



DEPARTMENT OF COMMERCE

KAMALA NEHRU COLLEGE
(University of Delhi)

Presents

VANI JYAVANI

Commerce Magazine

JANUARY 2019 VOLUME 3

CONTENTS

THE EDITORIAL TEAM	2
PRINCIPAL'S ADDRESS	3
TIC'S ADDRESS	4
ASSOCIATION IN. MESSAGE	5
WORDS FROM EDITOR	6
DEPARTMENT ACTIVITIES	7
ARTICLES FROM STUDENTS	13
ARTICLES FROM TEACHERS	24
COMMERCE NEWS FLASH	32

COMMERCE QUIZ	34
COMMERCE FACTS	36
FACULTY PHOTOGRAPH	38
CABINET PHOTOGRAPH	39
DISCLAIMER	40

THE EDITORIAL TEAM

FACULTY



Ms. Kavita Kamboj, Dr. Smita Meena, Dr. Sheetal Kapoor, Dr. Jyoti Dhawan, Ms. Surbhi Jain, Mr. Rahul Chopal

MEMBERS



Mayuri Singh, Snigdha Chaturvedi, Palak Mathur, Siddhi Neema, Anisha Agrawal, Aditi Singhvi

PRINCIPAL'S ADDRESS

It is heartening to learn that Commerce department, as one of the most promising departments of Kamala Nehru College is bringing out "Vanijyavani", as the mouthpiece of commerce community in the college.

Commerce had never been my instinct to lead a life, till I explored the e-commerce portals, and suddenly realized the dynamics of e-commerce industry. Now I have adopted it as almost full-fledged practice in post-demonetization days. They range through groceries, home services, logistics, etc. In the current times the digital wallets are so convenient that 'anytime anywhere shopping' takes you on a shopping spree, in a most unsuspected manner! I find gradually, all the cupboards are over-filled with the things, I could easily do without! That multi-channel shopping experience, 360-degree view of preferences and interactive & customized shopping are on constant rise these days. Now I hear that Chatbots also work to charm the online shoppers.



Though the in-store experience was loved by most of us but the e-commerce sector has beaten it in face of increasing hassles of parking, over-crowded market places, less cash in hand and cumbersome security checks due to terrorism etc. Though the security inadequacies, unethical behaviors and one-sided return policies of the e-retailers are the dampeners which somehow take the steam off this segment of commerce in our country.

Now with the latest trends of e-commerce the line between the online and offline shopping is getting blurred. With the faster on-demand deliveries it is going to take it to a new level. I heard that some e-retailers in some advanced countries are also pressing drones into delivery services!

The graduation students in an institution like ours are getting ready with all kind of commerce, finance, trade and business acumens. I extend all my good wishes to the Commerce department through 'Vanijya Vani'.

Dr. Kalpana Bhakuni

(Principal)

TEACHER-IN-CHARGE'S MESSAGE



In this day and age, where we have exposure to so many different views and opinions, it is critical that we keep an open mind in listening and respecting views especially those which are contrary to ours. This is the spirit in which we publish this magazine every year, to gather and assimilate knowledge on different aspects of our study and encourage healthy debate and discussion. In this regard I would like to thank the following people involved in this experience: 1. The contributors. They have gone above and beyond in sharing articles, snippets and views which will enrich whoever gets hold of this magazine 2. The magazine team. Their relentless spirit and hardwork ensured this magazine sees the light of day. The value they bring in making this magazine a success can't be estimated. And last but certainly not the least, you the Readers. Your support and continued interest is what keeps this magazine alive and we cherish your feedback in taking this to the next level.

Nothing else can express my feelings at the moment than the quote given by Henry Ford

"Coming together is a beginning; keeping together is progress; working together is a success."

Dr. Jyoti Dhawan

(Teacher-in-charge)

ASSOCIATION INCHARGE'S MESSAGE

"When you put yourself in the customer's shoes and begin your dialog from there, an immediate connection develops that stems beyond basic commerce and encourages loyalty"

-Steve Maraboli

I congratulate our Department for unfolding 'Vanijyavani' the Annual magazine of the Commerce Department. It is a mirror of the enormous work done by the faculty members and students. The Commerce Department at KNC has been redefining commerce education and constantly striving for excellence with a focus on increasing student employability. Commcentric -The Commerce Association of the college has been regularly organising various workshops, seminars, talks, educational trip and Commxcelsior Annual fest to impart holistic education to our students.



This year Commcentric organised an enriching Seminar on 'Cyber Shiksha' by Mr. Vanshit Malhotra, a cyber security expert. A Workshop on 'Neophytes to the World of GST' was organised where Ms Himani Bhayana, Joint Commissioner, Department of Revenue addressed the faculty and students. On 1st November, around 80 students and ten faculty members visited Mother Dairy and got an insight on the working of the plant and how quality and standardisation are maintained by the company. Further two officials Mr. Kartikeyan and Mr. Pugal from Confederation of Indian Industries (CII) visited our campus and spoke about the huge job opportunities available in supply chain management.

I take this opportunity to thank our Principal, Dr. Kalpana Bhakuni for her constant support and encouragement. I am also thankful to the Commerce Department faculty members and students for their cooperation at every step.

Dr. Sheetal Kapoor
Associate Professor &
Association Incharge(COMMCENTRIC-The Commerce Association)

WORDS FROM EDITOR

After two years successful launch of first two editions of commerce annual magazine, our department is excited to get our third issue of magazine named "Vanijyavani".

It's being a pleasure for me to be the editor of commerce magazine. This publication is both for students and faculty members. This magazine specially focuses on various topics related to commerce and provides a platform for students and teachers to share their views and ideas with others.



This magazine further comprises of summary of activities organised by the commerce department throughout the year starting from 1st April 2018 to 31st January 2019. The content comprises of information about various seminars, lectures, workshops, talks and glimpse of events of commerce fest organised by the commerce department.

I thank all the members of the editorial team (teachers and students) as well as all the contributors to this magazine who helped us to make this magazine at all real. We believe that in future "Vanijyavani" will reach and develop its wider networks.

Dr.Smita Meena
Editor

DEPARTMENT ACTIVITIES



THE FRESHERS PARTY

The new beginnings were commenced with lots of fun with The Freshers' party organised on 6th September 2018. The students showcased their talents, played interesting games and surely made memories to cherish forever.

MORE IN FEW WORDS: THE MICROTALE COMPETITION

Commcentric in association with Techsoc and Comnote, the social media and editorial team of Commcentric respectively, organised an online microtale writing competition from 17th September, 18 - 19th September, 18. The topic for the same was LGBTQ, #loveislove. The competition, integrated with a social cause, saw students of various colleges sending their entries, which were then posted on the society's social media handles.

COMM-CENTRIC
The Association of Kamala
in association with

TECHSOC
& COMNOTE
Present

**MORE IN
FEW WORDS**

A Micro Tale Writing Competition

SEMINAR : NEOPHYTES TO THE WORLD OF GST

The Department of Commerce, on 19th September, 2018, conducted a seminar about GST to help gain more knowledge about it.

The speakers of the seminar was Ms. Himani Bhayana, Joint Commissioner Ministry of Finance. It was an interactive session with the speakers discussing about how the GST works and its importance in the economic sector.



COMM CENTRIC
THE COMMERCE ASSOCIATION
KAMALA NEHRU COLLEGE
In Association with
MARKENTO & SPONSORSHIP TEAM
Presents

THE CORPORATE SCAVENGERS

DATE : 03.10.18 | TIME : 1-2.30PM
| VENUE : CHAUPAL

**Exclusively For KNC Students*

Anvi Malhotra : +918587948

Aarushi : +919711

THE CORPORATE SCAVENGERS

The event was organised exclusively for KNC students by Markento, the marketing team of Commcentric along with the Sponsorship team of Commcentric on 3rd October, 2018. A fun event requiring communication and analytical skills, was thoroughly enjoyed by the students.

SANVAAD-AE-SAWAAL

Commcentric in association with Vartalaap and Bizquizitive, conducted an event on 26th September, 18. The event included a quiz and a group discussion thereafter. Exclusively for KNC students, the event tested the participants' general awareness along with their confidence to express their views on various topics.

COMMCENTRIC
Commerce Association of Kamala Nehru College
in association with
**VARTALAAP & BIZQUIZITIVE
PRESENT**

संवाद - ए - सवाल

EXCLUSIVELY FOR
STUDENTS OF
KAMALA NEHRU COLLEGE

PERKS:
Cash Prizes
Commcentric Kit

Registration
<http://www.knc.edu.in>

**INDICATE: THE FINANCE SOCIETY
KAMALA NEHRU COLLEGE
PRESENTS**



**WARREN'S
PUZZLE**

www.knc.edu.in

WARREN'S PUZZLE

Indicate, the finance society of Commcentric, organised a competition on 26th and 28th October, 2018 for all college students. The event included an online financial crossword puzzle competition, with a blend of technology and exciting word games, preceded by Riddle Diddle a qualifier round.



COMMXCELSIOR, 2019

The annual fest of the Commerce department was organised on 17th January, 2019. The fest included eight different competitions namely, Mock Stock, Vaad Vivaad, Bidding Wars, Biz Craft, Cormentor, Dare to AD, Looters Junction and Jugaad. All the events saw enthusiastic participation by students coming from various colleges in Delhi. The event also included lots of stalls selling different products ranging from stationery to accessories. The food stalls were the hotspot with mouth watering delicacies. The whole event was a huge success.

BIDDING WARS



Bidding Wars was organized by KAIZEN ,Strategic Management Society. It had 2 rounds, the very first(Prelims) was Quizzing and the last round was Bidding round. It received the highest footfall, above 70 registration. The participants were full of enthusiast and determined, throughout the event.

MOCK STOCK RELOADED



Mock Stock Reloaded was the event organizer by Findicate , the finance society of Kamala Nehru college sponsored by BSE Institute Ltd. The event consisted of 2 rounds. The trading fever can be seen in the face of the traders. The very 1st was the crossword quiz and the 2nd round was trading of shares.

BIZCRAFT



Bizcraft was organised by the Business Plan Team of Commcentric, the competition tested the flexibility, and survival of different business plans by various students in the dynamic business environment. The judges of the same were, Mr. S. Ravi and Mr. Ashish Kumar.

DARE TO AD



Dare to Ad was organised by the Marketing Society- MARKENTO in collaboration with BOM TEMPS. The Honorable guest was Mr. Satya Prakash. There were more than 15 teams from different colleges of Delhi NCR and a total of four rounds.

HIGHLIGHTS FROM COMMXCELSIOR 2019

JUGAAD



Jugaad- The Best out of Waste was organised by Strokes, the creative team of Commcentric, the competition required innovation and creative skills. The judge for the event was Mr. Akshit Jain.

LOOTERS JUNCTION



Looter's Junction was organized by Inferno. The event was very exciting. It consisted 3 rounds: 1st- Looter's junction, 2nd-bubble burst 3rd- puzzle . There were 100 plus participants in the event and was a huge success.

CORMENTOR



Cormmentor was organised by BIZQUIZTIVE, the Quiz Team of Commcentric. This competition was a treat for all the quiz lovers out there, with all its fun and mind boggling questions.

VAAD VIVAD



Vaad Vivad was organised by the Group Discussion Team of Commcentric. The competition needed out of the box thinking and prepared notions for exciting discussions. The judge for the event was Ms. Ilma Afroz.

HIGHLIGHTS FROM COMMXCELSIOR 2019

ARTICLES FROM TEACHERS

SURROGATE ADVERTISING AND THE LAW

Dr. Sheetal Kapoor
Associate Professor
(Commerce Dept.)

As consumers we come across advertisements of products such as, McDowell's or Bagpiper water and Soda, Rajnigandha panmasala, Seagrams and Bcaradi music, Red and White Bravery Awards, Smirnoff apple juice, etc. But do we wonder why is a cigarette or alcohol brand marketing drinking water or soda or silver coated elaichis and paying huge advertising costs in hiring celebrities. I would like to mention here that I even saw the usage of surrogate advertising at the New Delhi Railway station where the digital board used for showing the information of arrivals and departure of trains was advertising Rajnigandha elaichis by well known celebrity Priyanka Chopra as its endorser. Rajanigandha manufactures tobacco products and earns huge profits from them since tobacco advertising is banned therefore it uses a surrogate product with same brand name to remind consumers.

What is Surrogate Advertising

As I have mentioned earlier in India advertisements for products such as, cigarettes and alcohol which are injurious to health and are prohibited by law so companies come up with several other products keeping the same brand name and indirectly remind people of the cigarettes or alcohol of the same brand. This form of advertising is called as surrogate advertising. Surrogate Advertising is duplicating the brand image of one product extensively to promote another product of same brand. It is prominently seen in cases where advertising a particular product is banned by law. Advertisements have a strong influence on our lives. We like them because they provide information and create awareness about the market. Our decisions whether to buy a product or not, is often completely influenced by the promotional activities of the companies concerned. Therefore, due to the widespread adverse impact that advertisements of unhealthy products like tobacco, liquor can cause, Indian government has always endeavoured to curb or at least restrict rampant advertisements of such products by appropriate legislations, orders and directives. As a reaction to the directive of Government to ban advertisements of products that are adverse to health, the major companies of liquor & tobacco sought other ways of endorsing their products. They have found an alternative path of advertising through which they can keep on reminding the people of their liquor/tobacco brands: they have introduced various other products with the same brand name. Launching new products with common brand name is known as brand extension, which can be carried out for

- Related products (eg: Tata Salt and Tata Tea) or
- Unrelated products (Tata Tea & Tata Indica)

The problem occurs when heavy advertising is done so that the customers do not forget their liquor & tobacco brands, for which advertisements are banned. The advertisements for such new products are placed under the category of "Surrogate Advertisements". Their only objective is to compensate the losses arising out of the ban on advertisements of one particular product (i.e. liquor). The companies can always claim that the order is being implemented and advertisements of liquor are banned, but the objective of the Government behind imposing the ban is not fulfilled. It's a new weapon of Proxy War.

Merits of Brand Extension:

Strong trademarks mean a combination of positive product attributes mainly reliability and quality. Branding decisions for new product category have to consider the appropriateness of the fit between the product and the trademark, in terms of association, attribute and connotation. And here, the government is free to put companies under a scanner to determine if their umbrella branding strategy is transparent and genuine. But brand extension across products should be permitted, except when the purpose clearly is to encourage consumption of a product whose promos are prohibited by law.

Laws to Regulate Surrogate Advertising

The Cable TV Network Rules, 1994 Rule 7(2) (viii) prohibits direct or indirect consumption, sale or production of cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants. Recently, the Information and broadcasting ministry has assured the people that all surrogate advertisements would soon be barred from appearing in any form of media and stricter measures of surveillance to identify such advertisements would be put in place.

Advertising Standard Council of India (ASCI) code:

ASCI is a voluntary self-regulation council, registered as a not-for-profit Company under section 25 of the Indian Company Act. It's formed to safeguard against the indiscriminate use of advertising for the promotion of products which are regarded as hazardous to society or to individuals to a degree or of a type which is unacceptable to society at large.

Section 6 of the **ASCI Code** provides that advertisements of products whose advertising is prohibited or restricted by law or by the **ASCI Code** must not circumvent such restrictions by purporting to be advertisements for other products the advertising of which is not prohibited or restricted by law or by ASCI Code. To determine if there is an indirect advertisement of prohibited products due attention shall be given to the following:

- a. Visual content of the advertisement must depict only the product being advertised and not the prohibited or restricted product in any form or manner:
- b. The advertisement must not make any direct or indirect reference to the prohibited or restricted products
- c. The advertisement must not create any nuances or phrases promoting prohibited products
- d. The advertisement must not use particular colours and layout or presentations associated with prohibited or restricted products
- e. The advertisement must not use situations typical for promotion of prohibited or restricted products when advertising the other products.

Hoping with greater awareness consumers would think rationally and would not be swayed by emotional and surrogate advertising before making a purchase. As Leo Burnett, says, *"Let's gear our advertising to sell goods, but let's recognize also that advertising has a broad social responsibility."*



RESPONSIBLE YOU – HOW AND WHY?

- Dr. Smita Meena
Assistant Professor
(Commerce Dept.)

*“The price of greatness is responsibility”
-Winston Churchill*

To achieve success in life the very first important requirement is to be responsible. Responsibility is required at every age and stage of your life. But how to become responsible and what if we are not responsible. It's an inherent phenomenon which one needs to recognize and search in oneself. Then realization of these essential qualities is part of personality traits. To judge one is responsible or not we need to analyze the following eight psychological responsibility parameters.

One attitude enables you to deal with events, behaviors and maintain performance, second the concentration-your performance is about your capability to maintain concentration. Third Values that help in forming attitude towards events and behaviors. Fourthly mindfulness is the ability to concentrate on the present course of actions. Fifth identity i.e knowing who you are - your identity - guides your reaction and how you deal with events and behaviors. Your identity is based in large part on your values and beliefs.

Sixth emotional intelligence is the ability to concentrate on others as well as yourself. Seventh attentiveness is a key behavior that demonstrates your concentration on others is your attentiveness. Attentiveness triggers reciprocal responses, provoking others to be attentive to you. And eight the Reciprocity or Attentiveness triggers reciprocal responses, provoking others to be attentive to you.

“You must take personal responsibility. You cannot change the circumstances, the seasons, or the wind, but you can change yourself.”

Jim Rohn



“Everything you do is based on the choices you make. It's not your parents, your past relationships, your job, the economy, the weather, an argument or your age that is to blame. You and only you are responsible for every decision and choice you make.”

Wayne Dyer

You are totally responsible for your life. This is the foundational principle you must embrace if you plan for happiness and success in your life and work. For many people, everything is someone else's fault. Every problem can be explained away with reasons why they can't affect the situation or the outcome, especially at work where it is easy to find excuses because people are so closely intertwined. Every failure has a scapegoat that they can use to avoid taking responsibility for their own actions—failure is never the result of the choices they made.

INTEGRATION OF FORENSIC ACCOUNTING AND CORPORATE GOVERNANCE

- Surbhi Jain
Assistant Professor
(Commerce Dept.)

Corporate Governance

A corporation is a congregation of various stakeholders, namely, customers, employees, investors, vendor partners, government and society. The relationship between shareholders and corporate managers is fraught with conflicting interests that arise due to the separation of ownership and control, divergent management and shareholder objectives, and information asymmetry between managers and shareholders. Due to these conflicting interests, managers have the incentives and ability to maximize their own utility at the expense of corporate shareholders. As a result, corporate governance (CG) structures have evolved that helps in mitigating these agency conflicts. Simply stated, CG is the system by which businesses are directed and controlled. It provides a principled process and structure through which the objectives of the corporation, the means of attaining the objectives, and systems of monitoring performance are set. Indeed, CG is a set of accepted principles by management of the inalienable rights of the shareholders as a true owner of the corporation and of their own role as trustees on behalf of the shareholders. Accountability, transparency, fairness and disclosure are the four pillars of the modern corporate regulatory system.

Forensic Accounting

Worldwide, we consider Sherlock Holmes to be the first Forensic Accountant. However, the contribution of some historic characters in India cannot be ignored. In India, “Kautilya” was the first person to mention the famous forty ways of embezzlement in his book “Artashastra” during the ancient times.



He was the first economist, who openly recognized the need of the FA's. Similarly, Birbal was the scholar in the time of King Akbar, he used various tricks to investigate various types of crimes. Some of his stories gave the fraud examiner a brief idea about the litmus test of investigation.

The definition of forensic accounting is changing in response to the growing needs of corporations. (Bologna & Lindquist, 1995) defined forensic accounting as “the application of financial skills, and an investigative mentality to unresolved issues, conducted within the context of rules of evidence. As a discipline, it encompasses financial expertise, fraud knowledge and sound knowledge and understanding of business reality and the working of the legal system.” According to the definition developed by the AICPA's Forensic and Litigation Services Committee (2011), “forensic accounting may involve the application of special skills in accounting, auditing, finance, quantitative methods, the law, and research. It also requires investigative skills to collect, analyze, and evaluate financial evidence, as well as the ability to interpret and communicate findings. FA encompasses litigation support, investigation, and dispute resolution and, therefore, is the intersection between accounting, investigation and the law.” Hence, it can be concluded that forensic accounting is the tripartite practice of utilizing auditing, litigation and investigative skills to assist in legal matter.

Integration of Forensic Accounting and Corporate Governance



Companies need a centralized program and an established system to measure and monitor internal controls effectiveness and the alignment between CG, internal control, and external reporting activities. Many are setting up Governance Officers or Governance Committees to meet the demand for corporate integrity. The governance committee must be active in every area of corporate activity to ensure that the company is operating as a synergistic whole.

As part of the CG Committee, as pointed out by Ramaswamy (2005), FA's can make a significant contribution in each of the following areas: Corporate Governance: With a strong background knowledge of the legal and institutional requirements of CG, CFA's can help to formulate and establish a comprehensive governance policy with following roles to play:

- **Preventing Fraud:** CFA's understand that the best way to prevent fraud is to establish an efficient control system that encompasses: a good control environment determined by management's philosophy of ethical behavior and strong CG policies; a superior accounting system that ensures the proper recording, classification, and reporting of all relevant transactions; and strong procedural controls that provide for safeguarding of assets, proper authorizations, audit mechanisms, and proper documentation.
- **Creating a Positive Work Environment:** A good fraud prevention program also accompanies a positive work environment where highly motivated employees are not tempted to abuse their responsibilities. Forensic accountants can ensure that CG policies are formulated to avoid high-risk environments where management is apathetic, pay is inadequate or too high, there is a serious lack of proper training and compliance, or there are unreasonable profit and budget goals. It is also necessary to have well-defined hiring policies that result in honest, well-qualified employees.
- **Establishing Effective Lines of Communication:** Communication is a key element in ensuring that employees and other stakeholders are aware of their rights and responsibilities. Committee of Sponsoring Organizations of the Treadway Commission (COSO) has very categorically stated: Effective communication must flow not just from the top to lower levels, but also across employee lines of responsibility. CFA's can support the dissemination of the required information about governance and ethics policies to interested parties within and outside the organization.
- **Vigilant Oversight:** Any system needs to be constantly monitored and evaluated to make sure that it is functioning well. Indeed, CFA's can monitor not only compliance at the top levels of corporate power, but also management procedures and employee activity. Information gathered as a result of the monitoring can be used to readjust and reformulate governance, ethics, and control policies.
- **Fraud Investigations:** A forensic accountant can ensure the integrity of financial statements by actively

GREEN CONSUMERISM: THE ONLY WAY OF SUSTAINABLE CONSUMPTION & ENVIRONMENT PROTECTION



Ms. Kavita Kamboj Chanda
Assistant Professor
(Commerce Dept.)

India has witnessed a great degree of modernization and industrialization post-independence because of its free enterprise policies and socialist planning. It was in the 1990s that the shift towards more liberal measures like deregulation of the industries, privatization of state-owned firms and reduced control on foreign investment and trade accelerated the growth of the economy. India has been amongst the top 10% fastest growing economy since 1991. According to World Bank's report published in January 2015, Global Economic Prospects it has been forecasted that India would witness an acceleration in its economic growth irrespective of the slowdown being faced by the world economy to the extent that it may surpass China by 2017 to become the world's fastest growing economy. According to the Asian Development Bank, the country will see an explosion in the number of middle class in the decades to come, increasing to a whopping 1.4 billion by 2050.

A 2007 study predicted that India would witness a threefold increase in the income levels in the next two decades and will become the fifth largest consumer market by 2025. With the increase in per capita income, the purchasing power of the people has enhanced too, leading to changed patterns of consumption. The load on the environment due to unsustainable conventional methods of the industry and growing awareness amongst the people has contributed to increasing the willingness to pay for environmentally sound products and resort to green consumerism. People are now increasingly becoming more aware and trying to shift their consumption preferences to environmentally benign products which have forced companies to increasingly change their habits.

Business enterprises too have risen up to the occasion as a response to growing green consumerism and responded well to the environmental challenges being faced by the world. The American Marketing Association has defined green marketing putting three aspects into perspective. According to the definition, green marketing is –

- marketing of products that are presumed to be environmentally safe;
- development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality; and
- efforts by organizations to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns.

Developing and developed countries both have taken environment as an important aspect of growth. Governments of many countries have come up with many treaties and laws for their rising concern for the need of green marketing and attempted to regulate actions of the business enterprises. For example, in the United States, extensive documentation has been done, examining the issues related to green marketing by the Federal Trade Commission and the National Association of Attorneys-General. The Public Trust Doctrine, checks the utilization of any resource which is considered as the property of the commons, Precautionary Principle and Polluter Pay Principle too are principal components to assure sustainable development.

Indian constitution too emphasizes the need to protect the environment. Various laws like The Water (Prevention and control of pollution) Act, 1974, The Air (Prevention and control of pollution) Act, 1981 are amongst the stringent legislation by the Indian constitution for the protection of the environment. For easy identification of environmentally safe products in order to increase awareness amongst the consumers, the CPCB (Central Pollution Control Board) and Ministry of Environment, Forest and Climate Change in 1991 had launched the eco-labelling scheme known as the Ecomark.

The Product categories covered under Indian Ecomark Scheme are-

- Soaps & Detergents
- Paper
- Food Items
- Lubricating Oils
- Packaging Materials
- Architectural Paints and Powder Coatings



While the governments of the nations are taking steps to inculcate sustainability in goods production and consumption, it is also a responsibility of the consumers they should stand up to. Earth has got very limited resources with which it has been trying to cater to man's unlimited demand but Earth is not a resource at man's disposal. In today's world, every individual has the freedom of choice and it is here where consumers need to use this power of theirs as a means to safeguard the degrading environment.

Industries and business firms should demonstrate their social responsibility and set the right sustainable objectives, comply with regulations, provide the adequate amount of environmental information, eliminate avoidable packaging, set affordable prices and involve greener distribution practices. Indian business firms have assisted greatly in achieving sustainable development goals, for example, the R&D Centre of Indian Oil is involved and geared up to develop eco-friendly lube formulations that are biodegradable, the company has also invested about Rs. 7000 crores in its refineries to develop green fuel projects, Wipro Infotech had launched environmentally friendly computer peripherals, etc.

Some examples of green products are -

- Energy efficient, durable and often have low maintenance requirements.
- Free of Ozone depleting chemicals, toxic compounds and don't produce toxic by-products.
- Often made of recycled materials or content or from renewable and sustainable sources.
- Obtained from local manufacturers or resources.
- Biodegradable or easily reused either in part or as a whole.

According to a survey conducted in Canada, France, China, India, Germany, Russia, Mexico, the UK and the US by the GlobScan and National Geographic society in 2008 consumers in all countries felt more empowered when it came to the environment and taking actions in their daily lives to reduce the waste produced and their consumption. Another study showed that 19% more Indian consumers desired product safety with respect to their global peers in Brazil, China, Germany and the U.S. and 25% more Indian consumers believed that price is not a barrier and they are likely to pay more for eco-friendly products than their global counterparts. Consumers too need to play an important role in order to achieve sustainability. Consumers can do their bit by buying eco-friendly products with eco-friendly packaging, check for the carbon footprint of the product, buy natural and herbal products as much as possible and make sure that the product's whole life cycle is sustainable. India has been long aware of the perks of using natural, herbal products due to its ayurvedic heritage and recent awareness amongst the Indian consumers has further enhanced green consumerism in the country.

ARTIFICIAL INTELLIGENCE AND FUTURE OF EMPLOYMENT



Rahul Chopal
Assistant Professor
(Commerce Dept.)

Artificial intelligence is no more a future thing, it is here around us in our daily life in the form of smart phones. Artificial intelligence is being stronger everyday with its learning and development and proves to be very effective in handling even more complex activities—those requiring processing of multiple signals, data streams and accumulated knowledge in real time. Some of the companies already started automation in their various business operations, posing a threat on the workforce of being obsolete. The entire socioeconomic system is entering a phase of accelerating transformation: markets, businesses, education, government, social welfare and employment models will be severely impacted.

Tasks, Roles and Jobs at risk

Tasks which are monotonous, can be easily automated; this can gradually make certain roles obsolete. For instance, tasks and activities related to customer care/call center operation, document classification, discovery and retrieval, content moderation are more and more based on technology and automation and less on human work. The same is true for roles related to operation and support of production lines and factories: humans are being replaced by smart robots which can safely navigate the space, find and move objects (such as products, parts or tools) or perform complex assembling operations.

Sectors that will be impacted

Transportation is already in a transformation mode—fully autonomous cars will be soon a reality—and they will be safer, more efficient and more effective. Professional drivers (taxi, trucks and more) will see the demand for their skill set dropping rapidly.

E-commerce will also undergo significant transformation: fulfilment centres will be fully automated, with robots navigating the space to collect products and execute customer orders; to be then sent or even delivered to customers, also automatically, with autonomous drones and/or cars. The importance of salespersons and networks of physical stores will shrink; we are close to scenarios where consumer A.I. agents negotiate with Retailer AI agents—based on different objectives, tactics and strategies.

Legal Profession: Even more traditional professions which are built on top of strong human relationships, such as legal professions, will be significantly impacted: typical support services in a legal context, have to do with document handling -classification, discovery, summarization, comparison, knowledge extraction and management—tasks where AI agents can do a great job already.

Financial services, Insurance and any other sector requiring significant amount of data processing and content handling will also benefit from A.I. And of course states, governance and social mechanisms—A.I. can have a great role in eliminating bureaucracy, improving the service to citizens, along with the design and performance of social programmes.

Get ready for the future

In the long run we will witness certain roles and jobs becoming less and less relevant, and finally obsolete. But, in most of the cases, **Artificial Intelligence** will have a supportive role to humans—**empowering the human factor to perform better** in handling complex and critical situations which require judgement and creative thinking. In parallel there would be numerous new roles and specialties with focus on technology and science. For example, there will be needs for highly skilled professionals to oversee or manage or *coordinate* the training of *complex Artificial Intelligence systems*; to ensure their integrity, security, objectivity and proper use.

Under certain assumptions, and following the initial disruption due to technological unemployment, the AI revolution, will lead to a new era of *prosperity, creativeness* and *well-being*. Humans will no more need to perform routine, limited value, jobs. The workforce and the underlying employment models will move from *long-term, full-time employment agreements*, to *flexible, selective premium services offerings*.

The above positive scenario requires a *common, shared understanding of the technology, its opportunities and its risks*. **Societies** need to *adapt to the new technology landscape*, become *more flexible* and also *inherit an attitude of lifelong learning, collaboration, innovation and entrepreneurship*. **States** need a new strategy with focus on **education**; they need to rethink how *markets, companies and employment agreements* should work in the new era of intelligent automation; they need to redesign the *social mechanisms* to cover a range of new scenarios and situations.

At an even higher level, **we need a solid framework to avoid the unbalanced concentration of technology power and control.**

ARTICLES FROM STUDENTS

PSYCHOLOGICAL TACTICS MARKETERS USE TO MAKE YOU BUY!

-Siddhi Neema
Bcom (Prog), 2nd Year



DECOY EFFECT

It is a phenomenon where a person would change preference towards the 3rd option which asymmetrically dominates.

For example:

While purchasing drinks you have 2 options one of Rs. 10 and another of Rs. 30. you are more likely to find the one with Rs. 30 to be expensive. At the same time if the seller introduces the drink of Rs. 50. Same Rs. 30 bottle would look cheap and you are more likely to buy it.

ANCHORING EFFECT

You go to the market .See a beautiful dress. But, the price of it freaking 1200! . Then you check and find out that it is on sale and you can get it in just 800! You decide to buy it . After all you saved 400. But. In reality you were fooled by marketing trick known as anchoring effect. Your first perception about the initial price affects your subsequent judgments.

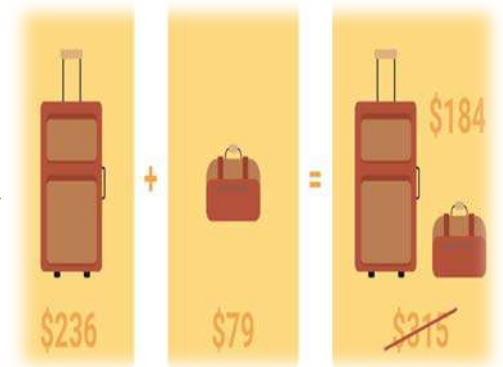
Reg \$48
\$39
SALE

BUNDLING EFFECT:

Bundling is a strategy to combine products or services together in order to sell them as a single combined unit. Bundling allows the convenient purchase of several products and/or services from one company. The products and services are usually related, but may even consist of dissimilar products. Increase their profits.

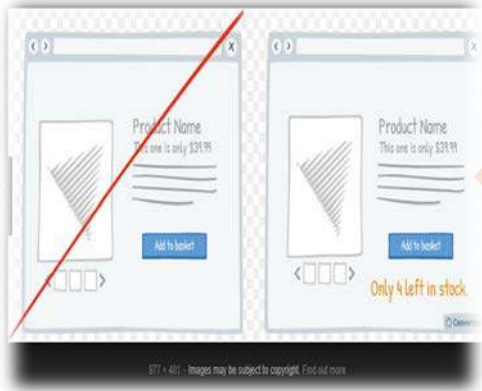
Example :

Holiday packages, Cable TV packages etc.



SCARCITY:

Every time you browse through your favorite shopping site, you get to read words like hurry up only 1 left. The cognitive bias that makes people place a higher value on an object that is scarce and a lower value on one that is available in abundance. We assume that it is scarce and therefore multiple people have already bought this product and hence it is a good product.



DEADLINE EFFECT:

You take days to do an assignment and suddenly a deadline is given for the same. You are more likely to be serious about the assignment and will try to submit it on time. Similarly, marketers use this decision equation as a powerful tool for getting those potential buyers who are interested to buy. This is a popular tactic by E-commerce websites. Groupon.com is famous for their limited time deals.



INDIAN ECONOMY IN THE MIDST OF US-CHINA TRADE WAR



-Palak Mathur

Bcom Hons. 1st Year

A trade war is when a nation imposes tariffs or quotas on imports and foreign countries retaliate with similar forms of trade protectionism. This is what the world's two biggest economies are engaged into since early 2018. It began when on February 7, 2018, US implemented 'global safeguard tariffs' – placing a 30% tariff on all solar panel imports, except from those from Canada (worth US\$8.5 billion) and a 20% tariff on washing machine imports (worth US\$1.8 billion). Further in March, it imposed a 25% tariff on all steel imports(excluding Argentina, Australia, Brazil, and South Korea) and 10% tariff on all aluminium imports (excluding Argentina and Australia). China immediately retaliated with tariffs ranging from 15% to 25% on 128 products. The main threat came when the US, on July 6, specifically imposed tariffs on \$3.4 billion of Chinese goods and China responded with tariffs on US goods of a similar value. This counter-attacking of tariffs eventually led to a trade war between the two countries. It is quite evident that the consequences of a trade war are unlikely to affect just the two countries involved. India, being the fastest growing economy can experience major dynamic changes in its economy.

IMPACT ON INDIA:

1.INDIAN EQUITY MARKETS

As suppliers around the world are looking for a large, viable market for their products at a lower price to maintain their utilisation levels, Indian markets can prove to be helpful and thus benefit importers. However, exporters could face the brunt of a falling global trade.

2.VALUE OF INDIAN RUPEE

The last few months saw the value of the currency depreciating to an all-time low. The weakening of the US dollar has a negative effect on the trade deficit of India as it has to pay more money for imports. Moreover, higher crude oil prices and the exit of foreign investors from India has also contributed in shaving off over 8% from the rupees' value.

3.INDIAN STOCK MARKET

In the midst of concerns over global trade war, the Indian share market dropped on grounds of cautiousness of investors. In October 2018, Sensex crashed 1000 points mainly owing to the perpetual fall in the value of rupee and a global market crash after US stocks plunged, as investors were wary of the rising trade tensions and interest rates.

4.INDIA-US DUTIES

India responded with imposing duties on 30 different types of goods from the US after the latter raised duties on steel and aluminium products. India now has to pay approximately \$241 million tax to the US while the US pays about \$238 million as duties to India. However, this will come as a bad news for the end consumers as anything that falls under the tariff scanner is expected to become more expensive.

5.IMPACT ON MANUFACTURING INDUSTRIES

The cost of production is likely to go up due to the additional duties imposed which eventually makes prices of raw material costly thus harming the industries.

6.A CHANCE FOR INDIA TO SUBSTITUTE CHINESE EXPORTS

Trade tensions between the US and China can spark an opportunity for India in segments like textile, gems and jewellery and be more competitive as it already has an edge. This can be unsure in the short run as China's exports to the US are much more diverse and India has a long gap to fill in.

7..HIGHER INTEREST RATES

Imposing tariffs escalated the consumer prices in the US domestic market. This could force the Federal Reserve to increase the interest rates which has implications for emerging economies such as India both for equity and debt markets.

NEED FOR A STRATEGIC APPROACH

In such a situation, the Indian businessmen need to work tactically in order to keep up with the changing economic environment. Stable, strategic plans can prove to be helpful in these dynamic changes. Preparedness for different types of economic environment is crucial and helpful in the tremendous growth opportunity of the Indian economy.



SCHEMES LAUNCHED BY MODI GOVERNMENT TILL 2018

-Mayuri Singh
Bcom Prog. 1st Year



1. Ayushman Bharat National Health Protection Mission

This is the scheme of the Central government which focuses on the wellness of the poor families and providing medical benefits to them. The scheme will include the current running centrally sponsored schemes-Rashtriya Swasthya Bima Yojana (RSBY) and the Senior Citizen Health Insurance Scheme (CHIS). On the auspicious occasion of the 72nd Independence Day, our honorable Prime Minister Narendra Modi announced to launch Ayushman Bharat Yojana as Pradhan Mantri Jan Arogya Abhiyan on 25th September 2018.

2. Solar Charkha Mission

The President of India Ram Nath Kovind launched Solar Charkha Mission on June 27, 2018, it will provide a subsidy of Rs. 550 crore to the thousands of artisans and also be responsible for generating employment in the rural areas. The Ministry of Micro Small and Medium Enterprise (MSME) will cover the 50 identified clusters across the country also includes the Northeast region and in each cluster 400 to 2,000 artisans will be employed. In addition to this mission, the government also launched a Sampark portal, a digital platform on which five lakh job seekers can connect with the MSME.

3. Transformation of Aspirational Districts Programme:

NITI Aayog announced "Transformation of Aspirational Districts" programme. It aims to transformation and upliftment of 101 backward districts in India in terms of basic amenities, infrastructure facilities, health facilities, standards of living, etc. The major focus areas in this programme are Health & Nutrition, Agriculture & Water Resources, Education, Financial Inclusion & Skill Development, and Basic Infrastructure leading in helping the government to decide which district has performed better under this programme.

4. National Nutrition Mission (POSHAN Abhiyan):

This scheme was launched as a matter of "Beti Bachao Beti Padhao" programme by Prime Minister Narendra Modi at Jhunjhunu, Rajasthan on the auspicious occasion of the International Women's Day on March 8, 2018. The scheme aims to attain rational nutritional status in children of age group 0-6 years, in adolescent girls, pregnant women and lactating mothers in a proper manner; resulting in reduce stunting, under-nutrition, and anemia among young children, women, and adolescent girls; also lowering low birth weight by at least 2% per annum.

5. GOBAR-Dhan Yojana:

The Galvanising Organic Bio-Agro Resources Dhan (GOBAR-DHAN) scheme was launched by Haryana's Chief Minister Manohar Lal Khattar and Uma Bharti (Union Minister for Sanitation and Drinking Water) on April 30, 2018. The scheme aims to make villages open-defecation free and it is a step to improve the living conditions in the Indian village. A part of the Swachh Bharat initiative, the focus of the scheme is on useful conversion of solid waste and cattle dung into manure and biogas.

6. Green Revolution-Krishonnati Yojana:

This Yojana has been extended till 2019-20 beyond the 12th five-year plan by the Cabinet Committee on Economic Affairs (CCEA). This scheme comprises of 11 different schemes and missions under a single umbrella. The scheme aims at the comprehensive of the entire agriculture and related sectors to it. It enforces on the welfare of farmers and is a major step towards "Doubling the Farmers Income by 2022".

7. Samagra Shiksha Scheme:

The Scheme was launched by the Union Ministry of Human Resource Development (HRD) on May 24, 2018. It imparts improving the quality of education at school level in India. It is an all-rounder program which will incorporate digital technology and introduce skill development in the school education system. An annual grant of 5000-20,000 rupees will be provided to build up libraries in schools. Also, the scheme unifies the elements of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA), and Teacher Education (TE) so that school education is treated comprehensively, from pre-

8. Anti-Narcotics Scheme:

The Scheme is extended by the Union government from 2017 to 2020 to prevent drug consumption and trafficking in the country. The financial assistance provided is of Rs. 21 crore. The scheme provides monetary assistance to the states the UTs (Union Territories) engaged in the controlling of inter-state and cross-border drug trafficking.

FOUNDED BY TWO TEENAGERS WITH ONE BICYCLE AND \$100 BORROWED FROM A FRIEND, UNITED PARCEL SERVICE

-Anisha Agrawal
Bcom Hons. 1st Year



Speaking of UPS, the United Parcel Service has almost the same number of employees (335,520) as FedEx (335, 767) as of 2017. It is an American multinational package delivery and supply chain management company.

The Paragon of fortitude and cheerfulness of UPS started on August 28, 1907. James Casey founded the American Messenger Company with Claude Ryan in Seattle, Washington, capitalized with *\$100 in debt.*

Most deliveries at this time were made on foot and bicycles were used for longer trips. This shows their dedication and hard work.

Primarily, the American Messenger Company focused on package delivery to retail stores with special delivery mail delivered for its largest client the United States Postal Service. In 1913 the company acquired a Model T Ford as its first delivery vehicle.



Casey and Ryan merged with a competitor, Evert McCabe, and formed Merchants Parcel Delivery.

Consolidated delivery was also introduced, combining packages addressed to a certain neighbourhood onto one delivery vehicle. In 1916 Charlie Soderstrom joined Merchants Parcel Delivery bringing in more vehicles for the growing delivery business. the year 1919 was a special year for the company, it expanded for the first time outside of Seattle to Oakland, California and then only it was named to United Parcel Service (UPS). The reason behind the name change to United Parcel Service was to remind the company expansion that operations were still United under the same organization and Parcel identified the type of business offered as part of its Service.

BUSINESS CULTURE IN INDIA

-Yashika Watwani

Bcom Prog. 1st Year

India being the largest democracy in the world, is a land of opportunities with a GDP rate of 7.6%. Home to the second largest pool of scientists and engineers in the world, it enjoys a world-class recognition in Information Technology, Biotechnology and Aerospace Technology. Being a developing mixed economy, Foreign Direct Investments (FDI) is a major source for economic development in the country. Foreign companies invest directly in the fast-growing private Indian businesses to take benefits of cheaper wages and changing business environment in the country. During the Make in India project, the government had liberalised the flow of investment in many sectors of the economy. The major imports include : crude oil, pearls and precious stones, gold, electronic goods, chemicals, machinery and transportation equipment, petroleum and petroleum products, textiles, iron and steel, aircraft etc. The major exports are: engineering goods, gems and jewellery, clothing, agro products, telecommunications equipments, computer equipments, crude rubber, beverages, etc.

INDIA - "THE NEXT BIG THING"

Though the country scores badly on the ease of doing business index, there are many sectors in India, in which one can invest and can carry out new product ideas. You really do need to look for a business in India for a number of strong reasons as it has a population of 1.3 billion people, out of which 50% are under the age of 30 and that's why the consumer potential of the country is limitless. It has a highly educated, aspirational workforce who can help you build your business right from the scratch. Apart from these, the Indian culture can also play a part in carrying out a business in the country.

1. Trustworthiness plays a larger role while doing business in the country. It is vital that a good relationship is built on two foundations, i.e., on a business level by demonstrating strong business acumen, professionalism and qualifications and at a personal level by exhibiting the positive traits of trustworthiness and honour.

2. Indians generally do not express their disagreement openly and directly, as it is considered discourteous. "I will have to discuss with other members about this" or "We will discuss this later" are the statements whenever any difference arises.

3. Different states have their own official languages, however, Hindi is the official language of the country, recognised by the Central Government. But in business terms, English is the preferable language of International Commerce.

4. To become a successful businessman in India, one's business must define cultural or traditional values, emerging from modern business and personal practices in India. One should cope with prevailing cultural restrictions and weaknesses of modern Indian businesses and also incorporate those things on their agenda

5. One of the most significant cultural influences on Indian businesses is that of hierarchy. You will see this happening in many ways when carrying out businesses in the country. For eg. subordinates stand up when their boss enters the room. In India, one must know about cultural ethics and understand how that cultural knowledge can help you succeed in the country.

THE FALLING INDIAN RUPEE

-Aditi Singhvi
Bcom Prog. 3rd Year



The journey of rupee has been a volatile one since Independence. You all must be aware of the poem 'Humpty Dumpty had a great fall'. Well, they did. But after the fall, they got up too! Sadly, in rupee's case, we don't see the latter happening anytime soon. Derived from a Sanskrit word 'Rupaya', it means 'a coin of silver'. When we talk about Independence, at that time 1 USD equalled 1 INR. It was at par with the American Dollar. The reason behind this was, India's balance sheet had no foreign borrowings. But since then, it's been a slippery journey. In over 71 years, it's been through a 21-fold-depreciation. The current rate of INR against 1 USD is ₹72.46 (as on 9th Nov 2018).

So, what has led for the Indian Rupee to become one of the Asia's worst performing currency?

A combination of reasons and situations have impacted in rupee's depreciation. The first and the major reason is the import of crude oil in India. The oil prices in the world today are rising due to US-China trade war. Looking at the current scenario, India imports nearly 80% of its crude oil requirements. Its major source of import used to be Iran but recently US asked all the countries to stop oil imports from Iran by November or face sanctions. The rising oil prices in the world has highly shot up the import bills of India. Expensive oil has led to a widened trade deficit for the country. Importing oil requires dollar. When the demand of dollar is more than its supply, dollar appreciates and rupee depreciates.

Another concern is regarding the Current Account Deficit (CAD) of India. Current Account measures the inward flow of goods, services and investments in the country, and the outward flow of the same. When the inward flow i.e. imports, exceeds the outward flow i.e. exports, it's called a CAD. The CAD increased by 1.9% of previous year's (2017-18) GDP. Taking things into figures, for the month of July'18, the imports in the country amounted to USD 43.79 billion while exports were just 14.32 percent of USD 25.77 billion.

An Oxford Economist forecasts that India's oil demand is likely to be increased by 4.4 percent annually in the next decade, rising from 3.7 percent in the last 10 years. India needs to lower its oil consumption, and imports, but with the growing per capita consumption, that seems to be a tough job!

When we look at the US-China trade war, it is precisely known that this trade war isn't just between these two States. The trade war between these two developed nations will impact all the nations out there, especially the developing nations dependant on them, like India. It all started when Donald Trump alleged China for using unfair trade practices and theft of intellectual property. And subsequently, many tariffs and duties were being imposed by Trump. All of this resulted in change of demand and supply of goods in the economy. Everything under tariff scanner becomes expensive.

The next question arises, **how is this depreciation affecting the common man and the economy?**

The foremost impact is that on fuel prices. Fuel prices have been rising.

It has also impacted foreign education and travel. Everything has become costlier now due to rupee crossing the 72 mark.

Certain exports have also been affected. Export sectors like gems and jewellery are heavily import-dependent. With the rising costs, the exports are no longer able to nullify the depreciation of rupee.

The weak economy has also resulted in disinterest of Foreign Institutional Investors (FIIs) in the Indian Economy. FII's inflows were a major source of foreign revenue for the country. But now, they have been selling their investments which does not augur well for rupee.

High inflation in turn made Indian goods expensive in the global market, decreasing competition for the country.

Is there any possible way to control this fall?

The Government had announced several measures to stabilize rupee from sliding down further.

The measures included –

It will permit the manufacturing sectors to access External Commercial Borrowings (ECBs) up to \$50 million. The residual maturity period will be reduced to one year instead of three year earlier.

Second measure was regarding the Masala Bonds.

Masala bonds are basically Indian-denominated borrowings which are issued by Indian entities in the overseas market. The funds generated are to be used for the infrastructure projects, fuel, etc of India. It is beneficial for the Indian economy as, if the Indian currency falls, the investors will bear the loss, not the issuer which is an Indian entity. And if the foreign investors invest, it adds positively for the Indian Rupee.

The problem was, these bonds were not tax free. So, the government exempted these bonds from tax this financial year and also permitted Indian banks to become market makers in masala bonds.

Additionally, the government said it will take efforts to reduce imports of non-essential goods so as to reduce imports in the country.

Decision was also taken on reviewing the mandatory hedging condition for infrastructure loans.

The government also put a limit of 20 percent on FPI corporate bond portfolio. Not more than this figure can be invested with a single corporate group. Also, 50 percent of a single issue cannot be issued to one corporate group.

To sum it all up, India's economy is going through a lot of downfalls at the moment. And the rate at which rupee is falling against dollar, it won't be a far-fetched dream when 1 USD would equal 100 INR. All we can do is hope that this dream never comes true, and try not making things tougher for the government. After all, Humpty Dumpty did get up, right?

DECODING DEPRECIATION

-Aayushi Tewari
Bcom Hons. 2nd Year

Currently, the world economy is seeing a turmoil with several countries seeing a plunge in their currencies. India has previously seen economic crises in 2013, 2011, 2008 and 1997 and its economic history indicates that the rupee is not weak but it is vulnerable to external shocks. Thus, this time too, the Indian rupee has also witnessed a consistent fall against the dollar. Several global economic factors have been at play and have influenced this fall from around ₹64 in December 2017 to ₹75 in October 2018.

Primarily, the US has seen a growth of 4% which is its highest since 2014. Moreover, after the country's recovery from the Subprime Crisis of 2008, the Federal Reserve (Fed) has been increasing the interest rates. As a result, investing in the US market is getting more attractive.

The US has also been in a trade war with both China and Turkey. Since China has kept its currency, Yuan depressed to enhance its exports, hence the US has imposed various tariffs and restrictions on imports from China. In retaliation, China has followed suit. US has also imposed sanctions on imports of aluminium and steel from Turkey which has made the Turkish Lira lose 40% against the dollar this year. All emerging economies are seen to be affected by this fall. Thirdly, sanctions have also been imposed against Iran which are affecting crude oil prices, of which, India is a major importer. The Indian economy and the currency have been affected by all these global economic factors at play. Besides the widening Current Account Deficit (CAD) due to costlier crude oil, the Indian rupee has seen a continuous depreciation since December 2017. It has seen a fall of 13% in 2018, as per SBI's report, Ecwrap.

Depreciation of a currency has numerous impacts on the economy, significantly, on the imports and exports. To understand this, let's take an example. Earlier when the exchange rate was \$1 = ₹62, it meant that Indians needed ₹62 rupees to purchase \$1 while, the dollar could buy ₹62. Now, a year later, when the currency has depreciated and the exchange rate has soared to around ₹73, it means Indians need to spend greater amount to purchase \$1 while the same one dollar can buy a greater amount of Indian currency. As a result, the imports become costlier for the country and the exports, cheaper. Depreciation, however, has adverse impacts on the price level in the short run. Firstly, since imports become expensive, final goods or the raw materials used to produce goods become expensive. Secondly, cheaper exports reduce the availability of goods in the domestic market, thereby pushing up the prices.

Another cause of worry for the economy is the plunging stock market and the capital markets. The multitude of investments which earlier entered emerging economies like India, are now being pulled out and are being invested in the US market, thus driving up the value of the dollar, putting downward pressure on the rupee and increasing the swelling of the CAD. The CAD rose to \$15.8 billion in the quarter ending June 2018, which accounts to 2.4% of the GDP. High crude oil prices, a boost in non-crude and non-gold imports and net sales of around \$8.1 billion in the equity and debt markets has led to broadening of the CAD. As a result, in the quarter ending June, there was a depletion of \$11.3 billion of the foreign exchange reserves by the RBI.

SBI report's Ecwrap said that the rupee depreciation has neither helped in improving exports nor in slowing imports, leading to an incremental trade deficit of \$4 billion in the first half of the current fiscal year. In September, according to the commerce ministry, the imports have augmented by 10.45% and the exports have declined by 2.15% due to fall in shipments in sectors like gems, jewellery, engineering etc. According to the SBI, this is because India's export basket has changed significantly from traditional goods to mechanised engineering goods which are more income elastic than price elastic. Amidst this economic upheaval, the government has announced various steps to check the rupee fall and the widening CAD. One of the important decisions was the review of the mandatory hedging condition for infrastructure loans, i.e. external commercial borrowing (ECB). It has also been decided to permit manufacturing entities to avail ECB facility with minimum maturity of one year, instead of the earlier limit of three years. Moreover, the withholding tax on rupee dominated bonds has been done away with, for bonds issued till March 2019 and marketing and underwriting restrictions on such bonds shall be removed.

Lastly, it was announced that the government would also restrict its imports of non-essential items and would encourage exports. While the list of non-essential items was not disclosed, the Finance Minister said they shall be WTO-compliant. While the economy hasn't been gravely jolted by the economic chaos, its impacts will unfold over time. As per SBI's report, periods of depreciating currency in India have been followed by those of appreciation. Thus, inflow of investments and stability in the markets is expected in the future. Though several such predictions are underway, it is certain that the Indian economy stands firm with its strong fundamentals, unlike its formative years, and can stabilise itself in time without causing severe damage to the economic system.

COMMERCE NEWS FLASH

INSOLVENCY AND BANKRUPTCY CODE

IMPLEMENTATION OF THE IBC PROCESS TO BE A KEY CLINCHER OF GROWTH.

The implementation of the Insolvency and Bankruptcy Code (IBC) has drastically cut down the time taken for insolvency resolution. To further sprint this process, RBI has been empowered to initiate the insolvency resolution process in case of a default. The PSU bank recapitalization plan worth Rs 2.1 trillion was a masterstroke.

SAFETY NETS FOR INDIAN WORKFORCE

Around 92% of India's workforce is in the informal sector. The government of India is addressing this through the Atal Pension Yojana and expanding the insurance net through the Pradhan Mantri Suraksha Bima Yojana and the Jyoti Jeevan Yojana. A strong social safety net will not only ensure better living standards but will also reduce the need for precautionary saving, providing a boost to growth via higher consumption expenditure.



CENTRE'S CONTRIBUTION TO THE NATIONAL PENSION SYSTEM INCREASED

The Cabinet on 6 December 2018 raised the government's contribution to National Pension system to 14 percent of basic salary from the current 10 percent. The Cabinet also approved tax incentives under 80C of the Income Tax Act for employees' contribution to the extent of 10 percent. The entire amount that is withdrawn will be made tax-free at the time of retirement. The changes have been made in the "larger interest of employees". It will benefit about 18 lakh central government employees. This will cost the government about Rs 2,840 crore for the financial year 2019-2020 and will recur.

NATIONAL PENSION SCHEME

FINANCIAL EXPRESS

GST, A SILVER LINING FOR INDIA

With the expansion of the indirect tax base and removal of inter-state check posts which ultimately resulting in faster movement of goods across state borders. GST is potential to act as a keystone on which Government of India's (GoI) aim of expanding the formal economy will be built—incentivizing all economic agents at every stage of the product chain, right from procurement of raw materials to the sale of the finished product in order to be tax-compliant

COMMERCE QUIZ

1. What have been the amendments done to the Trade Union Act, 1926 by P.M. Narendra Modi by inserting Section 10A?

- a) Hikes in laborers wages.
- b) Recognizing trade union at Central as well as State level.
- c) Reduction in working hours.

2. McDonald's after 22 years earned a first-ever profit in India. What is the fiscal year and the amount of profit earned?

- a) Rs. 70.9 Lakhs in 2015-16
- b) Rs. 90.5 Lakhs in 2016-17
- c) Rs. 65.2 Lakhs in 2017-18

3. Who is appointed by Walt Disney as President of its Asia Pacific Unit on December 2018?

- a) Uday Shankar
- b) Rebecca Campbell
- c) Mahesh Samat

4. Name the 25th Governor of RBI?

- a) D. Subbarao
- b) Shaktikanta Das
- c) Urjit Patel

5. In 2018, Union Finance Minister increased the contribution to the National Pension System for Central Government employees by what percent?

- a) 4%
- b) 7%
- c) 9%

6. Name the first Indian airline to have 200 planes and also it's a stake in the domestic travel market of India.

- a) Spice Jet with a 59% share.
- b) Indigo with a 43% share.
- c) AirIndia with 51% share.



7. Which Bank launched India's first interactive Credit Card(by giving options like EMI, Reward, and Credit)?

- a)IndusInd Bank
- b)SBI
- c)PNB

8. Name the agreement which Cabinet approved between India and Morroco in 2018.

- a) Agreement on Mutual Legal Assistance in Civil and Commercial Matters.
- b) The Transatlantic Trade and Investment Partnership Agreement.
- c)Agreement of duty-free transit of Merchandise for trade with Third countries.

9. Who replaces Elon Musk as Chairman of Tesla Inc.?

- a) Martin Eberhard
- b) Marc Tarpening
- c) Robyn Denholm

10. Who became the largest payment card network overtaking VISA with 459 million transactions.

- a) Rupay
- b) AmEx
- c) Mastercard

11. Name the type of business firms for whom P.M. Narendra Modi launched a portal of sanctioning loans in just 59 minutes.

- a)Cooperative Society
- b)MSME
- c)Sole Proprietor

Answers:

1.b 2.c 3.a 4.b 5.a 6.b 7.a 8.a 9.c 10.a 11.b



E-COMMERCE FACTS

1)*More than 67% people love to purchase through their mobile rather than laptop, & other system: Everyone knows how to operate a cellphone & use many apps. So, it is very obvious people prefer to phone to purchase the products through mobile.

2) In the beginning of 2015, purchases made with smartphones accounted for 60% of all mobile sales: the smartphone make people crazy & hence, it the reason people prefer to use smartphone rather than any other.

3) The largest number of online purchases in the world is from Asia & some part of South Korea.

4) Apparel and accessories sales are the fastest growing sector in Ecommerce. It is possible because women are more curious about the shopping & they love to purchase such things.

5) 33% of all mobile transaction worldwide completed in the U.S.

6) 68% Canadian & UK people shop the online product outside of their home country.

7) By 2017, mobile commerce will account for 24% of the global ecommerce market.

8) 95% of Twitter users visit retail websites as compared to the other Internet users. It means, every e-commerce business people concentrate & generate more followers on Twitter rather than to other

9) E-commerce is the fastest growing business. Everyone knows that, because it helps customers to save their time & efforts

10) 62% of the U.S. women pay attention to online discount and promotional news.

11) 33% of UK online sales occur after 6 pm. It means, you need to more active after 6 PM.

12) 24% of female UK internet users do not shop online because of lack of product information.

13) 21% of all UK retail sales occur online.

14) 26% of female UK internet users do not shop online because of the inconvenience of returning products via the post office.

15) 40% of worldwide internet users have bought products or goods online via desktop, mobile, tablet or other online devices.

16) eBay-owned PayPal is one of the current market leaders with more than 14 billion US dollars in mobile payment volume alone.

The Commerce Faculty





Commerce Department

**Kamala Nehru College (University of Delhi), August Kranti
Marg, New Delhi-110049**

Phone no. -26494881

E-mail ID: commagzine@yahoo.com

DISCLAIMER

The Editorial Board of Vanijya Vani cannot be held responsible for the information in the publication. The publishers or authors do not give any warranty for the completeness, originality, or accuracy for the content of this publication.