



Economics

Grades XI-XII

FOR ANNUAL EXAMINATION 2023 AND ONWARDS

Published by
Aga Khan University Examination Board
Block - C, IED - PDC, 1-5/B-VII
Federal B. Area, Karimabad, Karachi, Pakistan.

Latest revision: August 2022
(This syllabus has been periodically revised in 2012 and 2017)

© The Aga Khan University Examination Board, 2022

All rights and entitlements reserved.

This syllabus is developed by Aga Khan University Examination Board for distribution to all its affiliated schools only. No part of this syllabus may be copied, reproduced or used for any other purpose whatsoever without prior written permission of the Aga Khan University Examination Board.

**Higher Secondary School Certificate
Examination Syllabus**

**ECONOMICS
GRADES XI-XII**

**This syllabus will be examined in both
Annual and Re-sit Examination sessions from
Annual Examinations 2023**

Table of Contents	Page No.
Preface	5
Understanding of AKU-EB Syllabi	7
Subject Rationale	8
Concept Map	10
Student Learning Outcomes	11
Scheme of Assessment	40
Acknowledgments	45

For queries and feedback

Address: Aga Khan University Examination Board
 Block - C, IED - PDC, 1-5/B-VII
 Federal B. Area, Karimabad, Karachi, Pakistan.
Phone: (92-21) 3682-7011
Fax: (92-21) 3682-7019
E-mail: examination.board@aku.edu
Website: <http://examinationboard.aku.edu>
Facebook: www.facebook.com/akueb

Preface

Established in 2002 through the Pakistan government's ordinance, the Aga Khan University Examination Board (AKU-EB) is country's first private autonomous qualification awarding body for secondary (SSC) and higher secondary (HSSC) school certifications. Its vision is to be a model of excellence and innovation in education in Pakistan and the developing world.

AKU-EB achieves its vision by developing examination syllabi which inculcate conceptual thinking and higher order learning and are aligned with National/ trans-provincial curricula and international standards. AKU-EB revises its syllabi periodically to support the needs of students, teachers and examiners.

The aims of the syllabus review of SSC and HSSC are to:

- Ensure continued compatibility with the goals of the trans-provincial curricula of Pakistan.
- Review the content for inclusion of new knowledge and deletion of obsolete knowledge.
- Review the content for clarity and relevance as per the changing needs of students, teachers and examiners.
- Enhance and strengthen continuation and progression of content both within and across grades IX - XII (SSC and HSSC).
- Ensure the readiness of students for higher education.

During the syllabus review, the needs of all the stakeholders were identified through a needs-assessment survey. Students and teachers of AKU-EB affiliated schools from across Pakistan participated in the survey. Thereafter, a revision panel, which consisted of examiners, teachers of affiliated and non-affiliated schools, teacher trainers and university academicians, reviewed and revised the syllabus following a planned, meticulous and standardised syllabi review process.

The syllabus is organised into topics and subtopics. Each subtopic is further divided into achievable student learning outcomes (SLOs). The SLOs of the cognitive domain are each assigned a cognitive level on which they have to be achieved. These cognitive levels are 'knowledge', 'understanding' and 'application', the latter also including other higher order skills. This is followed by the Exam Specification which gives clear guidance about the weightage of each topic and how the syllabus will be assessed.

The development of the revised syllabus has been made possible by the creativity and relentless hard work of Curriculum and Examination Development unit and the constant support provided by all the other units of AKU-EB. We are particularly thankful to Dr Sohail Qureshi for his very useful feedback on revising the syllabus review process, to Dr Naveed Yousuf for his continued guidance and support throughout the syllabus revision process and to Raabia Hirani for leading the syllabi revision. We are also thankful to all the students and teachers who took part in the needs-assessment survey and to the principals of AKU-EB affiliated schools who made this endeavour possible by facilitating and encouraging their teachers to be a part of the survey and the syllabus revision panel.

With your support and collective hard work, AKU-EB has been able to take the necessary steps to ensure effective implementation of the best international and trans-provincial standards through this syllabus. We are confident that this syllabus will continue to provide the support that is needed by students to progress to the next level of education and we wish the very best to our students and teachers in implementing this syllabus.



Dr Shehzad Jeeva

Chief Executive Officer (CEO), Aga Khan University Examination Board

Associate Professor of Practice, Faculty of Arts and Sciences, Aga Khan University

FOR ANNUAL EXAMINATION 2023 AND ONWARDS

Understanding of AKU-EB Syllabi

1. The AKU-EB syllabi guide the students, teachers, parents and other stakeholders regarding the topics that will be taught and examined in each grade (IX, X, XI and XII). In each syllabus document, the content progresses from simple to complex, thereby, facilitating a gradual, conceptual learning of the content.
2. The topics of the syllabi are divided into subtopics and **student learning outcomes (SLOs)**. The subtopics and the SLOs define the depth and the breadth at which each topic will be taught, learnt and examined. The syllabi also provide enabling SLOs where needed to scaffold student learning.
3. Each SLO starts with an achievable and assessable **command word** such as describe, relate, evaluate, etc. The purpose of the command words is to direct the attention of teachers and students to specific tasks that the students are expected to undertake in the course of their studies. The examination questions are framed using the same command words or their connotations to elicit evidence of these competencies in students' responses.
4. The topics of the syllabi are grouped into themes derived from the national/ trans-provincial curricula. The connection between various themes and topics is highlighted in the '**concept map**' provided at the beginning of each syllabus. This ensures that students begin to understand the interconnectedness of knowledge, learn conceptually and think critically.
5. The SLOs are classified under three **cognitive levels**: knowledge (K), understanding (U) and application and other higher order skills (A) for effective planning during teaching and learning. Furthermore, it will help to derive multiple choice questions (MCQs), constructed response questions (CRQs) and extended response questions (ERQs) on a rational basis from the subject syllabi.
6. By focusing on the achievement of the SLOs, these syllabi aim to counter the culture of rote memorisation as the preferred method of examination preparation. While suggesting relevant, locally available textbooks for achieving these outcomes, AKU-EB recommends that teachers and students use multiple teaching and learning resources for achieving these outcomes.
7. The syllabi follow a uniform layout for all subjects to make them easier for students and teachers to follow. They act as a bridge between students, teachers and assessment specialists by providing a common framework of student learning outcomes and **exam specifications**.
8. On the whole, the AKU-EB syllabi for Secondary School Certificate (SSC) provide a framework that helps students to acquire conceptual understanding and learn to critically engage with it. This lays a solid foundation for HSSC and beyond.

Subject Rationale of AKU-EB Economics

What will you learn in Economics?

Economics starts with the concept of scarcity and takes you forward to the maximum utilisation of resources in order to minimise scarcity. This becomes possible when one goes through the concepts of demand and supply. But the story doesn't end here; economics takes you forward with the concepts of money, business, stock market, production locally and internationally. This subject also takes on the responsibility of creating awareness about environmental issues, globalisation, sustainable development and how an individual takes part in the process.

Economics helps in creating a wider horizon, as the study of the subject helps them to investigate multiple problems and develop long lasting critical thinking and decision making skills, which will improve the quality of their life experiences.

Where will it take you?

Economics enables an individual not only in understanding economic issues but also take decision impacting their everyday life and society in general. It provides tools which enables a person to make informed decisions about financial investments.

Further more studying economics provides an opportunity to excel in a variety of fields including businesses, accounting and finance, media, law, marketing, employment relations, tourism, history, geography or environmental studies.

The AKU-EB economics syllabi cover both major aspects of economics, i.e. microeconomics and macroeconomics. Topics regarding microeconomics are mostly covered in SSC part 1 and HSSC part 1 where students will look at the working of the market mechanism in relation to a particular market, for example commodities, labour or stock market. Whereas SSC part 2 and HSSC part 2 enable the students to conceptualise macroeconomics, i.e. the main macroeconomic policy instruments, and enable them to predict the possible impact of such policies and to recognise the assumptions involved. It also includes comparisons of economic measures between developed and developing countries. It enables students to draw on an international context, be aware of the assumption of the basic model of supply and demand and understand why supply-side and/ or demand-side policies may be seen as appropriate ways of managing an economy. It guides in developing an understanding of the range of ways in which markets may fail and understand the implications of market failure for individuals, firms and government.

How to approach the syllabus?

The concept map of the syllabus gives an overview of the entire syllabus. The topics and the student learning outcomes (SLOs) guide regarding the details about what has to be achieved. And finally, the exam specification guides regarding what will be expected in the examination.

What is the concept map telling you?

Economics is the science of wealth – its production, exchange, consumption and distribution. The concept map of AKU-EB Principles of Economics uses a book to represent the aspects of this ‘science of wealth’ – household (individual aspect) and world (overall aspect).

As this subject comprises of two main branches, micro and macroeconomics, this has been reflected in the trunk of the tree. This tree further divides into branches and sub-branches, grouping together the closely connected ideas of economics represented by the leaves.

The theme of microeconomics caters to the issues and affairs related to household or a firm regarding their needs and wants with reference to available resources, price mechanism and market structure.

Macroeconomics caters to the issues and affairs related to a country or an economy. It addresses various economic issues like consumption of national income, unemployment, inflation, international trade, policies, economic growth and development.

Both these themes are linked as one affects the other, especially in terms of economic systems and balance of trade. Thus these components lie in the middle of the tree.

ECONOMICS

CONCEPT MAP - HSSC I & II



© AGA KHAN UNIVERSITY EXAMINATION BOARD

Student Learning Outcomes of AKU-EB HSSC Economics Syllabus

Part I (Grade XI)

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level ¹		
			K	U	A
1. Nature and Scope of Economics	Students should be able to:				
1.1 Introduction of Economics	1.1.1	define economics;	*		
	1.1.2	explain economics using definitions given by Adam Smith, Alfred Marshall and Lionel Robbins;		*	
	1.1.3	explain the merits and demerits of Adam Smith, Alfred Marshall and Lionel Robbins's definition;		*	
	1.1.4	differentiate between positive and normative economics;		*	
1.2 Scope of Economics	1.2.1	explain the significance and scope of economics;		CA ²	
	1.2.2	describe the educational and practical value of studying economics;		CA	
1.3 Some Basic Concepts and Definitions	1.3.1	define goods, commodities and services;	*		
	1.3.2	define the terms of scarcity and resource;	*		
	1.3.3	differentiate between goods and commodities;		*	
	1.3.4	describe economic and non-economic wants with respect to their characteristics;		*	
	1.3.5	identify economic and non-economic goods;		*	
1.4 Branches of Economics	1.4.1	differentiate between microeconomics and macroeconomics;		*	
	1.4.2	define a. descriptive economics b. theoretical economics c. policy economics;	*		

¹ K = Knowledge, U = Understanding, A= Application and other higher-order cognitive skills.

² CA=Classroom Activity, not to be assessed under examination conditions

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
	Students should be able to:				
1.5 Economic Systems	1.5.1	define the term ‘economic system’;	*		
	1.5.2	explain characteristics (features) of mixed economy, command economy, market economy and Islamic economic system;		*	
	1.5.3	compare mixed economy, command economy, market economy and Islamic economic system with reference to their merits and demerits to an economy.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
2. Consumer Behaviour and its Analysis	Students should be able to:				
2.1 Consumer Behaviour	2.1.1	define consumer behaviour;	*		
	2.1.2	explain the rationale of consumer behaviour;		*	
2.2 Utility	2.2.1	define utility;	*		
	2.2.2	explain the characteristics of utility;		*	
	2.2.3	differentiate between marginal utility and total utility;		*	
	2.2.4	draw graphs to show the relationship between marginal utility and total utility;			*
	2.2.5	prove the law of diminishing marginal utility with the help of a schedule and graph;			*
	2.2.6	explain the assumptions, limitations and practical importance of the law of diminishing marginal utility;		*	
2.3 Wealth	2.3.1	define the term wealth with reference to economics;	CA		
	2.3.2	explain the characteristics of wealth;		*	
	2.3.3	describe the kinds of wealth, i.e. individual wealth, public wealth, national wealth and international wealth;		*	
2.4 Consumer Theory and Indifference Curve	2.4.1	analyse the indifference curve approach using graph and schedule;			*
	2.4.2	describe the assumptions and properties of the indifference curve;		*	
	2.4.3	explain the concept of the marginal rate of substitution (MRS);		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
	Students should be able to:				
2.5 Budget Line	2.5.1	define the meaning of budget line;	*		*
	2.5.2	illustrate graphically consumer's budget line with reference to consumer's income and price of goods showing different combinations;			
	2.5.3	interpret consumer equilibrium using graph, data schedule (hypothetic) and formula;			*
	2.5.4	interpret income and substitution effect of a price change on a budget line.			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
3. Basic Tools of Statistics and Mathematics in Economics	Students should be able to:				
3.1 Variable and Constant	3.1.1	define variable and constant;	*		
	3.1.2	differentiate between continuous and discrete variable;		*	
	3.1.3	differentiate between independent and dependent variables;		*	
	3.1.4	define function;	*		
	3.1.5	draw the graph of different functions (i.e. demand supply consumption investment, saving);			*
3.2 Mathematical Equations and its Implications	3.2.1	define equation and its types (i.e. linear, non-linear and simultaneous);	*		
	3.2.2	identify coefficient, power and degree of equation;		*	
	3.2.3	differentiate between linear and non-linear equations;		*	
	3.2.4	solve word problems related to linear; non-linear and simultaneous equations;			*
	3.2.5	explain the concept of slope with reference to mathematical equations;		*	
	3.2.6	differentiate between mathematical statement and equation;		*	
	3.2.7	apply the linear, non-linear and simultaneous equations on different economic concepts and scenario (i.e. demand, supply and price determination)			*
3.3 Statistical Data	3.3.1	explain data and its kinds (primary and secondary data);		*	
	3.3.2	explain the methods of collection and tabulation of data.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
4. Demand	Students should be able to:				
4.1 Concept of Demand	4.1.1	describe the term demand with reference to everyday life;		*	
	4.1.2	differentiate between individual and market demand;		*	
	4.1.3	differentiate between economic concept of demand, desire and need;		*	
	4.1.4	draw the individual and market demand curves;			*
4.2 Law of Demand	4.2.1	state the law of demand;	*		
	4.2.2	explain the assumptions of the law of demand;		*	
	4.2.3	prove graphically the interpretations of the law of demand;			*
	4.2.4	analyse the practical importance/ application of the law of demand in daily life;			*
4.3 Shifting Factors of Demand Curve	4.3.1	show the change in quantity demanded and change in demand with the help of graph;			*
	4.3.2	identify the shifting factors of the demand curve;		*	
4.4 Elasticity of Demand	4.4.1	define elasticity;	*		
	4.4.2	explain the concept of price elasticity, point elasticity, arc elasticity, income elasticity and cross price elasticity of demand with definitions, formulas and features (characteristics);		*	
	4.4.3	calculate the price elasticity, point elasticity, arc elasticity, income elasticity and cross price elasticity of demand with the help of their formulas;			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
	Students should be able to:				
	4.4.4	show graphically the elastic, inelastic, perfectly elastic, inelastic and perfectly inelastic demand curve (i.e. degrees of elasticity of demand);			*
	4.4.5	describe determinants of the elasticity (i.e. price, income and cross price);		*	
	4.4.6	analyse the practical importance of the elasticity of demand.			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
5. Supply	Students should be able to:				
5.1 Meaning of Supply	5.1.1	differentiate between supply and stock;		*	
5.2 Law of Supply	5.2.1	state the law of supply;	*		
	5.2.2	explain the assumptions of the law of supply;		*	
	5.2.3	prove graphically the interpretations of the law of supply;			*
	5.2.4	analyse the practical importance of the law of supply/ application of the law of supply in daily life;			*
5.3 Time Element of Supply	5.3.1	differentiate between short run and long run supply curves;		*	
5.4 Shifting Factors of Supply	5.4.1	differentiate between change in quantity supplied and change in supply with graphical presentation;		*	
	5.4.2	identify the shifting factors of supply curve;		*	
5.5 Elasticity of Supply	5.5.1	define the price elasticity of supply;	*		
	5.5.2	calculate the price elasticity of supply;			*
	5.5.3	show graphically the elastic, inelastic, perfectly elastic, inelastic and perfectly inelastic supply curve (i.e. degree of elasticity of supply);			*
	5.5.4	analyse the practical importance of elasticity of supply.			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
6. Market Equilibrium and Price Determination	Students should be able to:				
6.1 Market Equilibrium	6.1.1	define equilibrium point;	CA		
	6.1.2	illustrate through graphical representation the equilibrium price and quantity through demand and supply using hypothetical data (schedule);			*
	6.1.3	illustrate the diagrammatic representation of the new equilibrium price with reference to: a. output by affects of change in supply and demand b. output due to change in elasticity of demand and supply;			*
	6.1.4	determine the new equilibrium price and output by affects of change in supply and demand (through graph and schedule);			*
	6.1.5	determine the new equilibrium price and output due to change in elasticity of demand and supply (through graph and schedule);			*
6.2 Mathematics of Market Equilibrium	6.2.1	compute the value of price and output by simultaneous equation method.			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
7. Theory of Production and Factors of Production	Students should be able to:				
7.1 Production	7.1.1 7.1.2 7.1.3	define production; differentiate between production of goods and services; explain the importance of production;	CA	* *	
7.2 Factors of Production	7.2.1 7.2.2 7.2.3 7.2.4 7.2.5 7.2.6	define the factors of production; differentiate between land, labour, capital and entrepreneur; explain the characteristics of factors of production; explain the relative importance of factors of production; define forms and features of capital; identify the factors that influences productivity and efficiency of factors of production;	CA *	* * * *	
7.3 Labour Force	7.3.1 7.3.2 7.3.3 7.3.4	define labour force; define unemployment; explain the kinds of unemployment and reasons for their existence; calculate the rate of unemployment;	* *	*	*
7.4 Capital Formation	7.4.1 7.4.2	explain capital formation; analyse the causes of low capital formation in Pakistan.		*	*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
8. Cost of Production	Students should be able to:				
8.1 Cost	8.1.1	define cost of production;	*		
	8.1.2	differentiate between implicit and explicit cost of production;		*	
8.2 Short Run and Long Run Cost Curves	8.2.1	define total cost (TC), average cost (AC), variable cost (VC), fixed cost (FC), marginal cost (MC), average fixed cost (AFC) and average variable cost (AVC);	*		
	8.2.2	illustrate the relationship among the curves of TC, AC, VC, FC, MC, AFC and AVC curves with respect to output using graphs and hypothetical data schedule;			*
	8.2.3	derive long run MC and AC from short run MC and AC;			*
8.3 Economies and Diseconomies of Scale	8.3.1	elaborate internal and external economies and diseconomies of scale and its affects on cost of production.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
9. Scale of Production and Laws of Returns	Students should be able to:				
9.1 Scale of Production	9.1.1	explain marginal product (MP), average product (AP) and total product (TP) of labour and capital;		*	
	9.1.2	illustrate the relationship among the curves of TP, AP and MP of labour and capital using graphs and hypothetical data schedule;			*
	9.1.3	define scale of production;	*		
	9.1.4	differentiate between small scale and large scale production;		*	
	9.1.5	explain different determinants of small scale and large scale production;		*	
	9.1.6	discuss merits and demerits of the small and large scale production;		*	
9.2 Laws of Returns or Laws of Production	9.2.1	define increasing return, decreasing return and constant return to scale;	*		
	9.2.2	interpret graphs with reference to the law of increasing return, decreasing return and constant returns to scale;			*
	9.2.3	explain the assumptions of the laws of returns or laws of production.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
10. Revenue Analysis	Students should be able to:				
10.1 Concept of Revenues	10.1.1	define total revenue (TR), marginal revenue (MR) and average revenue (AR);	*		
	10.1.2	differentiate between TR, MR and AR under perfect competition and monopoly;		*	
	10.1.3	analyse the relationship among the graphical TR, AR and MR curves;			*
10.2 Price and Output	10.2.1	determine the level of profit maximising output under perfect competition and monopoly using graphs.			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
11. Market	Students should be able to:				
11.1 Concept of Market	11.1.1	define the term market;	*		
	11.1.2	explain different kinds of market with reference to time, place, competition and commodity;		*	
	11.1.3	differentiate between perfectly competitive market and monopoly with respect to their assumptions;		*	
	11.1.4	illustrate supply and demand curves under perfect competition and monopoly;			*
11.2 Equilibrium of a Firm	11.2.1	determine the equilibrium of the firm under perfect competition and monopoly with the help of a graph (short run and long run);			*
	11.2.2	distinguish between the concept of firm and Industry;		*	
11.3 Profit and Loss	11.3.1	illustrate through graphical representation the area of profit under perfect competition and monopoly with the help of a hypothetical data;			*
	11.3.2	differentiate between normal and abnormal profit;		*	
	11.3.3	illustrate through graphical representation the shutdown and breakeven points under perfect competition.			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
12. Factor Pricing	Students should be able to:				
12.1 Rent	12.1.1 define the economic term 'rent'; 12.1.2 explain the kinds of rent i.e. a. gross rent b. economic rent c. scarcity rent d. differential rent e. contractual rent; 12.1.3 differentiate between nominal rent and real rent; 12.1.4 differentiate between rent and price; 12.1.5 describe determination of rent;		*	*	
12.2 Theories of Rent	12.2.1 explain the Ricardian Theory of Rent; 12.2.2 discuss the criticism on Ricardian Theory of Rent; 12.2.3 explain the modern theory of rent and its features;			*	
12.3 Wages	12.3.1 define the term 'wages'; 12.3.2 explain the kinds of wages i.e. a. piece wage b. time wage c. cash wage d. wage in kind e. contract wage; 12.3.3 differentiate nominal wage and real wage; 12.3.4 describe the determination of wage; 12.3.5 illustrate graphically the marginal productivity theory of labour with the help of a hypothetical data or schedule;		*	*	*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
	Students should be able to:				
12.4 Interest	12.4.1	define the term 'interest';	*		
	12.4.2	explain the kinds of interest, i.e. net interest and gross interest;		*	
12.5 Profit	12.5.1	define the term 'profit';	*		
	12.5.2	differentiate between profit and interest.		*	

Part II (Grade XII)

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
13. Introduction to Macroeconomics	Students should be able to:				
13.1 Basic Concept of Macroeconomics	13.1.1	define macroeconomics;	*		
	13.1.2	discuss the objectives of the study of macroeconomics;		*	
	13.1.3	discuss the key macroeconomic issues (i.e. production, employment, inflation and interest rate);		*	
13.2 School of Thoughts	13.2.1	describe the key features of Classical, Keynesian and Monetarist Schools of thought.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
14. National Income	Students should be able to:				
14.1 National Income Account	14.1.1	define national income;	*		
	14.1.2	differentiate among gross domestic product (GDP), gross national product (GNP), net national product (NNP), national income (NI), personal income (PI), and disposable income (DI);		*	
	14.1.3	calculate GDP, GNP, NNP, NI, PI, DI and per capita income;			*
	14.1.4	explain the circular flow of the national income of an economy with the help of a chart;		*	
14.2 Measurement of National Income	14.2.1	explain the three approaches of measuring national income, i.e. product approach, income approach and expenditure approach;		*	
	14.2.2	analyse the problems in measuring national income;			*
	14.2.3	differentiate between GDP at market price (nominal) and GDP at factor cost (real);		*	
	14.2.4	discuss the importance of measuring national income, i.e. GDP, GNP and per capita income in an economy;		*	
14.3 Consumption, Investment and Saving	14.3.1	define the terms: a. consumption b. investment c. saving;	*		
	14.3.2	calculate the marginal propensity to consume (MPC) and marginal propensity to save (MPS) with graphical illustration;			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
	Students should be able to:				
14.4 Concept of Equilibrium (in Two Sector Economy)	14.4.1	define aggregate demand (AD) and aggregate supply (AS);	*		
	14.4.2	analyse through diagrammatic illustration the equilibrium point with the help of aggregate demand and aggregate supply curves and simultaneous equations;			*
	14.4.3	analyse through diagrammatic illustration the equilibrium point with the help of saving and investment curves and simultaneous equations.			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
15. Money	Students should be able to:				
15.1 Barter System	15.1.1	define the meaning of barter system;	*		
	15.1.2	explain the difficulties of barter system;		*	
15.2 Money and its Functions	15.2.1	define money;	*		
	15.2.2	explain the evolution of money from barter system to bank money;		*	
	15.2.3	explain the functions of money;		*	
	15.2.4	identify the forms of money with the help of examples;		*	
	15.2.5	explain the qualities of good money;		*	
15.3 Value of Money	15.3.1	explain the value of money;		*	
	15.3.2	explain the quantity theory of money (Fisher's Equation);		*	
	15.3.3	calculate the price level by using the quantity theory of money;			*
	15.3.4	differentiate between inflation and deflation;		*	
	15.3.5	explain the causes and consequences of inflation in Pakistan;		*	
15.4 Demand and Supply of Money	15.4.1	explain the THREE motives of demand for money.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
16. Banks and Banking in Pakistan	Students should be able to:				
16.1 Introduction of Banks	16.1.1	define the meaning of bank;	*		
	16.1.2	explain the importance of bank in economic development;		*	
	16.1.3	explain the kinds of banks;		*	
16.2 Commercial Bank	16.2.1	explain the functions of commercial bank;		*	
	16.2.2	explain the process of credit creation with an example;		*	
	16.2.3	explain the role of commercial banks in Pakistan;		*	
16.3 Central Bank of Pakistan	16.3.1	describe the key functions of the central bank of Pakistan;		*	
	16.3.2	analyse the role of the State Bank of Pakistan in economic development;			*
16.4 Money and Capital Market	16.4.1	differentiate between money and capital market;		*	
	16.4.2	define e-Commerce.	*		

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
17. Public Finance	Students should be able to:				
17.1 Public and Private Finance	17.1.1	explain public and private finance;		*	
	17.1.2	differentiate between current and development expenditures;		*	
	17.1.3	explain the advantages of development expenditures/ economics development for the welfare of the people;		*	
	17.1.4	differentiate between public and private goods;		*	
17.2 Externalities	17.2.1	define externalities;	*		
	17.2.2	differentiate between positive and normative externalities;		*	
	17.2.3	determine the solution for externalities;			*
17.3 Taxation	17.3.1	define indirect and direct taxes;	*		
	17.3.2	differentiate between tax and non-tax revenues;		*	
	17.3.3	analyse the advantages and disadvantages of direct and indirect taxes;			*
	17.3.4	explain the classification of taxes (tax structure), i.e. a. progressive b. regressive c. proportional;		*	
	17.3.5	explain the principles of taxation;		*	
	17.3.6	analyse tax structure with reference to its merit and demerits;			*

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
	Students should be able to:				
17.4 Public Finance of Pakistan	17.4.1	explain the function of federal board of revenue (FBR), previously known as central board of revenue (CBR);		*	
	17.4.2	calculate the share of direct and indirect taxes in the total tax revenue of Pakistan;			*
	17.4.3	identify the key heads of the federal and provincial expenditures in the budget of Pakistan;		*	
17.5 Zakat, Ushr and Charity	17.5.1	define Zakat, Ushr and Charity;	*		
	17.5.2	explain the significance of Zakat and Ushr for the welfare of people;		*	
	17.5.3	differentiate between Zakat and Charity.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
18. International Trade	Students should be able to:				
18.1 Basic Concept	18.1.1	differentiate between domestic and foreign trade;		*	
	18.1.2	explain the advantages and disadvantages of international trade;		*	
	18.1.3	explain the component of balance of payment;		*	
	18.1.4	differentiate between balance of payment and balance of trade;		*	
	18.1.5	analyse the consequences of balance of payment deterioration on domestic economy;			*
18.2 Theories of International Trade	18.2.1	explain the classical theories of international trade i.e. absolute and comparative advantages of trade;		*	
	18.2.2	discuss the role of Economic Cooperation Organisation (ECO), South Asian Association for Regional Cooperation (SAARC), World Trade Organization (WTO) and Multinational Corporation (MNC) in international trade;		*	
18.3 International Trade with respect to Pakistan	18.3.1	classify the exports and imports of different sectors of Pakistan;		*	
	18.3.2	identify the major exports of Pakistan during the last five years;		*	
	18.3.3	identify the major imports of Pakistan during the last five year;		*	
	18.3.4	define the term 'foreign exchange rate'.	*		

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
19. Economic System of Islam	Students should be able to:				
19.1 Basic Concept	19.1.1	define Islamic economic system;	*		
	19.1.2	describe the basic characteristics and instruments of an Islamic economic system;		*	
	19.1.3	explain the terms i.e. a. equality (<i>Masawat</i>), b. justice (<i>Adal</i>), c. goodness and good deeds (<i>Amal-e-Salah</i>), d. beneficence (<i>Ihsaan</i>) with reference to Islamic economic system;		*	
19.2 Islamic Banking	19.2.1	define the term 'interest rate';	*		
	19.2.2	explain interest free banking in Pakistan;		*	
	19.2.3	explain the advantages of interest free banking;		*	
	19.2.4	compare among a. capitalism (free market economy), b. socialism (planned economy), c. mixed economy, d. Islamic economic system.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
20. Introduction to Pakistan's Economy	Students should be able to:				
20.1 Sectors of Pakistan's Economy	20.1.1	define the term economy;	*		
	20.1.2	describe the different sectors of Pakistan's economy and their performance i.e. agriculture, services, health, education and industrial sector;		*	
20.2 Agriculture and Industry	20.2.1	identify the problems which are faced by Pakistan's agricultural sector;		*	
	20.2.2	suggest solutions for the problems of agriculture sector of Pakistan;			*
	20.2.3	identify the problems of Pakistan's industrial sector;		*	
	20.2.4	suggest solutions for the problems of industrial sector of Pakistan;			*
	20.2.5	analyse the performance of the major export oriented industries in the economic growth of Pakistan;			*
20.3 Stock Exchange	20.3.1	explain the function of stock exchange in Pakistan.		*	

Topics and Sub-topics	Student Learning Outcomes	Cognitive Level		
		K	U	A
21. Economic Development and Planning	Students should be able to:			
21.1 Growth and Development	21.1.1 define the term economic growth; 21.1.2 differentiate between economic growth and development; 21.1.3 analyse the obstacles in the economic development of Pakistan; 21.1.4 explain the key indicators for economic development of an economy (i.e. poverty, per capita income, GDP and unemployment); 21.1.5 analyse the causes and consequences of low per capita income, poverty and unemployment; 21.1.6 suggest ways to solve the problems of low per capita income, poverty and unemployment;	*	*	*
21.2 Human Development Index	21.2.1 define human development index (HDI); 21.2.2 explain the methods for improving human development index (HDI);	*	*	
21.3 Economic Planning	21.3.1 define economic planning; 21.3.2 explain the importance of economic planning.	*	*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
22. Communication	Students should be able to:				
22.1 Communication and its Significance	22.1.1	describe the means of communication in Pakistan;		*	
	22.1.2	discuss the major means of communication in Pakistan with reference to its importance to trade and commerce (i.e. airports, seaports, dry ports, railways, highways);		*	
	22.1.3	discuss the significance of means of communication in the economic growth and economic development of Pakistan;		*	
22.2 Modern Means of Communication	22.2.1	describe the modern means of communication;		*	
	22.2.2	discuss the role of computer and information technology in the development of a country.		*	

Topics and Sub-topics	Student Learning Outcomes		Cognitive Level		
			K	U	A
23. Human Resource	Students should be able to:				
23.1 Concept of Human Resource	23.1.1	discuss reasons of high population growth in Pakistan;		*	
	23.1.2	discuss the problems caused by high population growth;		*	
	23.1.3	suggest ways to overcome the problems caused by population growth;			*
	23.1.4	construct the distribution of population in a tabular form with respect to different attributes i.e. age, gender, occupation etc.;			*
23.2 Labour Force	23.2.1	define labour force;	*		
	23.2.2	explain the characteristics of labour;		*	
	23.2.3	explain labour productivity;		*	
	23.2.4	describe the factors affecting the productivity of labour;		*	
	23.2.5	discuss the methods of improving labour productivity;		*	
23.3 Unemployment	23.3.1	define unemployment;	*		
	23.3.2	describe the kinds of unemployment;		*	
	23.3.3	calculate the rate of unemployment by using formula;			*
23.4 Labour Mobility	23.4.1	define labour mobility;	*		
	23.4.2	discuss the factors affecting labour mobility.		*	

Scheme of Assessment

Grade XI

Table 1: Number of Student Learning Outcomes by Cognitive level

Topics No.	Topics	No of Sub-Topics	SLOs			Total
			K	U	A	
1.	Nature and Scope of Economics	5	5	9	0	14
2.	Consumer Behaviour and its Analysis	5	3	8	6	17
3.	Basic Tools of Statistics and Mathematics in Economics	3	3	8	3	14
4.	Demand	4	2	7	7	16
5.	Supply	5	2	5	5	12
6.	Market Equilibrium and Price Determination	2	0	0	5	5
7.	Theory of Production and Factors of Production	4	3	8	2	13
8.	Cost of Production	3	2	2	2	6
9.	Scale of Production and Laws of Returns	2	2	5	2	9
10.	Revenue Analysis	2	1	1	2	4
11.	Market	3	1	4	4	9
12.	Factor Pricing	5	4	12	1	17
Total		43	28	69	39	136
Percentage			20	51	29	100

Table 2: Exam Specifications

Topic No.	Topics	Marks Distribution			Total Marks
		MCQs	CRQs	ERQs	
1.	Nature and Scope of Economics	3	Total 5 Marks (2 CRQs)		8
2.	Consumer Behaviour and its Analysis	4	Total 6 Marks (2 CRQs)		10
3.	Basic Tools of Statistics and Mathematics in Economics	2	Total 3 Marks (1 CRQ)		5
4.	Demand	5	Total 6 Marks (2 CRQs)		11
5.	Supply	5	Total 6 Marks (2 CRQs)		11
6.	Market Equilibrium and Price Determination	3	Total 3 Marks (1 CRQ)	7 Marks Choose any ONE from TWO	21
11.	Market	5	Total 3 Marks (1 CRQ)		
7.	Theory of Production and Factors of Production	4	Total 5 Marks (1 CRQ)		9
8.	Cost of Production	3	Total 5 Marks (1 CRQ)		8
9.	Scale of Production and Laws of Returns	2	Total 5 Marks (1 CRQ)		7
10.	Revenue Analysis	2	Total 3 Marks (1 CRQ)		5
12.	Factor Pricing	2	Total 3 Marks (1 CRQ)		5
Total		40	53	7	100

Grade XII**Table 3: Number of Student Learning Outcomes by Cognitive level**

Topics No.	Topics	No of Sub-Topics	SLOs			Total
			K	U	A	
13.	Introduction to Macroeconomics	2	1	3	0	4
14.	National Income	4	3	5	5	13
15.	Money	4	2	10	1	13
16.	Banks and Banking in Pakistan	4	2	7	1	10
17.	Public Finance	5	3	12	4	19
18.	International Trade	3	1	9	1	11
19.	Economics System of Islam	2	2	5	0	7
20.	Introduction to Pakistan Economy	3	1	4	3	8
21.	Economic Development and Planning	3	3	4	3	10
22.	Communication	2	0	5	0	5
23.	Human Resource	4	3	8	3	14
Total		36	21	72	21	114
Percentage			18	63	18	100

Table 4: Exam Specifications

Topic No.	Topics	Marks Distribution			Total Marks
		MCQs	CRQs	ERQs	
13.	Introduction of Macroeconomics	3	Total 3 Marks (1 CRQ)		6
14.	National Income	5	Total 5 Marks (2 CRQs)	7 Marks Choose any ONE from TWO	26
21.	Economic Development and Planning	4	Total 5 Marks (2 CRQs)		
15.	Money	4	Total 4 Marks (1 CRQ)		8
16.	Banks and Banking in Pakistan	4	Total 6 Marks (2 CRQs)		10
17.	Public Finance	3	Total 6 Marks (2 CRQs)		9
18.	International Trade	4	Total 6 Marks (2 CRQs)		10
19.	Economic System of Islam	3	Total 5 Marks (1 CRQ)		8
20.	Introduction to Pakistan Economy	4	Total 5 Marks (1 CRQ)		9
22.	Communication	3	Total 3 Marks (1 CRQ)		6
23.	Human Resource	3	Total 5 Marks (2 CRQs)		8
Total		40	53	7	100

- Multiple Choice Question (MCQ) requires candidates to choose one best/ correct answer from four options for each question. Each MCQ carries ONE mark.
- Constructed Response Question (CRQ) requires students to respond with a short text (few phrases/ sentences), calculations or diagrams.
- Extended Response Question (ERQ) requires students to answer in a more descriptive form. The answer should be in paragraph form, with diagrams where needed, and address all parts of the question.

- Tables 1 and 3 indicate the number and nature of SLOs in each topic in classes XI and XII. It also indicates that more emphasis has been given to Understanding (51% in HSSC I and 63% in HSSC II), Application and higher order skills (29% in HSSC I and 18% in HSSC II) to discourage rote memorization. Tables 1 and 3 however do not translate directly into marks.
- There will be two examinations, one at the end of Class XI and one at the end of Class XII.
- In each class, the theory paper will be in two parts: paper I and paper II. Both papers will be administered within 3 hours.
- Paper I theory will consist of 40 compulsory, multiple choice items. These questions will involve four response options.
- Paper II theory will carry 60 marks and consist of a number of compulsory, structured questions and a number of extended response questions. Each extended response question will be presented in an either/or form.
- All constructed response questions will be in a booklet which will also serve as an answer script.

Acknowledgements

Aga Khan University Examination Board (AKU-EB) would like to acknowledge the contributions of all those who played an important part in the revision of the AKU-EB HSSC Economics syllabus.

We would like to thank **Rahim Daudani Lead Specialist** and **Muhammad Adil, Former Specialist, Commerce**, AKU-EB, for taking the **subject lead** during the entire process of revising the SSC Economics syllabus.

We are particularly thankful to the **syllabus revision panel** for their time, commitment and effort in revising the syllabus. The panel included:

- **Erum Saqib**
PECHS Girls School, Karachi
- **Muhammad Faizan**
Aga Khan Higher Secondary School, Karimabad, Karachi
- **Aazar Fredrick Wilson**
Bai Virbaiji Soparivala Parsi High School, Karachi
- **Zia Ul Qamar**
Govt. National College, Karachi

We also thank the following **post-revision reviewers** for their feedback on relevance of the content, skills and resources of the syllabus

- **Qurrat Ul Ain**
Habib Girls School, Karachi
- **Tariq Iqbal**
Habib Public School, Karachi

Furthermore, we thank the following for reviewing the syllabus for **higher education preparedness**, ensuring that the syllabus includes adequate skills and content to effectively prepare students for the next level of education.

- **Nawaz Ahmed**
Professor IoBM, Karachi

In-house Team

- **Final Reviewer and Advisor: Dr Shehzad Jeeva**
CEO, AKU-EB
- **Mentor and Guide for Syllabi Review: Dr Naveed Yousuf**
Former Associate Director, Assessment
- **Syllabi Review Lead: Raabia Hirani**
Manager, Curriculum Development
- **Syllabi Review Facilitators:**
Banazeer Yaqoob, Former Associate, Curriculum Development
Dur Nasab, Associate, Curriculum Development
Mahrukh Jiwa, Specialist, Middle School Programme
- **Internal Reviewer: Zain-ul-Muluk**
Manager, Examination Development
- **Learning Resources Reviewer:**
Aamna Pasha, Former Associate Director, Teacher Development, and team
Ali Bijani, Manager, Teacher Support and Team
- **Administrative Support:**
Hanif Shariff, Associate Director, Operations
Raheel Sadrudin, Manager, Administration, and team
- **Syllabi Feedback Data Analysts:**
Tooba Farooqui, Former Lead Specialist, Assessment
Muhammad Kashif, Former Specialist, Assessment
- **Language Reviewer: Mehek Ali**
Former Specialist, Assessment
- **Design Support:**
Karim Shallwanee, Former Associate, Communications
Hatim Yousuf, Specialist, Communications

We would like to thank the students and teachers of affiliated schools from across Pakistan who gave their valuable feedback at various stages of the review process.

We also thank **Shahid Arwani**, Assistant AKU-EB, **Tabassum Ali**, Senior Assistant, AKU-EB and **Anusha Aslam**, Former Assistant, AKU-EB, for data compilation and formatting. In addition, we thank **Noshaba Hameed**, Assistant AKU-EB, **Ammara Dawood** and **Lubna Anis** for their support during formatting.