2022

HORIZON

- More than just Economics

Financial Budget
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Dean's Message

At JIMS, we believe our job is not to tell, explain, and demonstrate but to inspire our students to excel and be leaders in whatever they do, wherever they go. JIMS intents to be the bedrock for leadership and initiative. We challenge the students to think beyond boundaries and work beyond their comfort zones, inspiring innovation, creating and honing their analytical and thinking skills by emphasizing the practical and applied aspects of the theoretical knowledge.

We focus tremendously on the inculcation of ethics, values and good governance skills in the students. Corporate Management and Community Service form an integral part of the Educational Culture we teach at JIMS. We believe that holistic development should be the goal of business schools rather than creating islets and silos of knowledge in various disciplines of management studies.

The aim has been to publish the economic magazine to highlight the Department of Economics as a centre for total quality education through comprehensive development. The emphasis in its decade-long existence has been on the various domains which mainly include-

DR. PRAVEEN ARORA

- Self Enhancement and Inculcation of Ethics and Values
- Optimizing Potential and Leadership Skills
- Conscious Participation in Larger Systems and Nation Building through Community Service and Corporate Social Responsibility
- Accreditation through Participatory Power
- Lucid and Good Governance

'We must remember that as professors we don't teach a subject, we teach a person.'

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Message by Editorial Team

"Pleasure in the job puts perfection in the work"
- Aristotle

Dear Readers,

It gives us immense pleasure to introduce our first economics magazine, "HORIZON". It's an honor to be a part of the economics department magazine team of JIMS,Rohini. As a team, we have tried to accomplish pristine work. The heterogeneity of the group has been an important element in the making of HORIZON and has helped us enhance the artistry of it. The team has been offered an opportunity to analyze the world economy better; to study past and current economic events around the globe. HORIZON mentions economics-related facts and figures in a very articulate manner and also, is very insightful for the people even remotely interested in economics.

The aim of the magazine is to acquaint its readers with the importance of economics as a subject and call attention to the significance of a holistic development.

The magazine is a platform for high-quality, research-oriented articles and extracts in all fields of economics and has eventually made us understand economics from a superior facet. The entire process of making this magazine has rather been an enriching experience for all of us.We hope the first edition of HORIZON will set the bar high and confound its readers. Hoping to receive your valuable feedback.

Regards
EDITORIAL TEAM

Getting To Know: Indian Money Market

Have you ever heard about Money Market? What is it and the role of this in India?
So basically, in India the money market is a section of the financial market where short-term funds are take and donate. Money market products have a one day to 1 year maturity. The RBI and the SEBI both control this market in India. The nature of the transactions in this market is such that they are both used in value and volume. As a result, we might conclude that a small number of huge firms control the entire market.

Money market tools in India:
Money market tools address short run liquidity requirement while also providing liquidity to landers. T- bills, recover agreements, commercial papers, certificates of deposit, and bankers' obtaining are among the several forms of India money market tools.

The purpose of money market is to keep the market liquid
To manage liquidity, the RBI employs money market instruments. It meets the governments and economy's short-term demands.
Any company or organisation can borrow money on short notice for a limited period of time The present scene of the money market is a commodity of past monetary policy. In resulting, it acts as a structure for evolve new plans related to the short-term money supply.
The money market is a place where short term trades can be made. As a result, it is in charge of market liquidity. The following are some of the reasons why the money market is so important:
Within a 6 month to 1-year period it maintains a balance between supply and demand for monetary transactions conducted in the market.
It provides cash for business to expand, and as a result, it is accountable for the economy growth and development.
It helps with monetary policy implementation. It aids the countries commerce and industry development.
We fund working capital needs by mixture of money market commodities. It gives the extension of incoming and outgoing trade.

Himadri Purohit
BA Economics Hons (Ist Year)

Real Estate Market: The Housing Markets

This sector is one of the most known sectors in the developing world. It comprises of 4 sectors which are housing, retail, tourism and trade. The development of these sector has been accompanied by rapid grow of corporate status and the need of office place and large residential areas. The construction and building industry stand third among the fourteen significant sectors in terms of direct, indirect and resulting outcomes in all sectors of the economy.
In our country, the real estate sector is the 2nd largest creator of rent, following the agricultural sector. This is also expected that the sector will sustain additional Native Indian investment in the short and long term. Karnataka is considered to be a popular investment destination for NRIs followed by some big cities which is Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

MARKET TRAGEDY

By next 18 years this market will grow to 65000 crores from Rs 12000 crore by 2019. The housing sector in India is hoping to touch the mark of 1 trillion dollars in market size by the year 2028, from 200B dollars by the year 2021 and adds to the 13% of the country's gross domestic product by next 3 to 4 years. Retail, hospitality, and retail are also increasing rapidly, providing much-needed infrastructure for India's growing needs.
The Indian real estate sector has seen more than 1700 hectares of plot deals in the main seven cities in a year. Foreign investment in this real estate sector was 10.3B dollars from 2017 to year 2021. By the February 2022, engineers expect the need for working space in special economic zones to continue after the change of existing SEZ legislation.

About 40 million square meters are imported to India by 2021. The country is expected to have 40% market share over the next 2-3 years. India is expected to bring 46 million square meters by 2022. India's total rental income in the top eight cities stands at 16.2 this will be a 12.4% quarter-on-year increase by 2021. India's acquisition of the office market stands at 11.56 million square feet in the fourth quarter of 2021. This was 86%.

In the financial year 2021-22, the trading area is expected to achieve growing investments. For eg, in Oct 21, a group of chintelssaid the investment of around350 cr for the construction of a fresh commercial project in Gurugram, covering an area of 9 lakh square meters.

INVESTMENT/GROWTH

The Indian real estate sector experienced significant development in past few years for increasing demand of offices and residential areas. Acc. to Colliers India, real estate adviser, institutional investment in the housing depart is expected to increase by 3 percent to 36500 cr by 2021, driven by the growing interest of investors in gaining impressive prices during the pandemic. According to a recent report from COLLIERS, personal staked investments in real estate sector reached to a mark of 2.9B dollars in the first half of 2021 which had doubled from the first half by 2020. Is we see the data released by the department to promote industrial and domestic trade exchange policy, the construction and building sector is the 3rd largest in terms of Foreign direct investmentrevenue.

There are some well-known investments and developments in this sector which are mentioned below;

- Between Jan21 and Sept 21 the inflow of private equity funds to the housing and housing sector in India stands at 3.3B dollars.
- In the third quarter of year 2021, real institutional investment in our country shot up by 7%.
- Investments registered in the starting 9 months of 2021 at 2977M dollars, compared to 1534 million dollars over the same period the previous year.
- To establish an investment platform for mixed consumer goods sales in India, Guaranteed investment certificate announced the investment of a small portion of the company phoenix Mills portfolio (valued at 733M dollars) by June 21.

GOVERNMENT INITIATIVES

The GoI and the governments of various countries taken a few steps to promote the development in this sector. The project for a smart city, with a plan to build 100 smart cities is a great option for real estate companies.

Some of the important government programs mentioned below;

- In Oct 21, the reserve bank declared to keep the reserved interest rate at 4% without changing and providing a significant improvement in this sector in the country. The low interest rate on mortgages is estimated to further the demand for housing and increase sales by 35%.

- The Atma-Nirbhar Bharat package announced by the Minister of Finance in Nov20 includes ways to supplement the income tax for real estate developers and real estate buyers with a basic sale of real estate worth up to 2 crores.

- To revitalize nearly 1600 stagnant housing projects in the country's highest cities, the Union Cabinet approved the establishment of a 25 thousand crore investment fund.

Shreyansh Jain
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Highlights Of Financial Budget 2022-2023

On February 1, 2022, at 11 am, India's finance minister, Nirmala Sitharaman, introduce the union budget 2022. This is the 4th budget of Modi 2.0 government. This Financial budget laid a foundation and blueprint of the economy on "Amrit Kaal" of the next twenty-five years from India at 75 to 100. The main aim of the budget FY 2022-23 is to strengthen the infrastructure with its focus on four priorities of: 1. Inclusive development, 2. PM Gati Shakti, 3. Productivity Enhancement & Investment, Energy Transition, sunrise opportunities, and Climate action, 4. Financing of investments.

A big thrust is given to infrastructure enhancement. Under Gati Shakti project, national highways to be extended be 25,000 km and outlay of Rs.20,000 Cr is kept for this by the government. Rivers will be interlinked. Secondly, the National Tele-Medicine program will be launched, many people suffered due to bad mental health during the pandemic and if the government is recognising it then it is good. A lot of thrust is to be given to digital infrastructure, under digital infra it be Banking, Payments, Fintech innovation-related and in rural areas also. This year there will be the auction of the 5G spectrum also. Secondly, e-passports will be introduced, i.e. Electronic chip. For the planning of urban cities 5 excellence centres will be made, only existing education institutions will be made the centres of excellence and each institution will get Rs.250 Cr as an endowment fund.. Many policies will be made related to electric vehicles and solar.

To make batteries standardised and take less time in charging for this government will introduced Battery swapping policy and inter-operable procedures will also be made. The second example of sustainability is that many investments are going to be there in solar, 280 GW installed capacity is being planted till 2030 - for this, outlay decided is of Rs. 19500 Cr under PLI scheme for solar manufacturing units. Capital expenditure is increased and hiked to 7.7 lakh Crores. The budget expenditure estimates for 2022-23 is 39.45 lakh crores. And, the estimate for revenue receipts is kept at Rs. 22.84 lakh crores. In budget 2022-23 the target of fiscal deficit is decided 6.4%. RBI will launch digital rupee. On the all-digital assets like: Crypto and NFT's, 30% tax will be imposed. Under direct tax, firstly there are no changes in the income tax slabs. secondly is that tax rebate on employer's contribution in NPS for state government employees is increased to 14%. Tax incentives for start-ups extended till march 2023. Government wants to promote blended fuels and that's why extra excise duty to be implemented on unblended fuels like: petrol and diesel from October 2022 which will be Rs.2 per litre.

The hits of the budget are: Investment in infrastructure, increased in capital expenditure, thrust in digital infrastructure, auction of 5G spectrum, sustainability and launching of digital rupee. The misses in budget are: No reduction in income tax slabs, the target of fiscal deficit 6.4% may be miss.

Krishna Jain
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The Stock Market Game

The stock market is a public market where the trade of stocks, that are put up on a stock exchange, takes place. Stocks or shares, also referred as equities, represent partial ownership in a firm whereas a stock market acts as a platform for investors where they can trade these asset classes. For investors who wants to invest in equities, they must select a company that is publicly listed. In India, the shares of the public companies are traded on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) which are further regulated by the Securities and Exchange Board of India (SEBI). It is SEBI's responsibility to promote development of the stock exchanges, to monitor activities of those who participate in the market along with the financial intermediaries involved and, to ensure they conduct their business fairly.

Even though the history of stock trading goes back to the mid- 1500s, the modern stock trading commenced as the shares of East India Company were traded in London. The East India Company came up with a business model, according to which the company offered fractional ownership in the form of stocks and offered investors returns from all the voyages it funded. Since the company was protected from the opposition by charters issued by the royal family, it gained popularity as investors were able to make massive profits on their investments and thus, the East India Company was able to generate massive capital for its operations.

The stock market serves two important purposes:

- The first and the most important one is to raise capital for the companies. By going public, a firm can raise funds for its business expansion.
- Second, the stock market gives an opportunity to the investors to share-in the profits of the company they had invested in. Investors can either profit by selling the shares they own at a higher price or by earning dividends of the shares they hold.

The stock market follows the laws of demand and supply. If the number of buyers for a particular stock exceeds the number of sellers, the stock will trend upwards. In this case, the buyers will be willing to raise their bids in order to acquire the stock as there is a shortage in the market whereas, the sellers will ask for a higher price as their goal is to maximize profit. Similarly, if sellers outnumber buyers, they might be willing to accept lower offers whereas, the buyers would be interested in buying at cheaper price. This will force the price downwards. The stock market performance can be traced with the help of a market index, which is a combination of prices of the selected stocks. The movement of an index is basically the net movement of these selected stocks. The BSE has its own index named SENSEX whereas the NIFTY50 is the index name for the NSE.

The following are some of the major players in the stock market:

Investment banks: when a firm decides to go public for the first time, they have to undergo the process of Initial Public Offering (IPO) which is managed by investment banks in return for a fee.

- **Investors:** Investors are willing to invest in a company which offers a constant return on their investment. The two types of investors are institutional investors such as mutual fund companies etc and, individual retail investors.

- **Stockbrokers:** Stockbrokers trade stocks on behalf of their clients while they might act as financial advisors in return for a fee.

- **Equity research analysts:** Generally employed by stock brokerage firms, mutual fund managers etc, these individuals conduct research on publicly traded companies in order to provide a financial forecast on the rise and fall of their price.

The benefit of investing in the stock market is not limited to the company whose shares are being traded. Investors can gain significant returns if they are good at managing and analysing the risks involved. An individual can grow financially as smart investing may allow their money to outpace inflation.

Aditya Dewan

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DID YOU KNOW ?

There are 19 stock exchanges in the world with a market capitalization of more than $1 trillion

Spot/Cash Market: The Economy's Fulcrum

As we know in current generation technology is growing rapidly. And with this cash flow is declining due to use of digital payments platforms of cash is such as Paytm, phone pay, PayPal, pay-u, google pay Bharat pay. This introduction to online technology affects the SPOT CASH MARKET. The money market of the places where which sale and purchase of goods and services occurs through exchange of cash immediately in exchange for cash. Spot markets are usually operated by industry organizations money market shouldn't be chaotic with the cash market which involves trade of cash equivalents that is very short-term debt instruments such as treasuries and commercial papers. A spot market is also a financial market where, payments in cash are processed straight away there is physical swap of property. Transactions are stable at the current price of product or commodity. In spot market there is direct transaction between buyer and seller no third party involve as manager of a transaction there is no role of any broker. There are many transactions takes place on cash markets worldwide a far larger quantity of transactions takes place on future markets this is mainly due to because cash is considered as liquidity assets. Trading is usually completed through brokers of the exchange who act as the market makers. Assets trades on exchange are standardized, as per the exchange standard. It also generates more national income of country than online transaction like upi, Paytm, google pay, etc.

Financial instruments trades on spot markets include equity fixed income instruments like bonds, treasury bills and foreign exchange. Financial markets can affect emotions when trading in spot market it is important to manage these emotions to ensure a successful trade. Trading also affects the human emotions can break confidence of a person. Commodities are standardized in order to ensure efficiency in the market for rapid growth of the economy. An example of a spot market trade is when an investor Rocky is planning to buy 1,000 shares on the Bombay Stock Exchange (SE)he will contact his broker to buy the shares at the prevailing market price say 150 rupees per share. The transfer of funds os completed immediately by the broker to the seller at a consideration of 150,000 rupees Ownership of the shares is transferred to Rocky as soon as the funds are received by the seller clearly as the transaction is transparent. There are several advantages of spot market its facilities trading in good manner the way of trading is transparent where transactions occur at prevailing prices that are public information which are known to all customers and parties. It also requires less capital investment as compared to online business investment. In order to push more cash spot market in economy which should give more priority to cash transactions instead of using online payments. More use of cash can be useful for economy for rising national income of the country. Cash can be acceptable everywhere but sometimes online payments won't available in some places. For example, EXOTICA FOODS is a food company it is a food manufacturing which uses wheat in several of its f rather than cultivating wheat directly, EXOTICA FOODS relies on the cash market to provide its wheat supplies. It purchases large amount of wheat each and every month from farmers, paying for those goods which are in cash and stockpiling them into its warehouse.

Shashank Mittal
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The Game Of Foreign Currencies

Every country has its own currency that it uses in trade and business, however what concerning within the international market? Currency has become a barrier to international trade because of its restricted ability. The interchange Market was created to handle this issue. This can be a sort of market wherever the rate for currencies is mounted.

The global economy would suffer greatly if the interchange market didn't exist.
The interchange market could be a world over-the-counter (OTC) marketplace that pose currency exchange rates round the world. The interchange market is stated as forex, FX, or the currency market. Candidates during this market have the flexibility to shop for, sell, exchange, and speculate on currencies.

These interchange markets are inhabited by banks, forex dealers, industrial corporations, central banks, investment management corporations, hedge funds, retail forex traders, and investors .

Types of interchange Markets:-
The interchange Market comes in a very kind of shapes and sizes.
The Major interchange Markets
Forward Markets
Future Markets
Option Markets
Swaps Markets

The interchange Market's Functions. The subsequent ar the assorted functions of the interchange Market:-

Transfer Function: The interchange market's principal and obvious operate is to transfer money or foreign currency from one country to a different for payment settlements. In substance, the market turns one's currency into another.

Credit Functions: FOREX's credit operate is to convey importers with short funding so as to push the seamless flow of products and services from different countries. The bourgeois will fund international imports together with his own credit.

Hedging operate : a distant exchange market's third operate is to hedge interchange risks. Interchange participants ar oft involved concerning variations in exchange rates, that confer with the worth of 1 currency in terms of another currency. This might end in a profit or a loss for the party concerned.

Characteristics of the interchange Market

This type of exchange market has its distinctive set of options that has to be discovered. The subsequent ar the characteristics of the interchange Market:

Liquidity is overabundant. The foreign currency market is that the world's most simply liquidated money market. This entails commerce of various currencies all round the world. Traders during this market have complete freedom to shop for or sell currencies whenever they opt for.

Transparency within the Market This market contains a ton of clarity. The interchange market's traders have complete access to all or any market knowledge and knowledge. This may aid within the watching of currency worth movements in several nations via the time period portfolio.

Market that's dynamical : The foreign currency market could be a perpetually dynamicmarket. The currency values in these markets vary each second and hour.

24 Hours on a daily basis, 7 Days every week The interchange markets ar open 24 hours on a daily basis, 7 every week. This enables dealers to trade at any time of day or night.

In a interchange market, World Health Organization ar the participants? The subsequent ar the players in a very interchange market:

The financial institution controls the money provide within the market and is accountable of the rate of their country's currency to stay variations among the set vary.

Commercial Banks : industrial banks operate as a passage for currency transactions, permitting their customers to conduct international commerce and exchange. Foreign investments araccessible through industrial banks furthermore.

Traditional Users : ancient users embody international travellersand businesses that conduct business everywhere the globe.

Traders and speculators : are profit-oriented people World Health Organization hunt down opportunities to take advantage of short market fluctuations.

Brokers: Brokers ar money specialists World Health Organization operate as a trustworthy intercessor between dealers and investors by delivering the foremost competitive quotes.

The Benefits of the interchange Market

For obvious reasons, the complete world economy is dependent on the interchange market. Let's take a glance at the advantages of commerce within the interchange market.

There ar very few restrictions, permitting investors to freely invest during this market.

The interchange Market isn't ruled by any central bodies or clearinghouses. As a result, third-party intervention is reduced.

When it involves getting into the interchange Market, several investors don't seem to be needed to pay any commissions

The market is open twenty four hours on a daily basis, investors will trade whenever they need. If investors feel uneasy, the market permits them to simply enter and exit.

Did you recognize ?

The interchange Market (Forex Market) is that the world's largest and most liquid money market.

The interchange market is open 7 days every week, 24 hours on a daily basis. It opens for business on Sunday at five p.m. civil time and closes on Fri at five p.m. EST.

This market handles 3.98 trillion dollars in transactions in a very single day! If you have got a web association, you'll be able to even access the interchange Market.

USD (United States Dollar), EUR (Eurozone), JPY (Japan), and GBP (Great United Kingdom of Great Britain and Northern Ireland Pound) ar solely a couple of of the world's most vital currencies.

Himadri Purohit

BA Economics Hons (1st year)

Outlook Of Bond Market

A bond is a debt or promise that will pay the investor's interest in conjunction with the reimbursement of the primary invested in alternate for the purchase of the bond.

Bonds utilized by businesses, local governments, provinces, and local governments are used to fund initiatives and operations. Bond details encompass the ultimate date whilst the main of the mortgage is paid to the bond owner. It is often a circumstance that the borrower will pay interest that floats or does not trade. A bond is a part of company bonds issued by way of a corporation and securitized as a tradable asset. Floating rates are also widespread today. Bond costs are inversely correlated with interest charges. When interest rates rise, bond expenses cross down and vice versa. Bonds have a particular period ending date at which the principal need to be fully repaid. Otherwise, there's a default danger.

The bond market is a budgetary market where people can issue latest bonds, which is known as the primary market, and where people buy and sell bonds, that is known as the secondary market. Ordinarily theese are bonds, however there also are banknotes, invoices, and so forth, both for public and private prices.

Governments normally use bonds to raise capital, pay off debt, and fund infrastructure enhancements. Public agencies pay bonds when they want to fund an enterprise growth job or when they need to maintain a continuous business.

In simple words, the bond market is a place where investors purchase bonds issued by vital government or organizations. Bonds are issued in the primary markets wherein fresh debt is issued and in the secondary marketplace, buyers can buy the modern-day debt through an agency. Bonds have a tendency to be greater risky and greater conservative than equity investments, however in addition they have lower predicted returns.

DID YOU KNOW ?

The bond market is much larger than a stock market

Types Of Bond Markets

● **CORPORATE BONDS:** Companies issue company bonds to elevate capital for an elaboration of motives. Corporate bonds are normally long-term debt securities with a maturity of one year or extra. Corporate bonds are generally categorized as either investable or high-yielding. This rating is based totally on the creditworthiness of the bond and its company.

● **GOVERNMENT BONDS:** Government bonds entice buyers by means of paying normal interest and paying the face fee stated at the bond certificate at the agreed maturity date. This characteristic makes government bonds attractive to conservative traders. Government bonds are usually considered the lowest risk sort of bond due to the fact they may be sponsored through the authorities, that could tax citizens and print money to cover their payments.

● **MUNICIPAL BONDS:** Municipal bonds are issued via states, towns, unique districts, software districts, faculty districts, public airports and ports, and other authorities'organizations that need to elevate funds to fund numerous initiatives. Municipal bonds are normally tax exempt from federal taxes and can be country or nearby tax exempt, which makes them attractive to certified tax-aware traders. If the municipality is the company of public debt, a third birthday party will pay interest and essential.

● **MORTGAGE-BACKED BONDS (MBS):** The trouble of MBS inclusive of pooled actual estate mortgages is solved by using placing sure secured belongings. Investors who purchase mortgage-subsidized securities essentially lend money to homebuyers through lenders. They normally pay interest month-to-month, quarterly, or semi-yearly. MBS is a kind of asset-subsidized safety. Mortgage-backed securities are as strong as the mortgages that underpin them, as revealed by means of the fall apart of subprime mortgages in 2007-2008.

● **EMERGING MARKET BONDS:** These are bonds issued via rising market governments and organizations. Not only do those bonds offer a good deal greater growth opportunity, however they also deliver extra chance than the domestic and superior bond markets. The dangers of making an investment in emerging marketplace bonds consist of the same old risks inherent in all bonds. Emerging markets as a whole have made first rate strides in restricting sovereign or sovereign threat, but it's miles plain that those countries are much more likely to enjoy socio-monetary instability than advanced markets, especially US.

Now, as at the beginning, there are some questions that folks who want to make investments inside the bond marketplace generally ask, is the bond a very good investment and is the bond market a secure funding? As with any funding, the anticipated return on a bond ought to be weighed against its risk. The higher the chance of the provider, the better the return required by the investor. Therefore, junk bonds pay better interest quotes, however in addition they have a better threat of default.

The subsequent query is, are we able to lose money inside the bond marketplace? Yes. Bond fees are not as risky as stocks, however on common they're risky and may fall. For example, as interest prices upward push, even high-rated bonds fall. The sensitivity of a bond's rate to changes in interest charges is called the duration. Also, if the company defaults or goes bankrupt, the fee of the bond may be extensively decreased. This approach that the unique investment and unpaid hobby can not be completely repaid.

Gautam Matta

BA ECONOMICS HONS (IInd Year)

Role Of Commodity Market In India

A commodity market is a market for primary products that is it consists of nature product items rather than manufactured products. It is a marketplace for buying and selling in physical or virtual market. Commodities can be categorised into hard and soft commodities. Hard commodities are consisting of metals, crude oil etc.; mainly traded on MCX whereas soft commodities consist of wheat, cotton etc.; mainly traded on NCDEX. The commodity market functions similar to that of various markets, where one can trade different commodities.

The 6 commodity exchanges that India primarily has are National Multi-Commodity Exchange (NMCE), Multi-Commodity Exchange (MCX), Indian Commodity Exchange, National Commodities and Derivatives Exchange (NCDEX), ACE derivatives exchange and the Universal Commodity Exchange.

Today's commodity markets are advanced and fully grown institutions. These markets seem to be old-fashioned but they are the reliable measures of value in times of crisis. The presence of financial investors in commodity market has grown rapidly over the past few years. Increased investor activity can be expected to benefit market efficiency. Commodity Futures prices have experienced a boom over the past 10 years. The composition of participants has also changed drastically over the last decade.

Commodity market as regulated by the forward market Commission set up in 1953, got merged with SEBI in September 2015.

Commodity trading is when the exchange involves trading in raw and primary products. The 3 basic steps to trade in commodity market are; first choosing a broker and open trading account, second deposit the margin money, third start the trade.

In share market we have 2 types of markets namely spot and future market whereas, in commodity market we only have future markets. In commodity market many risks are eliminated like, you don't have to travel anywhere physically, purity of a commodity is no question because commodity is not bought materially. Due to the prevailing risks in physical market people tend to go for trading in commodity market which is far better, safer and requires less investment. These markets also provide diversification, where we can invest in various farm products and also acts as a cushion because you only have to pay initial margin money not the full amount so your wealth does not get blocked hence this market gives us high leverage than any other market.

In India Commodity Exchange nearly contribute 47% of the GDP, where 15% of the GDP solely comes from agriculture. India is a prime consumer of bullions (gold and silver) and energy products. Additionally, it also ranks amongst the top 5 producers of most of the products.

Samiksha Gupta
BA ECONOMICS HONS (IInd Year)

Capital Market

The capital market plays a very crucial role in the country's financialposition as it helps in allocation of funds and mobilization of resources. Capital market is a part of financial system where buyers and sellers are involved in buying and selling of monetary securities such as bonds, stock, etc. The market is greater than the security. The capital markets cater to the need for a long-term fund that is required for the growth of individual and manufacturing sector.

Capital market includes all types of lending and borrowings and it is usually for the growth of long-term funds, as it majorly deals with debts and equity securities. There is a variety of buyers like companies, government, businessmen and other common people therefore here the most significant regulatory body is RBI (Reserve Bank of India) assisted by the SEBI (Security Exchange Board of India)

Capital market helps in facilitation of buying and selling if securities settling the transactions within the given period of time. The market provides many channels that help in funding it through government and private sectors.

DID YOU KNOW ?

Capital market allow traders to buy and sell stocks and enable business to raise financial capital to grow.

Capital market have many institutions such as
- Commercial bank (SEBI, CITI BANK etc.)
- Insurance companies (LIC, HDFC etc.)
- Specialized financial institutions like IFCI, UTTI
- Provident fund societies and other institutions.
- The market all about who demand funds and the lender who supply funds.

The Indian capital market has been changed with the help of a combination of information technology, fast evolution of market structures, inclination to accept foreign investments and strengthening regulatory structures. This helps foreign investors and intermediaries to enter the market.

CHALLENGES WE WILL FACE IN NEAR FUTURE

- In this pandemic situation the global capital market has been changed drastically by various interrelated forces
- The public market has its own pros as it has greater ingress to capitalist opportunities in private markets and its alternatives.
- Other major issues are data and cyber security, the diverse structure of financial intermediation environment social and governance lucidity.

Jiya Sharma
BA ECONOMICS HONS (I Year)

Stabilizing Price and Output: The Monetary Policy

All the countries around the world, whether developed or developing, face various macro-economic challenges on a daily basis. One of such challenges involve testing the effectiveness of the government policies which are implemented to boost the economic performance of a nation. The two major macro-economic policies used by the government are Fiscal policy and Monetary policy. While a fiscal policy relates to government spending and taxes, the money supply in the economy is the subject of monetary policy.

"Monetary policy is defined as a discretionary act conducted by the authorities with the intent of influencing (a) the supply of money, (b) the cost of money or rate of interest, and (c) the availability of money for the purpose of achieving a certain objective," writes the economist D.C. Rowan.

The Reserve Bank of India (RBI) is the sole authority in charge of monetary policy for its implementation and formulation. The RBI uses instruments of credit control to manage the number of credit creation by the banks.

Some instruments of credit control are:

Open Market Operations: The selling and purchase of government securities by the RBI is known as open market operations. These actions have an impact on the central bank's cash reserves and, as a result, their ability to create credit.

The Cash Reserve Ratio (CRR): It is the percentage of commercial banks, time and demand deposit obligation that they must deposit with the Reserve Bank of India (RBI). This ratio can be changed by the RBI in order to influence loan availability. (The Cash Reserve Ratio (CRR) was last changed on March 28, 2020, when it fell by 1.00 percent from its previous level of 4.00 percent.)

QUOTE

There is no risk free path for monetary policy

Bank rate: The bank rate is the interest rate at which the Reserve Bank of India (RBI) lends help in the form of commercial banks.The RBI affects the cost of borrowing by increasing the bank rate. (At the time of writing, the bank rate is 4.25%)

Monetary policy can be of two types:

- **Expansionary Monetary Policy:** The RBI utilizes instruments like open market operations to increase the money supply in an economy which reduces the interest rates and thus, the liquidity of the market increases.
- **Contractionary monetary policy:** The focus is to decrease the money supply of an economy which further increases the interest rates and thus, the liquidity of the market reduces.

DID YOU KNOW ?

Monetary policy involves influencing and controlling the money supply to target inflation.

The following are some of the key aims of monetary policy:

- **<u>Operating the economy's money supply</u>:** RBI controls the supply of money in such a manner so that they can expand the credit when in need and contract it to curb inflation.
- **<u>To attain price stability</u>:** Price stability can be reached when the supply of money in an economy equals the demand for it.
- **<u>To encourage saving and Investment</u>:** Monetary policy encourages saving and investment by regulating interest rates and keeping inflation in check.
- **<u>To Promote Employment opportunities</u>:** this policy supports jobs at low-interest loans to productive industries and small and medium-sized businesses.

The adoption of monetary policy has a significant impact on a country's development; nonetheless, it is a double-edged sword. A low level of money supply in the market will lead to low levels of investment, resulting in a decrease in aggregate demand, whereas if money is supplied in excess of demand, the poor will suffer as the prices of vital commodities begin to rise.

Vidhisha Khandelwal
BA ECONOMICS HONS (Ist Year)

Financial Crisis: A Country's Downfall

A financial crisis takes place when the value of financial instruments and assets falls dramatically.

According to a study conducted in 2009, financial crisis happens either because of bank runs or a sharp drastic drop in prices of assets of the capital market, which causes the collapse of finances of a country.

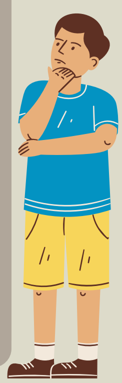
Let us consider the example of Sri Lanka which has a record of human occupation for more than 2,000 years, and its civilization is greatly influenced by its civilization of the Indian subcontinent. The island has 2 main ethnic groups, the Sinhalese and Tamils, and the island has two chief religions, Buddhism and Hinduism, were born in India. Indian presence can be found in various fields such as artistry, architecture, liberal arts, melody and therapeutics. And astrochemistry.

Sri Lanka became an independent country in 1948 and their future seemed to be bright and prosperous. They had numerous assets, they had a lot of ports back then,
the country had the potential to be the most vital link between the western and eastern worlds, it was even possible to construct world-class ports, moreover there was also a lot of scope for agricultural development and tourism.

Unfortunately, everything started to go downhill because of Sri Lanka's civil war which lasted for about a decade, that started in 1983 and ended around 10 years ago, still continues to affect the present of the nation. The conflict majorly dented the Sinhalese-dominated Sri Lankan government against the Liberation Tigers of Tamil Eelam (LTTE), which was a rebel group whose goal was to build an individual state state for the Tamil minority.

DID YOU KNOW ?

Debt trap and poor govt policy is the main reason behind the financial crisis



QUOTE

The financial crisis should not be an excuse to raise taxes

There were funds set aside by the government for the development of the nation but all those were used up for the National security due to the civil war, whilst the security funds were 4% before, they rose up to 20% GDP, due to the shortage of funds, the channels for trades couldn't be made. Sri Lanka was considered as an unstable option by foreign traders due to the internal conflicts of the nation, leading the country into deep pits of misery.

Moving on to the current state of the nation, it is facing an acute financial crisis, the 22 million population of the country are having to undergo 12-hour power cuts, scarcity of food, fuel, healthcare etc.

The way out of this financial crisis for Sri Lanka won't be easy. It cannot be done by the country itself. They'd have to request help from the IMF (International monetary fund), food would have to be rationed from the other friendly nations, medicines and other healthcare facilities would also need to be requested for. The country's efforts would bore a fruit, if the world helps it get out of the economic crisis.

Jahanavi Kalra
BA ECONOMICS HONS (IInd Year)

Managing Risks: Working The Tight Rope

Why risk management is important?

All businesses exist for one specific reason i.e. to earn money. Risks that are poorly managed can have a drastic impact on future productions. As a result, good risk management is important to ensure that your company can overcome any obstacle and continue to develop profitably.

Risks to a business or project can arrive from a variety of places. Risk was classified into four main categories by The Risk Management Standard : Financial, Strategic, Operational, and Hazard. Strategic risks can arrive from a company's competitors, consumers, or markets. For example, a company's product's technological feature may become obsolete. Operational risks can affect how the company operates internally. Financial risk can reveal information about financial market performance such as currency fluctuations. The most dangerous form of risk is Hazard risk. Events like natural disasters, man-made disasters, and criminal activities can permanently damage a company.

How to build an effective risk management strategy?

A systematic and strong risk management plan is required. A strong strategy should be simple to understand and implement.

This process can be divided into three stages :

- Identify
- Evaluate
- Diminish

In the identify stage, the business owners should thoroughly examine the company from a variety of perspectives. All the risk facing zones of a company should be determined. To get a thorough picture, this should be done with as many persons as possible.

Each risk is given a possibility of occurrence and severity of occurrence ranking during the evaluation stage, which can be done using the basic 1 to 5 scale, with 1 being rarely occurring and causing minor damage. This enables the management to gain a better understanding of the scope of possibilities.

During the diminish stage, various strategies are used to control the possible emerging risks. Traditional insurance , for example, is one technique to mitigate hazard risk. Capital market hedging operations can be used to manage financial risks. Clear check and balance systems and management oversight within the organisation help to reduce operational hazards. Better documentation such as preserving intellectual property rights, can help to reduce strategic risk.

The first step for a business owner is to implement an effective risk management strategy, which will allow them to confidently pursue new business prospects.

Khushi Chandhok
BA ECONOMICS HONS (IInd Year)

Insuring The Insurance: Reinsurance

Reinsurance is an insurance company that buys it from any other coverage enterprise to save you from the hazard of foremost losses. In return for insurance, a company transfers one of its insurance debts towards other insurance enterprise. The entity who buys insurance strategy is referred to as "cedent" or "cedent". The company that issues the insurance policies is called the "insurance company". In general, reinsurance allows insurance companies to continue to deal with major losses such as disasters such as big storms. Similarly, to its basic function in hazard management, renewable insurance may be used to reduce cash demands, or to reduce taxes or other purposes.

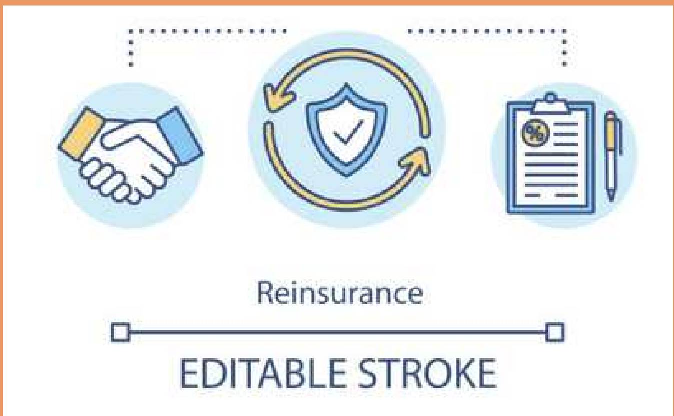
There are 2 primary procedures of reinsurance:

1. Facultative Reinsurance-The contract of all insurance is negotiated individually.
2. Treaty Reinsurance- In the sense that cedent and insurance company haggle and enforce the insurance agreement. Under this agreement, insurance company shield the defined percentage of the coverage contracts supplied by the parties within the scope of this agreement.

FUNCTIONS

Almost every insurance company has a repayment plan. The primary aim of this program is to reduce the risk by transferring one of the risks of losing to the person who re-insures or the group of re-insurers.

- Risk Transfer-Reinsurance allows insurance providers to make insurance policies with higher limits than otherwise permitted, and can take a higher risk as one of those risks is shifted to the insurance company.
- Income Smoothing- Additional Coverage can predict coverage outcome by absorbing significant losses. This can reduce the amount of money needed to pay.
- Residual Freedom Agreements provide a guarantee of "interest-bearing solution"; An additional solution is the ability to note big employment and large control.
- Investment - Coverage brokers might purchase insurance at a lower cost than claim the potential risk to the insured, regardless of the type of insurance. Insurance providers may have environmental benefits due to economic or other efficiency. Insurance providers may be less controllable than their customers. This allows you to cover the risk with less money and reduce speculation when assessing risk. Insurance companies may operate under the tax system in their favor.
- Reinsurance's Expertise- Insurance brokers may want to use their expertise or their ability to set appropriate premiums in relation to certain (special) risks. Insurance providers will also want to use this technology in writing to protect their interests. This is especially true for general insurance.
- Generate a viable and successful profile of insured risks- Through choosing a selected shape of coverage, insurers can create a balanced and consistent portfolio of coverage risk. This makes the outcome much anticipated on a complete reason. This is often one of the purposes of an insurance company's insurance policy.



Types of Insurance

- On average- With moderate insurance, one or more insurance companies pay a fixed percentage for each insurance contract issued by the insurer. The insurance company then recovers the stated premium and pays the prescribed premium. In addition, the insurer pays the insurer "a down payment" to cover the costs incurred by the subcontractor's orders either "equitable distribution", "refund insurance", or a combination of both. Distribution agreements renew a certain percentage of each insurance contract (e.g., 75%). The sales company sets a "participation limit" for profit sharing. For example, 100,000 dollars. The transferor withholds the full chance or risk of up to 100,000 dollars per strategy and any excess. This curb will be reinsured. Traders may be tempted to seek quotes for a number of reasons. First, you may not have enough money to manage all the jobs you sell. For example, you can only claim $ 100 million in total compensation, but if you re-guarantee 75% of that, you can earn fourfold revenue and save some of the gain from extra businesses through transfer payments. is due to the small number of large applications due to the random flexibility of the experience. For more than 9 bank contracts, the insurer will receive up to $ 900,000. Therefore, if an insurer issues $ 100,000 in insurance, the insurer will reserve all the premiums and losses on that insurance. If they have $ 200,000 in insurance, they give the insurance company part of the premium and the loss in the maximum automatic subscription amount of the transferor in this example is $ 1,000,000. This insurance probably requires regular insurance.

- Non-Proportional - For non-equitable repatriation insurance, re-insurance insurance pays only if the amount of the insured loss exceeds the stated amount of "deductible" or "significant" value over a period of time. For example, an insurance company may be willing to welcome a loss of 1 million dollar and purchase $ 4 million coverage worth more than $ 1 million. Then, in the event of a mislaying of 3 million dollars, the policyholder will pay loss of $ 1 million and repay the $ 2 million in insurance. In this case, the insurer also holds more than $ 5 million in excess claims unless you purchase another overlay insurance policy.

- Risk attachment basis - The basis on which insurance is provided in respect of claims arising from insurance contracts commenced at the time the insurance is required. The insurance company is aware that insurance will be covered throughout the life of the policy, even if the application is not available or required. All claims for reinstatement during the insurance contract will be filed even if they occur after the end of the insurance contract

Kanishka Agawari
BA Economics Hons(IInd year)

All About Crypto-currency

Nowadays, we hear a lot about cryptocurrencies. I'll admit that it has been one of the foremost talked-about topics in recent years. Some historians see it as the most recent stage in the evolution of money, while others see it as a multibillion-dollar opportunity. There are numerous cryptocurrencies within the market, many of which are awaiting release, but before we get into that, we must first understand what cryptocurrency is and the way the cryptocurrency came to be. If it's to be defined in simple words cryptocurrency , or crypto is a virtual currency designed to function as a medium of exchange via a c yberspace that's not reliant on any central authority, like a government or bank, to verify or continue it. The first cryptocurrency to be developed was none other than Bitcoin, which is now the most popular and most valuable cryptocurrency. It all started in late 2008, with Satoshi Nakamoto, who created Bitcoin in the aftermath of the global financial crisis, inspired by companies like DigiCash, which offered an electronic payment system for small payments beginning in the early 1990s. The main issue he identified is a lack of trust when handling unknown third parties. In traditional monetary systems, people must have faith in governments and central banks. When it comes to cryptocurrencies, you cannot put your trust in anyone. The decentralization of cryptocurrency brings with it both benefits and downsides.

The magic behind this decentralization is the advanced Blockchain technology on which the cryptocurrency works. This intriguing Blockchain technology works in a way that it's a kind of a systematic record in which all details of every transaction
which is made are recorded. The name tells you everything - “BLOCKCHAIN” - these "blocks" of information are connected together in a "chain." If I give money to my friend, then this transaction is recorded in a block, which incorporates the sender and recipient, the amount, a timestamp, and a cryptographic proof.

Types of Cryptocurrencies

There are many crypto-currencies and every one of them has its own pros and cons but here are some cryptocurrencies: -

- **Bitcoin (BTC)**

Released in 2009, Bitcoin was the pioneer of a new, innovative alternative for money, it was founded by Satoshi Nakamoto. About 18.5 million Bitcoin tokens are currently in circulation.

- **Ethereum (Ether)**

Ethereum is the second-best cryptocurrency after Bitcoin for people to take a position in. This highly hyped crypto currency was created in 2015 by Vitalik Buterin Bloomberg, Ethereum also works on blockchain technology for developing decentralized apps and smart contracts.

- **Ripple (XRP)**

Ripple was founded in 2012, it focuses on solving problems of only 1 industry — International Payment Transfers.

- **Litecoin (LTC)**

Litecoin was developed back in 2011 by a former Google employee, Charlie Lee, to enhance the present Bitcoin technology - shorter transaction time, and lower fees.

- **Cardano (ADA)**

The main approach for creating Cardano is to research. It is more of a platform for people with innovation, vision to create a global impact. This is currently capable of doing 257 transactions per second.

- **Stellar (XLM)**

Stellar is in tough competition with Ripple because it is an open blockchain network specializing in money transfers. It wants money to transfer efficiently, faster and also across national borders.

Government Stance on Cryptocurrency

Earlier the govt. was completely against Cryptocurrency, in the course of 2018, the finance ministry provided the press release, saying "the government does not consider cryptocurrencies as legal tender or coin. And in mid-2019 they put forward a very aggressive step by suggesting a ban on all pvt. cryptocurrencies, with imprisonment of 10 years and heavy penalties, however, the Supreme Court in 2020, March retract RBI's circular, permitting banks to handle cryptocurrency transactions.

As of now, cryptocurrencies aren't illegal. So, if you want to purchase, you can start trading in them. Although, India currently lacks administrative to govern cryptocurrencies. The Ministry of Corporate Affairs (MCA) has made it compulsory for businesses to reveal their cryptocurrency trading/investments during the fiscal year. All this is seen as a positive step toward regulating digital currencies in India. On 1st February 2022 in the Union Budget 2022-23, Finance Minister Nirmala Sitharaman said that there will be tax of 30% on the income of all crypto currencies and digital assets. According to the estimates, there are crypto currency investors of around 15 million to 20 million, with total crypto assets valued at around 400 billion rupees ($5.37 billion).

According to the above data, India has the largest crypto market base, however, these figures aren't official. The Inter-Ministerial Committee (IMC) formed by the government to investigate the issues related to digital tokens and make recommendations on how to address them. Although the 30% tax is pretty high, professionals are hopefully seeing this as this seems to be a supportive step towards promoting digital currencies in India.

Future of Crypto-currency

Crypto-currencies are currently being used in buying stuff online, they are being used in doing payments all over the internet. Many apps, loyalty games, and social networks are promoting it by paying in crypto-currencies if people watch their advertisements, etc. Yet, having this much potential in this market segment, and India being the biggest market for digital currency, there are rumours of a complete ban on cryptos in India as there was in China, which significantly impacted the market and it was later clarified that it's prohibited to work as a currency and that that they can be traded as an asset class. But, still, there is no official statement. The interesting news that has come up recently is that the Indian government is planning to launch its own cryptocurrency which is going to be equivalent to Indian money. The cryptocurrencies will be there in the market but only as an asset class to trade. Listening to this, the market is pumped as this will be another big step into the future by our Indian government.

Vansh Pratap Singh

BA ECONOMICS HONS (IInd Year)

Brand New Money: Non Fungible Token

Non-fungible tokens (NFTs) are fixed data units stored in a blockchain and delivered in the form of virtual books which can be bought. Non-Fungible Token can be related to virtual files like pictures, videos and audios. It remains different from most cryptocurrencies such as Bitcoin convertible because it can recognize each token in a different way. NFT Ledger is intended to provide a public certificate, proof of possession, but the legal rights granted to Non-Fungible Token can be unsure. NFT do not hinder the transfer or copying of the original virtual file, doesn't transfer copyright of virtual file, also doesn't halt the constructing of NFT using the same related files.

In May 2014, the primary regarded NFT, Quantum was created through Kevin McCoy and Anil Dash. Contains a video from McCoy's wife, Jennifer. He recorded a video by the Game coin blockchain and put on sale to Dash for 4 dollars at a live presentation at the Seventh Conference at New Museum in New York City. They have called these technologies "Money Pictures Made." As a result, unchanging and marketable blockchain tokens are clearly linked to the artwork through on-chain metadata.

In 2015 October, the primary Non-Fungible Token project, Ethereum, got launched, and 3 months after the launch of the Ethereum, it was unveiled at the first Ethereum developer conference, DEVCON1 in London. Most of the 457 Etheria tiles available and for sale remain unused for further 5 years prior to March 13, 2021, while a new passion in NFT causes buzz of purchases. In less than 24 hours, all tiles in modern and previous versions have been strictly code 1 ETH ($ 0.43 originally) and sold for $ 1.4 million.

The 2017 online game CryptoKitties has been funded by the sale of NFTs cats, and its success has led to NFT expansion. The NFT market grew rapidly by 2020, raising its total price to $ 250 million. More than 200 million dollars has been drained on NFTs in the first 3 month of 2021. By 2021, the range of trademark programs surpassed 1200. In January 2022, United States Patent and Trademark Office acquired 450 applications for NFT linked trademarks. NFT protected product record includes NYSE, Star Trek, Panela, Wal-Mart, Elvis Presley, Sports Illustrated, Ticketmaster and Yahoo.

According to one report, strong growth in the popularity of crypto assets increased NFT sales by $ 25 billion by 2021.

MAJOR NFT USE:

1. **VIRTUAL TECHNOLOGY** – Virtual Technology is well known practice for NFT. Digital auctions related to NFT digital art have received a lot of attention. Artist Pack Works Merge is the most expensive NFT in the first 5000 Days Every day with an auction value of $ 91.8 million. Artist Mike Winkelmann was second only worth $ 69.3 million in 2021. On March 15, 2021, digital ledger Injection Protocol purchased the first 95,000 dollars screen titled Morons from British stickup artist Banksy and burned in the company of the author.

2. **SPORT** – Non-Fungible Tokens can act for sports assets like virtual real estate. Medium-income NFT game has made an investment of 12.5 million dollars, several cats sell more than 100,000 $ per kid. Following the achievement, CryptoKitties has been upgraded ERC721 built in 2018 Jan and completed in Jun. In 2021 October, the system steamer and value blocked applications using BLOCKCHAIN or NFT technology to use game value and artifacts. On December 202, Ubisoft announced quartz. In November 2021, Morgan Stanley knew that this use could be a multi-dollar by 2030.

3. MUSIC – Since 2021 February, NFT has made an estimated 25 million dollars in the music business, and creators are said to be promoting art as well as music as NFT badge. On 28 February, 2021, digital dance artist 3LAU bought set of thirty-three NFTs for the sum total of 11.7 million dollars to enjoy a 1/3 year of Ultra Violet collection. On 3 March, 2021, NFT be formed to sell the Kings of Leon collection "Where You See Yourself".

Different artists using the NFTs contain American rapper Lil Pump, Grimes, popular singer Shepard Fairey, journalist Mike Dean, and rapper Eminem.

4. **FILM**- In 2018 May, 20th Century Fox teamed up in the company of Atom Ticket to release a deluxe edition Deadpool 2 virtual poster to promote the movie. March 2021, 2015 documentary Claude Lanzmann: The Ghost of Shore by Adam Benzine became the first feature and documentary for sale as NFT. The 2021 movie "Zero Contact" by Rick Dugdale and starring Anthony Hopkins has been released as NFT. In 2021 April, the NFT-linked sequel to film Triumph by Greg Leonardo became the first NFT to be created for promotion of the movie. In November 2021, filmmaker Quentin Tarantino revealed 7 NFTs based on the unreleased clips of Pulp Fiction.

Top 5 NFT Tokens to Buy:

1. Decentraland (MANA)
2. Axie Infinity (AXS)
3. Sandbox (SAND)
4. Theta Network (THETA)
5. ApeCoin

Kanishka Agawari
BA ECONOMICS HONS (IInd Year)

Impact Of Russia-Ukraine War On Stock Market

Life has drastically changed after the Russian invasion Many citizens are developing a moment with combination of fear, pain and resolve . Sustaining life is very difficult for the people out there . The citizens are carrying arms and ammunitions to fight against the Russian troops and hundreds of thousands are fleeing their homes, seeking safety in neighbouring countries. People are protesting for their ultimate right that is peace and prosperity .

The capital and the beautiful city kyiv has been immensely affected . Children who have never seen deaths are going through a phase that will mentally affect them some day or the other . Not only the citizen of Ukraine and Russia are getting affected but the World is also facing challenges by this war .

RECORDS GOING OFF THE MARGIN?

The biggest thing to worry is how war is going to take hold of many countries . Ukraine supplies 76% of diesel oil to India .Diesel plays a crucial role in the tertiary sector {transportation sector } for high energy efficiency but due to the squeeze in diesel supplies it has set a benchmark . Singapore being a companion is helping Indian refiners offset fuel-marketing losses.

The diesel market prices need to rise by Rs 9 and Rs 8 so to maintain a marketing margin of Rs 4

The massive change in the trade stock as a result of the disaster has resulted in a massive surge in INFLATION during the last 6 to 8 months.

To counter this spike, the Indian government reduces oil excise rates, expanding the current account deficit, which is weighing on the country's growth.

The HDFC bank's downgrading has lowered the growth forecast to 7.9% from the previous estimate of 8.2%.

The current account deficit is expected to be 2.3 percent, according to the bank.

TOPPLE IMPACT ON THE STOCK MARKET

The conflict could cause a lot of confusion and risk in the short-term market.

- Disruption adds to a temporary increase in global energy and food costs.
- Europe's economy is expected to suffer, but neighbouring countries such as Poland, Latvia, and Lithuania are likely to benefit.
- the US is relatively insulated.
- Long term international stock investments will be better managed by the US investors with keeping in mind all the risks and emergencies

Jiya Sharma
BA ECONOMICS HONS (Ist Year)

UPI- India's Economic Revolution

Today India is the largest real-time payments market in the world. Pursuant to ‘Fortune Magazine’ the immediate real-time payment system has turned out to be the greatestfinancial upstart in India, after-independence. In 2019, seeing the success of UPI (Unified Payments Interface), Google suggested that the US Federal Reserve should follow India's UPI example and build ‘Fed Now’ before it's too late. Imagine a future when you go to a foreign country and you get to make transactions without a Forex Card. An individual would not have to convert INR to USD and pay high conversion charges. Ten other countries including UAE, Saudi Arabia, Japan, South Korea, Singapore and Malaysia will soon be accepting UPI.

The tale of UPI ages back to a decade. It's unbelievable how an average user would make no more than 6 digital transactions annually in the year 2011. It's not that payment via card facilities were not available but they were rather complicated. The main reason was the complexity involved in making a Debit Card transaction or a digital payment. To top it up merchants had to pay 2% on Mastercard and Visa transactions. Naturally, it summed up to be a huge amount for small kirana shops.

To solve all these issues, in 2016, National Payments Corporation of India launched UPI technology. Earlier you had to go to the bank for deposition of money and withdrawals, now through UPI, apps can collect money onyour behalf as well as deposit them. Think of Unified Payments Interface as your personal assistant which is free of cost, is 24*7 available and has a pan-India network. UPI uses the already existing IMPS network but there's a dual factor authentication so that transactions are secure. Users are given a VPA (Virtual Payment Address) which is linked to their mobile number and bank account.

UPI’s biggest feature is interoperability. You’re not a prisoner of any one app. You're free to choose between Paytm, GPay, Phone Pay, etc. This idea has brought about revolution in India. In October 2021, UPI crossed $100 billion in transaction value. During the pandemic, when people were uncomfortable transacting with cash, then Phone Pay took an initiative and sent their agents to small shops and linked their mobile numbers to their bank accounts as well as put a QR code sticker at their shops.

The results were phenomenal. Transactions via UPI jumped from 2lakh crores in April, 2020 to 4.93lakh crores in April, 21 and 7.7lakh crores in October 21. This is huge as earlier the money that used to come in cash now came directly to the bank accounts, thus making the accounting easier.

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UPI is extremely efficient and environment friendly. Currency notes go through the usual wear and tear and RBI periodically has to replace these notes. The more the number of digital transactions, the lesser the number of notes that need to be printed.

How is UPI posing a threat to USA and China?
Today international payments happen via SWIFT which handles 3crore transactions every day. Banks enjoy the freedom to charge $20- $60 on every transaction under the guise of bank charges, exchange rate, convenience fee, etc.

DID YOU KNOW ?

BHIM is the modified version of UPI and USSD.

This problem can be solved by the Indian Tech UPI which is a disruptive business model. UPI has great potential and it showcases the immense power the innovators of our country hold. India has always been good at producing dupes at cheaper rates but it's time now that we unleash our true potential and add put our best foot forward with a new entrepreneurial energy.

Aishani Yadav
BA ECONOMICS HONS (IInd Year)

QUOTE

Make me your upi id for all your payments, I will not disappoint you

RISE & FALL

The 5351cr of Initial public offering of Fashion safety network e-commerce ventures Ltd. Nykaa's parent company registered more than 82 times on the opening date in stock market.

The Nykaa stock made a strong list in the stock market on 11 November 2021. NYKKA shares started trading at a huge price of increase at 82 percent at Rs 2054 per share in the NSC compared to the IPO issuance rate of Rs.1125 one. In BSE, Nykaa shares are listed at ₹ 2063. And the company's market capitalization exceeds Rs.1 lakh crore on the list.

The company received 2165947080 bid bids compared to 26485479 shares awarded.

Nykaa had a great debut. It is the one and only start-up that has shown profits unlike the food service company Zomato or Paytm where there is no clarity on the aspect. The real challenge for the company now is to grow exponentially with better margins.

For Nykaa's founder and CEO, Falguni Nayar, a prominent Kotak Mahindra bank businessman who became an entrepreneur nine years ago, the list puts him in the top $ 7.4 billion.

The company of virtual payments and finance related servicesfirm, Paytm made its much-excited stock market debut on 18 Nov21. Listing price of stock was Rs.1950 as one quantity on national stock exchange, a discount of 9% as in the comparison to its IPO's issue price of Rs.2150. On BSE, Paytm shares started trading at Rs.1955 per share with capitalisation more than 1 lakh crore. The stock closed 27% down 1560 per share from its issuance date on its first day.

A three day long IPO contact for parent Paytm ONE97 was launched on November 3 with a band worth Rs.2080 to Rs.2150 per share.

The nation's biggest IPO was subscribed over 1.89 times with institutional buyers including FIIs flowing share sale with offers seeking 2.79 times the number of shares of actual held by them.

The Paytm IPO includes a new issuance of equity shares worth Rs.8300 crores and a share sale offering of up to10,000 cr. Offer for sale included the sale of shares amount of 402.65 cr by founder Vijay Shekhar Sharma.

Paytm success has made Sharma a billionaire with a net worth of Rs.2.4 billion dollar according to Forbes. Its IPO madehundreds of new millionaires across the country. Paytm owner Vijay Shekhar Sharma wrote in a letter to shareholders. Sharma also said his stock grants would be vested to him only after Paytm's shares crossed IPO price on a sustained basis.

Sharma also claimed that the expected break even on an operating basis- or before interest, taxes depreciation and amortization would be excluding the cost on the employee stock ownership.

Shreyansh Jain
BA ECONOMICS HONOURS (IInd Year

Derivatives: The Future Assets

The derivative market was established in India in the year 2000, and it has been important since then, as its international counterparts.
Other derivatives, such as stocks, are traded on the stock market.
Financial instrument whose value is based on the value of the underlying assets is another option.
Goods, bonds, products, and money are examples of basic assets.
Daily earnings on the exit part of the exchange, which is much higher than the profit on the share of the same exchange, reflects the popularity of the outflow.

What is Derivatives Market?

The output can be exchanged or traded without a prescription.
Exchange means a legally formed commodities exchange in which securities are traded and participants bound with rules.
In an informal market trading occur by telephone, email, and other mode, OTC is a securities market focused on the trader.
Exchange output is suspended and controlled.
However, derivatives account for a large rate of contractualagreement, although it comes with a high danger of counterparts and uncontrollable.
These monetary products permit you to make a profit by direct chance on the later value of the asset.
The derivatives get their name from the fact that they get their value from basic goods.
Wheat farmers and bakers, for example, use alternative agreements to protect themselves from danger.

External contracts: Export contracts, such as futures and options, are freely traded and can be used to meet a number of objectives, including the following:
a) Protect your investment by fencing.
You can use exit agreements to protect your property from price fluctuations. By investing in a derivative contract, you can protect the value of your shares on the downside.
It also protects you from the rising price you want to buy.
Risk Transmission: This is the most common use of alternatives, which allows the risk to be transferred from non-risk users to risk-seeking investors.
With short-term earnings, a risk-seeking investor can participate in the risky trading of the opposite.
While a risk-free investor can make his position safer by engaging in a separate contract.
Exit types of contract:
Forward, futures, options, and volatility are four different types of contracts that come out of each other.

(a) Transfer contracts

They are contractual agreements that are designed between the two parties where they agree to trade certain goods at a predetermined price and at a predetermined time.
These contracts are not traded on the stock exchange, but rather are traded privately over the counter.

b) Future delivery contracts:

These are standard versions of pre-contract contracts, which are agreements between two parties to exchange a specific contract at a particular time and at a certain price. Trade is where these contracts are sold.

(c) Options

It is a commitment which link purchaser and a broker thatgives the buyer a option, but neither job, to purchase or hawkanything at a later day at a predetermined cost.

DID YOU KNOW ?

With the changes in asset over time value of fair derivate contarct also changes

Benefits

Lock values

Fence against danger

Can be used

Various portfolio

Evil

Hard to inform

Less than the default partner (if OTC)

Complexity to appreciate

It is delicate to the provision and demand of features.

The derivative is under market sensitivity to market risk because it does not have a natural value. Anyway the value of the basic, supply and demand factors can create the price of an outflow and fluidity to rise and fall.

Lastly, the alternatives are the most frequently used tools, and the power has both positive and negative effects. While it can improve the rate of return, it also increases the rate of losses accumulated.

Himadri Purohit

Ba Economics Hons (Ist year)

Investment: How Money Makes Money?

The use of capital with the objective of creating additional income or raising the asset's value is referred to as "investment." An investment's most fundamental feature is that it requires 'waiting' for a return.It necessitates the faithfulness of resources that are being savedor set aside from present use in order to reap future advantages.
Investments have been categorised by financial experts and economists.
Either for productive reasons money has been invested or for investment of second-hand assets listed on a stock exchange, such as shares, stocks, and other securities, the financial investor is unconcerned.
Economists define investment as 'net increases to the capital stock of the economy'. Items and services that are used in the creation of other goods and services fall under this category.
The financial and economic value of investments are inextricably linked. Individual savings are divided into "new" and "second-hand" capital finance and enter the capital market either directly or through institutions.

Important investment issues include:

•Longer life expectancy: People are themselves responsible for the control or to manage theirassets through the working time in order to retire with a consistent income. The demand for well-balanced investments has risen in tandem with the need for appropriate life-span and longevity planning.

• Taxation: Taxation is one of the most essential factors in any culture that produces a sense of compulsion in people's savings. There are different sorts of savings outlets in the form of investments in our country that help to lower the tax rate.

• Interest rates: Another part of a smart investment strategy is the level of interest rates. Interest rates differ from one investment to the next. These can differ between hazardous and safe investments, as well as between benefit plans provided by the assets.

• Inflation: With such high interest rates, he or she will need to figure out a means to keep the principal safe. Aside from a high rate of interest and the investment's security, an investor should always think about the tax implications. The interest he makes on his investments should not increase his tax burden excessively.

NEED TO INVEST

We invest to improve and modernise our standard of living while also ensuring long-term stability. Investing promotes a person's betterment and protection in these uncommon times. We invest both our own money and the money we have saved. We can better meet our future wants and ambitions by investing the money we have saved or the asset we have built.
Investment is similar to a ladder on which we must take little, steady steps while thinking about it and carefully analysing all of the conditions that come with it.
When one quits from his or her employment, the invested money acts as a foundation for their old age, motivating and uplifting us to live and enjoy life to the fullest without any worries.
Investment is a need, not an option, and one should efficiently manage their capital to get the most out of it, whether now or in the future. Planning gives our financial decisions a good start and meaning, which is vital to a successful implementation. It enables us to see how each decision influences and affects other parts of family needs.

Vidhisha Khandelwal
BA Economics Hons (1st year)

Mutual Funds: The Diverse Investment

Investment trusts are those types of companies that pool funds from many stockholders and invest in securities such as stocks, bonds, and short-term debt. The combined stock of an investment trust is called a portfolio. Investors buy shares in investment trusts. Therefore, each and every shareholder as a part in the profit or loss of the fund. Securities like Mutual Funds invest in huge numbers, and their performance is tracked in a way as a change overcapitalization of the fund. This is due to the overall performance of the primary investment.

How does mutual funds work?

An investment trust is an investment, a real business. This natureof investment may seem odd, but so is the stock of AAPL Apple Inc. When a person buys Apple shares, he/she takes part of the ownership of that company and its assets. In the same way, a trustee investor acquires split ownership of a trustee company and its assets. The difference is that the company Apple is around the business of manufacturing innovative electronic gadgets, while investment trust companies are in the business of investing.

Market Size

Coming to the end of 2020, investment trust assets were worth 63.1 trillion dollars worldwide. Here are some countries listed with the largest investment trust industries:

1. USA: 23.9 trillion dollars
2. Australia: 5.3 trillion dollars
3. Ireland: 3.4 trillion dollars
4. Germany: 2.5 trillion dollars
5. Luxembourg: 2.2 trillion dollars
6. France: 2.2 trillion dollars
7. Japan: 2.1 trillion dollars
8. Canada: 1.9 trillion dollars
9. UK: 1.9 trillion dollars
10. China: 1.4 trillion dollars

As of the end of 2019, 23% of household financial assets are invested in investment funds. Trusts accounted for approximately 50% of the assets of personal pension accounts, and other similar retirement plans.

The main jurisdictions of the UCITS Fund's registration are Luxembourg and Ireland. These are funds which can be sold in the whole of European Union and in other countries implementing mutual recognition schemes.

Types of Mutual Funds

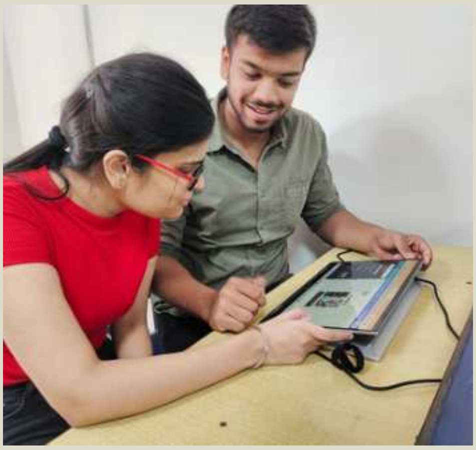
- MONEY MARKET FUNDS- These funds are invested in financial market products, which are bonds with very lessmaturities and high credit ratings. Investors don't use bank savings accounts but often use money market funds instead. In the US, money market funds by the end of 2019 had $ 3.6 trillion in assets, accounting for 14% of the industry.
- BOND FUNDS- Bond price range spend money on constant profits or company bonds. Bond price range may be labeled as follows: The forms of bonds we maintain consist of high-yield bonds, junk bonds, investable company bonds, authorities' bonds, and municipal bonds. The adulthood of the company bonds we maintain is short-term, medium-term, and long-term. Bond issuers (e.g. US, Emerging Markets, World) Taxed (taxable or non-taxable) on hobby acquired. In the US, pension fund assets (all types) totaled $ 5.7 trillion by the end of 2019, 22% of the industry.
- STOCK FUNDS-Stocks or investment trusts take a positionin common stock. Equity funds can focus on specific areas of the stock market, such as equities in specific countries or regions. Stocks that portfolio managers believe are worth more than the value of the company. In the US, equity fund assets at the end of 2019 were 15 trillion dollars, accounting for 58% of the industry. A fund which invests in a small number of stocks is called a "focus fund".

Classes of Mutual Funds shares and a new class Mutual Funds

Investment trust stocks fall into variety of classes. The differences reflect the number and number of charges involved. Currently, most private investors buy the A share fund through brokers. This purchase includes an admission fee of up to 5% or more, an administration fee, and an ongoing distribution fee. Also, the price of A-shares can fluctuate significantly, which can lead to conflicts of interest. With front-end funds, investors pay these costs when they buy the fund. To address these issues and meet regulatory trust standards, investment trusts have begun allocating new stock classes, including "Level Load" C stocks. Those funds that charge management fees or other fees when an investor sells shares are classified as Class B shares. A relatively new shared class created in 2016 comprise of clean shares. Cleanstock has no front-end sales fees or 12b1 annual fund service fees. American Funds and MFS are fund companies that currently offer clean stocks. The new class increases the transparency of fiduciary investors and potentially saves their money by standardizing fees and fees.

RACHIT NEGI
BA ECONOMICS HONS (**IInd Year**)

Behind The Scenes









HORIZON

ABOUT JIMS

Jagan Institute of Management Studies (JIMS) imparts professional education at postgraduate and graduate levels in the fields of Management and Information Technology. The Institute has been working for the attainment of a mission: to develop highly skilled and professional human resources for industry and business for the past 27 years. Established in 1993, it has now acquired a commendable position as one of the premier institutes of the country. Our PGDM, PGDM (IB), PGDM (RM) Programme are approved by the All India Council for Technical Education. PGDM, PGDM (IB) & PGDM (RM) Programmes are accredited from National Board of Accreditation (NBA) for excellence in quality education and have also been granted equivalence to MBA degree by Association of Indian Universities (AIU). Our GGSIP University affiliated programs are MCA, BBA and BCA. The MCA programme is accredited by National Board of Accreditation (NBA). The National Assessment and Accreditation council (NAAC) has accredited JIMS at A grade.

The institute has earned appreciation and accreditations from various Govt. Bodies, industry associations and leading newspapers and channels. These include NBA, AIU, NAAC, National Institutional Ranking Framework (NIRF), FICCI, ASSOCHAM, Times of India, Competition Success Review, Business Standard, Business Today, etc.

JIMS Rohini has now moved beyond National Recognitions and has got South Asian Quality Standards (SAQS) accreditation for quality assurance standards. This gives an advantage for increasing international visibility among the South Asian Countries.

In the first ever NIRF ranking (2016) of teaching plus research management institutes, JIMS Rohini was placed on 43rd spot in a list of top 50 on all India basis. Since then, JIMS Rohini continues to remain in the list of elite B schools of India (Top 75) in 2017, 2018, 2019 and 2020.

Apart from providing gainful and decent placement, JIMS also encourages the spirit of entrepreneurship and acts as an incubation centre for aspiring entrepreneurs and young startups.

JIMS thus proves to be an ideal place for those wishing to engage in academic pursuits and seek intellectual fulfillment.