manpower in both public and private sectors. Outcomes are:
  - **Life expectancy** has increased to 69.4 years in 2016.
  - **Infant mortality rate** has decreased from 147 in 1951 to 36 in 2020.
  - **Crude birth rates** have dropped to 20.0 (2018) and death rates to 6.2 (2018).
    - Increase in life expectancy and improvements in childcare are positive indicators of the country's progress.
- Longevity is a reflection of a good quality of life and self-confidence.
- Reducing infant mortality involves protecting children from infections, ensuring maternal and child nutrition, and providing childcare.

### Unemployment

- Unemployment occurs when willing workers cannot find jobs at prevailing wages.
- In India, unemployment exists in both rural and urban areas with different characteristics.
  - **Rural areas** experience **seasonal and disguised unemployment**, where work is not available during certain months or appears to be employed but is not productive.
  - **Educated unemployment is common in urban areas**, with many graduates unable to find jobs.
- Unemployment leads to wasted manpower resources, hopelessness, and economic burden.
- Unemployment negatively affects individuals' quality of life and society's overall growth.



- India has been successful in exporting auto parts, pharmaceutical goods, engineering goods, IT software, and textiles since 1991.
- Rising prices have been kept under control during this period.

#### Growth and Employment

- Scholars note that despite increased GDP growth, the reform period has not generated sufficient employment opportunities.

#### Reforms in Agriculture

- Reforms in agriculture **have not benefited the sector**, with declining growth rates and reduced public investment in infrastructure.
- Policy changes, such as **reduced import duties and low minimum support prices**, have **negatively affected Indian farmers** and increased international competition.
- Because of **export oriented policy strategies** in agriculture, there has been a shift from production for the domestic market towards production for the export market focusing on cash crops in lieu of production of food grains. This puts pressure on prices of food grain.

#### Reforms in Industry

- Industrial growth has also slowed down due to cheaper imports, inadequate infrastructure investment, and competition from foreign goods.

- Globalization has opened up developing countries to foreign goods and services, **impacting local industries and employment opportunities**.
- Cheaper imports have, thus, replaced the demand for domestic goods.
- **High non-tariff barriers limit India's access to developed countries' markets**, creating further challenges for domestic industries.

#### Disinvestment

- Critics argue that the **disinvestment of public sector enterprises (PSEs)** undervalues assets and results in loss for the government, with proceeds used to offset revenue shortages instead of development.

#### Reforms and Fiscal Policies

- Limitations on public expenditure and tax reductions in the reform period have constrained revenue growth and curtailed developmental and welfare expenditures.
- Tax incentives for foreign investors have further reduced the scope for raising tax revenues, impacting developmental efforts.

## QUESTIONS

- Which of the following were the reasons that led the government to introduce a new set of policy measures in 1991?
  - The government was not able to make repayments on its borrowings from abroad.
  - Foreign exchange reserves dropped to levels that were not sufficient for even a fortnight.
  - Prices of essential goods fell to historical lows arresting growth rate.

Select the correct answer using the code given below:

- (a) 1 and 2 only                      (b) 2 and 3 only                      (c) 1 and 3 only                      (d) 1, 2 and 3

Answer: (a)

- In the late 1980s, government of India's expenditure began to exceed its revenue by such large margins that meeting the expenditure through borrowings became unsustainable. The government of India approached which of the following bodies for lending?
  - International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF)
  - International Monetary Fund (IMF) and World Trade Organization (WTO)
  - International Bank for Reconstruction and Development (IBRD) and Organisation for Economic Co-operation and Development (OECD)
  - International Monetary Fund (IMF) and International Development Association (IDA)

Answer: (a)

# THEORY OF CONSUMER BEHAVIOR

## INTRODUCTION

- Consumers aim to achieve the combination of goods that maximizes their satisfaction or utility.
- The specific combination considered “best” varies based on the consumer’s preferences and their purchasing power which is determined by the prices of goods and their income.
- This chapter presents two different approaches that explain consumer behaviour (i) **Cardinal Utility Analysis** and (ii) **Ordinal Utility Analysis**.

## MEANING OF UTILITY

- Utility of a commodity is its **want-satisfying** capacity.
- The more the need of a commodity or the stronger the desire to have it, the greater is the utility derived from the commodity.
- Utility is **subjective**.
- Different individuals can get different levels of utility from the same commodity.
- **For example**, some one who likes chocolates will get much higher utility from a chocolate than some one who is not so fond of chocolates.

## CARDINAL UTILITY ANALYSIS

### Total Utility (TU)

- Total utility of a fixed quantity of a commodity is the **total satisfaction** derived from consuming the given amount of some commodity.

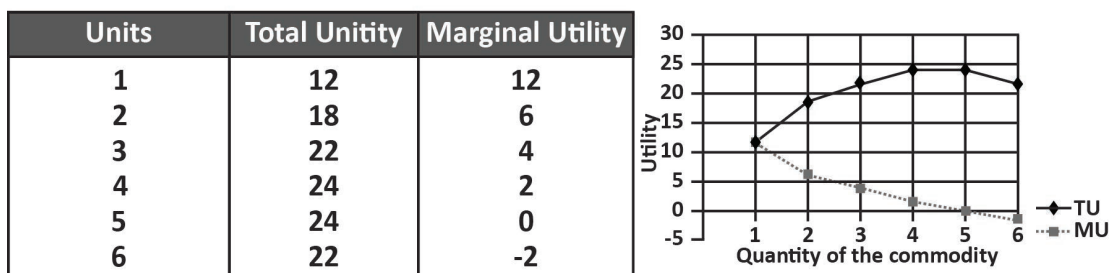
### Marginal Utility

- Marginal utility (MU) is the **change in total utility** due to consumption of **one additional unit** of a commodity.
- As the **consumption** of a commodity **increases**, the **marginal utility diminishes**.
- This decline occurs because as the consumer acquires more of the commodity, the satisfaction or **desire for additional units weakens**.

### LAW OF DIMINISHING MARGINAL UTILITY

- Law of Diminishing Marginal Utility states that marginal utility from consuming each additional unit of a commodity declines as its consumption increases, while keeping consumption of other commodities constant.

Law of Diminishing Marginal Utility



- In above figure, we can see that MU becomes zero at a level when TU remains constant. In the example, TU does not change at 5th unit of consumption and therefore  $MU_5 = 0$ . Thereafter, TU starts falling and MU becomes negative.

## ORDINAL UTILITY ANALYSIS

### Indifference Curve:

- Consumers rank different consumption bundles based on their preference. Ordinal utility analysis is based on