



# *Introductory Microeconomics*

**Textbook in Economics for Class XII**



12103

विद्यया ऽ मृतमश्नुते



एन सी ई आर टी  
NCERT

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# Foreword

THE National Curriculum Framework (NCF), 2005, recommends that children's life at school must be linked to their life outside the school. This principle marks a departure from the legacy of bookish learning which continues to shape our system and causes a gap between the school, home and community. The syllabi and textbooks developed on the basis of NCF signify an attempt to implement this basic idea. They also attempt to discourage rote learning and the maintenance of sharp boundaries between different subject areas. We hope these measures will take us significantly further in the direction of a child-centred system of education outlined in the National Policy of Education (1986).

The success of this effort depends on the steps that school principals and teachers will take to encourage children to reflect on their own learning and to pursue imaginative activities and questions. We must recognise that, given space, time and freedom, children generate new knowledge by engaging with the information passed on to them by adults. Treating the prescribed textbook as the sole basis of examination is one of the key reasons why other resources and sites of learning are ignored. Inculcating creativity and initiative is possible if we perceive and treat children as participants in learning, not as receivers of a fixed body of knowledge.

These aims imply considerable change in school routines and mode of functioning. Flexibility in the daily time-table is as necessary as rigour in implementing the annual calendar so that the required number of teaching days are actually devoted to teaching. The methods used for teaching and evaluation will also determine how effective this textbook proves for making children's life at school a happy experience, rather than a source of stress or boredom. Syllabus designers have tried to address the problem of curricular burden by restructuring and reorienting knowledge at different stages with greater consideration for child psychology and the time available for teaching. The textbook attempts to enhance this endeavour by giving higher priority and space to opportunities for contemplation and wondering, discussion in small groups, and activities requiring hands-on experience.

The National Council of Educational Research and Training (NCERT) appreciates the hard work done by the textbook development committee responsible for this book. We wish to thank the Chairperson of the advisory group in Social Sciences, at the higher secondary level, Professor Hari Vasudevan and the *Chief Advisor* for this book, Professor Tapas Majumdar, for guiding the work of this

committee. Several teachers contributed to the development of this textbook; we are grateful to their principals for making this possible. We are indebted to the institutions and organisations which have generously permitted us to draw upon their resources, materials and personnel. We are especially grateful to the members of the National Monitoring Committee, appointed by the Department of Secondary and Higher Education, Ministry of Human Resource Development, under the Chairpersonship of Professor Mrinal Miri and Professor G.P. Deshpande for their valuable time and contribution. As an organisation committed to systemic reform and continuous improvement in the quality of its products, NCERT welcomes comments and suggestions which will enable us to undertake further revision and refinements.

New Delhi  
20 November 2006

*Director*  
National Council of Educational  
Research and Training

## RATIONALISATION OF CONTENT IN THE TEXTBOOKS

In view of the COVID-19 pandemic, it is imperative to reduce content load on students. The National Education Policy 2020, also emphasises reducing the content load and providing opportunities for experiential learning with creative mindset. In this background, the NCERT has undertaken the exercise to rationalise the textbooks across all classes. Learning Outcomes already developed by the NCERT across classes have been taken into consideration in this exercise.

**Contents of the textbooks have been rationalised in view of the following:**

- Overlapping with similar content included in other subject areas in the same class
- Similar content included in the lower or higher class in the same subject
- Difficulty level
- Content, which is easily accessible to students without much interventions from teachers and can be learned by children through self-learning or peer-learning
- Content, which is irrelevant in the present context

This present edition, is a reformatted version after carrying out the changes given above.

# **THE CONSTITUTION OF INDIA**

## **PREAMBLE**

**WE, THE PEOPLE OF INDIA**, having solemnly resolved to constitute India into a <sup>1</sup>**[SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC]** and to secure to all its citizens :

**JUSTICE**, social, economic and political;

**LIBERTY** of thought, expression, belief, faith and worship;

**EQUALITY** of status and of opportunity; and to promote among them all

**FRATERNITY** assuring the dignity of the individual and the <sup>2</sup>[unity and integrity of the Nation];

**IN OUR CONSTITUENT ASSEMBLY** this twenty-sixth day of November, 1949 do **HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION.**

1. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Sovereign Democratic Republic" (w.e.f. 3.1.1977)
2. Subs. by the Constitution (Forty-second Amendment) Act, 1976, Sec.2, for "Unity of the Nation" (w.e.f. 3.1.1977)



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# Contents

Foreword	iii
<b>1. INTRODUCTION</b>	<b>1</b>
1.1 A Simple Economy	1
1.2 Central Problems of an Economy	2
1.3 Organisation of Economic Activities	4
1.3.1 The Centrally Planned Economy	4
1.3.2 The Market Economy	5
1.4 Positive and Normative Economics	6
1.5 Microeconomics and Macroeconomics	6
1.6 Plan of the Book	6
<b>2. THEORY OF CONSUMER BEHAVIOUR</b>	<b>8</b>
2.1 Utility	8
2.1.1 Cardinal Utility Analysis	9
2.1.2 Ordinal Utility Analysis	11
2.2 The Consumer's Budget	15
2.2.1 Budget Set and Budget Line	15
2.2.2 Changes in the Budget Set	17
2.3 Optimal Choice of the Consumer	19
2.4 Demand	21
2.4.1 Demand Curve and the Law of Demand	21
2.4.2 Deriving a Demand Curve from Indifference Curves and Budget Constraints	23
2.4.3 Normal and Inferior Goods	24
2.4.4 Substitutes and Complements	25
2.4.5 Shifts in the Demand Curve	25
2.4.6 Movements along the Demand Curve and Shifts in the Demand Curve	26
2.5 Market Demand	26
2.6 Elasticity of Demand	27
2.6.1 Elasticity along a Linear Demand Curve	29
2.6.2 Factors Determining Price Elasticity of Demand for a Good	31
2.6.3 Elasticity and Expenditure	31
<b>3. PRODUCTION AND COSTS</b>	<b>36</b>
3.1 Production Function	36
3.2 The Short Run and the Long Run	38
3.3 Total Product, Average Product and Marginal Product	39
3.3.1 Total Product	39
3.3.2 Average Product	39
3.3.3 Marginal Product	39

3.4 The Law of Diminishing Marginal Product and the Law of Variable Proportions	40
3.5 Shapes of Total Product, Marginal Product and Average Product Curves	41
3.6 Returns to Scale	42
3.7 Costs	43
3.7.1 Short Run Costs	43
3.7.2 Long Run Costs	48
<b>4. THE THEORY OF THE FIRM UNDER PERFECT COMPETITION</b>	<b>53</b>
4.1 Perfect Competition: Defining Features	53
4.2 Revenue	54
4.3 Profit Maximisation	56
4.3.1 Condition 1	56
4.3.2 Condition 2	56
4.3.3 Condition 3	57
4.3.4 The Profit Maximisation Problem: Graphical Representation	58
4.4 Supply Curve of a Firm	59
4.4.1 Short Run Supply Curve of a Firm	59
4.4.2 Long Run Supply Curve of a Firm	60
4.4.3 The Shut Down Point	61
4.4.4 The Normal Profit and Break-even Point	61
4.5 Determinants of a Firm's Supply Curve	62
4.5.1 Technological Progress	62
4.5.2 Input Prices	62
4.6 Market Supply Curve	63
4.7 Price Elasticity of Supply	65
<b>5. MARKET EQUILIBRIUM</b>	<b>71</b>
5.1 Equilibrium, Excess Demand, Excess Supply	71
5.1.1 Market Equilibrium: Fixed Number of Firms	72
5.1.2 Market Equilibrium: Free Entry and Exit	80
5.2 Applications	84
5.2.1 Price Ceiling	84
5.2.2 Price Floor	85
<i>Glossary</i>	88