CBSE NCERT · Class 12 · Economics

Economics

ORIGINAL STUDY COMPANION
PADIKAM
CLASS 12 | COMMERCE / HUMANITIES
Economics
CBSE / NCERT core lessons | Academic year 2026-27
14 chapter lessons
Quick explanations, core points, exam practice and chapter-specific notation in one consistent format.
Padikam explanations are independently written. Official textbooks are used as the coverage map, chapter sequence and terminology reference.

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Study rhythm
Read the quick explanation, recall the core points aloud, then answer the prompts without looking back. Use the official textbook links for full prescribed readings, activities and diagrams.
Textbook and verification links
1. https://cbseacademic.nic.in/web_material/CurriculumMain27/SecPart2/Economics_SecP2_2026-27.pdf
2. https://ncert.nic.in/textbook.php
3. https://cbseacademic.nic.in/curriculum_2027.html

CHAPTER 01
Macroeconomics: National Income and Related Aggregates
Quick understanding
National income accounting measures economy-wide production and income while preventing double counting.
Core points Check your learning
Final and intermediate goods depend on use, not physical appearance. Explain the central idea of Macroeconomics: National Income and Related Aggregates in your own words.

Value-added, income and expenditure methods
should be consistent. Apply one idea from Macroeconomics:
National Income and Related Aggregates
Real aggregates separate output change from price
to a textbook-style example or source.
change.
Equation and notation
GDP = C + I + G + (X - M)
NDP = GDP - Depreciation
GDP deflator = (Nominal GDP / Real GDP) × 100
SYMBOLS AND UNITS
GDP, C, I, G, X, M and NDP: currency amounts per Depreciation: currency amount per period
period
GDP deflator: index number
One-line recall Final and intermediate goods depend on use, not physical appearance.
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CHAPTER 02
Macroeconomics: Money and Banking
Quick understanding
Money supports exchange and banks connect deposits, lending and central-bank monetary control.
Core points Check your learning
Money supply includes currency with the public and Explain the central idea of
defined deposits. Macroeconomics: Money and Banking in
your own words.
Commercial banks create deposits within reserve
constraints. Apply one idea from Macroeconomics:
Money and Banking to a textbook-style
The RBI uses rates, reserves and market operations
example or source.
to influence credit.
Equation and notation
Simple money multiplier = 1 / Reserve ratio
SYMBOLS AND UNITS
Reserve ratio: dimensionless fraction Money multiplier: dimensionless
One-line recall Money supply includes currency with the public and defined deposits.
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CHAPTER 03
Macroeconomics: Determination of Income and
Employment
Quick understanding
Short-run equilibrium output occurs where planned aggregate demand equals production.
Core points Check your learning
MPC plus MPS equals one. Explain the central idea of
Macroeconomics: Determination of
Autonomous spending can create a multiplied output
Income and Employment in your own
change.
words.
Excess and deficient demand call for different fiscal
Apply one idea from Macroeconomics:
or monetary responses.
Determination of Income and
Employment to a textbook-style example

or source.
Equation and notation
Y = C + I
C = C + cY
k = 1 / (1 - MPC) = 1 / MPS
SYMBOLS AND UNITS
Y, C, I and C̄ : currency amounts per period c or MPC and MPS: dimensionless proportions
k: multiplier, dimensionless
One-line recall MPC plus MPS equals one.
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CHAPTER 04
Macroeconomics: Government Budget and the Economy
Quick understanding
Government budgets classify receipts and expenditure and pursue allocation, redistribution and stability.
Core points Check your learning
Revenue and capital items differ by effects on assets and liabilities.
Deficits answer different fiscal questions.
Apply one idea from Macroeconomics: Government Budget and the Economy to a textbook-style example or source.
Abudget can influence demand, growth and equity.
Explain the central idea of Macroeconomics: Government Budget and the Economy in your own words.
Equation and notation
Revenue deficit = Revenue expenditure - Revenue receipts
Fiscal deficit = Total expenditure - Total non-debt receipts
Primary deficit = Fiscal deficit - Interest payments
SYMBOLS AND UNITS
All budget values: currency amount per financial year
One-line recall Revenue and capital items differ by effects on assets and liabilities.
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CHAPTER 05
Macroeconomics: Balance of Payments
Quick understanding
The balance of payments records transactions with the rest of the world and links them with exchange-rate systems.
Core points Check your learning
Current-account and capital/financial flows are distinct.
Flexible rates respond to currency demand and supply.
Managed floating combines market movement with intervention.
Apply one idea from Macroeconomics: Balance of Payments to a textbook-style example or source.
Explain the central idea of Macroeconomics: Balance of Payments in your own words.
Equation and notation
Balance of trade = Exports of goods - Imports of goods
SYMBOLS AND UNITS
Exports, imports and balance: currency amount per period
Exchange rate: units of one currency per unit of another

One-line recall Current-account and capital/financial flows are distinct.
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CHAPTER 06
Indian Economy on the Eve of Independence
Quick understanding
Colonial rule left India with low productivity, limited industrialisation, weak social indicators and externally oriented infrastructure.
Core points Check your learning
Agriculture supported most people under exploitative Explain the central idea of Indian institutions. Economy on the Eve of Independence in your own words.
Modern industry remained narrow.
Apply one idea from Indian Economy on
Railways and ports served colonial priorities while the Eve of Independence to a textbook-creating later possibilities.
style example or source.
One-line recall Agriculture supported most people under exploitative institutions.
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CHAPTER 07
Indian Economy 1950-1990
Quick understanding
Early planning pursued growth, modernisation, self-reliance and equity through a mixed economy.
Core points Check your learning
Land reform and the Green Revolution changed Explain the central idea of Indian agriculture unevenly. Economy 1950-1990 in your own words.
Public-sector leadership supported heavy industry. Apply one idea from Indian Economy 1950-1990 to a textbook-style example
Trade protection encouraged domestic production or source.
but also reduced competitive pressure.
One-line recall Land reform and the Green Revolution changed agriculture unevenly.
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CHAPTER 08
Liberalisation, Privatisation and Globalisation
Quick understanding
The 1991 reforms changed regulation, public-private roles and international integration in response to crisis and longer-term policy debate.
Core points Check your learning
Liberalisation reduced selected controls. Explain the central idea of Liberalisation, Privatisation and Globalisation in your
Privatisation increased the role of private ownership own words.
or management.
Apply one idea from Liberalisation,
Globalisation expanded cross-border economic links Privatisation and Globalisation to a
with uneven outcomes.
textbook-style example or source.
One-line recall Liberalisation reduced selected controls.
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CHAPTER 09
Human Capital Formation
Quick understanding
Education, health and skill investment expand people’s productive capabilities and freedoms.
Core points Check your learning
Human capital can raise productivity and innovation. Explain the central idea of Human Capital Formation in your own words.
Public investment addresses unequal access and wider social benefits. Apply one idea from Human Capital Formation to a textbook-style example or source.
Brain drain and brain gain depend on mobility and opportunity.
One-line recall Human capital can raise productivity and innovation.
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CHAPTER 10
Rural Development
Quick understanding
Rural development combines livelihoods, credit, marketing, infrastructure, diversification and sustainable resource use.
Core points Check your learning
Institutional credit can reduce dependence on exploitative lending.
Explain the central idea of Rural Development in your own words.
Cooperatives and self-help groups organise collective capacity.
Apply one idea from Rural Development to a textbook-style example or source.
Diversification and organic farming have benefits and constraints.
One-line recall Institutional credit can reduce dependence on exploitative lending.
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CHAPTER 11
Employment: Growth, Informalisation and Other Issues
Quick understanding
Employment analysis distinguishes participation, status, sector and security rather than counting any activity as equal work.
Core points Check your learning
Worker-population ratio gives one participation measure.
Explain the central idea of Employment: Growth, Informalisation and Other Issues in your own words.
Informal work often lacks protection and stable contracts.
Apply one idea from Employment: Growth, Informalisation and Other Issues to a textbook-style example or source.
Growth can occur without sufficient quality employment.
Equation and notation
Worker-population ratio = Workers / Population × 100
SYMBOLS AND UNITS
Workers and population: number of persons Ratio: percent
One-line recall Worker-population ratio gives one participation measure.
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CHAPTER 12

Environment and Sustainable Development

Quick understanding

Sustainable development asks how economic improvement can continue without exhausting ecological systems or shifting harm unfairly.

Core points Check your learning

The environment supplies resources and absorbs waste within limits.

Market prices often omit external costs.

Renewable energy, efficiency and regulation work together.

One-line recall The environment supplies resources and absorbs waste within limits.

Explain the central idea of Environment and Sustainable Development in your own words.

Apply one idea from Environment and Sustainable Development to a textbook-style example or source.

CHAPTER 13

Comparative Development: India and Neighbours

Quick understanding

Comparing India, China and Pakistan reveals different policy paths and outcomes in growth, population, sector change and human development.

Core points Check your learning

Use comparable years and indicators.

A higher GDP does not automatically mean better distribution or health.

Historical and institutional context matters.

One-line recall Use comparable years and indicators.

Explain the central idea of Comparative Development: India and Neighbours in your own words.

Apply one idea from Comparative Development: India and Neighbours to a textbook-style example or source.

CHAPTER 14

Economics Project Work

Quick understanding

A strong economics project frames a question, gathers credible evidence and applies economic concepts to a defensible conclusion.

Core points Check your learning

Use a manageable question rather than a broad topic.

Record sources, definitions and units.

Explain limitations and avoid claiming more than the evidence supports.

One-line recall Use a manageable question rather than a broad topic.

Explain the central idea of Economics Project Work in your own words.

Apply one idea from Economics Project Work to a textbook-style example or source.