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ISSUE # 01

# ECONOMICS COVERSE

Forum For  
Eco-  
Enthusiasts





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# EDITOR'S NOTE

Welcome to EcoVerse, the intellectual nucleus of economic discourse within the EcoTalks community. In this issue, we delve into the intricacies of societal economics, exploring the interplay between policy, behavior, and global forces shaping our collective financial landscape.

EcoVerse remains committed to fostering informed dialogue and empowering readers with the knowledge to navigate the complexities of our economic ecosystem.

Join us in our journey to illuminate, inspire, and advocate for a more prosperous and equitable society.

Rashi Shukla, Editor  
&  
Ayushi Pandey, Co-Editor

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# VISIONS & MISSIONS

Welcome to our newsletter! We are thrilled to share with you the latest developments by our society to make a positive impact in our community.

EcoTalks, Economics Society, VKM is an integral part of the Department of Economics, run and managed by students of Economics Department, VKM. It was established on Oct 12, 2023 for the development of students' traits and serve as a medium to expand the wealth of Knowledge.

It acts as a network to connect with researchers and industry experts to look into the challenges and give exposure to the corporate & academic world. EcoTalks conducts weekly seminars/webinars where professors/researchers and industry experts across the world are invited to present their views and share their knowledge on different topics and theories of economics.

## EcoTalks aims to:

- help in clearing the concepts of students and give them a broader understanding.
- give the students a fair chance to speak on and present their research work.
- provide a plethora of other opportunities like debates, quizzes, and essay writing competitions conducted on regular basis to hone different skills of students and to axe down the stage fear.
- additionally, by being a part of society, to have students learn organizational, managerial, and soft skills which in turn is beneficial for a good career path.

*Enjoy this month's newsletter!*

# Message from our Principal



Usually, an ecosystem can be defined as the biological community of living beings, communicating with the physical environment and other nonliving components. It can also be defined as the chain of communication or interaction between the living organisms and their environment. Economics has shaped the world environment.

EcoTalks brings together experts, thought leaders, and innovators to explore the most pressing challenges facing our economic and political environment and to showcase transformative initiatives and research shaping our world.

Students of Economics Department are trying to bring the first edition of '**Ecoverse**'. I extend my best wishes for the magazine and editorial board as well.

A handwritten signature in blue ink that reads "R. Srivastava". The signature is written in a cursive style and is enclosed in a white rectangular box.

Prof. Rachna Srivastava  
Principal

# Session Snapshots

**Seminar On:** Contribution of Nobel Laureate Claudia Goldin in Economics.

**Date:** November 2, 2023.

EcoTalks, the Economics society of VKM started this journey with an enriching seminar on the contributions of noble laureate Claudia Goldin in Economics and her research work for the same. A total of eleven participants put forward their views on the topic.

Discussions were done on the points such as “ her research contributing in labour market through U-shaped graph, removing gender pay gap, unpaid domestic works, increase in women’s participation in education and service sectors, access to workplace opportunities, awareness to increase financial independence, gender sensitivity and inclusive development and various recommendations and multidimensional impact in context of India”.



**Seminar On:** Use of Artificial Intelligence: Boon or Bane.

**Date:** December 2, 2023.

EcoTalks, the Economics society of VKM conducted it’s second seminar on the booming topic of present time, i.e., Artificial Intelligence: is it a Boon or Bane. Participants highlighted the pros and cons of using artificial Intelligence in today’s time.

Members of the Economics Department along with the enthusiastic and curious students were present in the seminar. Arguments that were made included points like how AI is easing up the working process and saving up a lot of time, but at the same time it poses a danger to various job positions in the market. The Session was an interesting experience for the participants as well as the listeners.



## **Seminar On:** A Lecture on ‘Ramsay Model’.

**Date:** January 13, 2024.

EcoTalks, the Economics society of VKM, conducted its third session on an important topic of Economics: The Ramsay Model.

Dr. Rakesh Raman, professor of Economics in Banaras Hindu University was invited to deliver this engaging lecture. Prof. Raman has more than twenty years of teaching experience. He explained the process of ‘Optimization’ and ‘Intertemporal Decision making’. He highlighted the arguments of Prof. Bohn-Bowek, Pigou, Keynes and Maurice Arrous. Prof. Raman explained the topic in an easy to understand manner and answered the questions asked by the students. The session was attended by the teachers of Economics department and students from B.A. as well as M.A.

## **Seminar On:** Class Seminar on Interim Budget-2024.

**Date:** April 9, 2024.

The most recent session of EcoTalks was held on the topic of Interim Budget-2024. A total of six papers were presented in the seminar. Several highlights of the budget were mentioned and discussed such as: ‘Vision for Viksit Bharat 2047’, ‘Cervical Cancer Vaccination’, emphasis on ‘All round, all purposive, all inclusive development’ and ‘Youth Empowerment’. The four major castes mentioned in the budget were discussed that are ‘Garib’(the poor), ‘Mahilayen’ (women), ‘Yuva’ (the youth), and ‘Annadata’ (the farmer). Importance of sustainable development was emphasized. Analysis of important schemes of the Budget was done such as “ PM Swanidhi Yojana, Lakhpati Didi, Cervical Cancer Vaccination”.



# Knowledge Box

## **Beyond Imports : India Bets on Domestic Solar Cells**

Vashita Bhao  
B.A. part III

India's ambitious clean energy goals rely heavily on solar power. However, the country currently faces a significant challenge: it imports a large portion of its solar panels. China and Vietnam dominate the market, with over half of India's solar cell and module imports coming from these two countries in the past year.

Domestic manufacturing, on the other hand, remains limited. Currently, most Indian companies focus on the final assembly stage of solar panels, rather than the entire production process. This heavy dependence on imports raises concerns about long-term sustainability and vulnerability to external factors.

However, there is a ray of desire at the horizon. The government's Production Linked Incentive (PLI) scheme aims to address this issue. This program offers incentives to companies that set up integrated solar panel manufacturing facilities in India. By encouraging domestic production across all stages, the PLI scheme holds the potential to significantly reduce India's reliance on imported solar panels within the next few years.

The government made a list of approved solar panel makers for government projects, but then stopped using it for a year. Now they are using it again because they believe Indian companies can make solar panels just as well (and maybe cheaper) than those imported from China. This is not about stopping all imports, just giving Indian companies a fair shot.

### **WHY IS CHINA A LEADING EXPORTER?**

China reigns supreme in the world of solar panel production, and a July 2022 report by the International Energy Agency (IEA) sheds light on why. Chinese factories enjoy a significant advantage thanks to cheaper electricity, a crucial element impacting production costs. The report reveals that electricity makes up over 40% of the cost for polysilicon, a key material, and nearly 20% for ingots and wafers. The Chinese government actively supports the solar power industry, treating it as a strategic sector. This translates to helping domestic companies achieve economies of scale, meaning they can produce more for



less, and fostering continuous innovation throughout the entire solar panel supply chain. These combined factors solidify China's position as the world's most cost-effective location for solar panel manufacturing.

## **WHAT ARE THE OPPORTUNITIES FOR SOLAR ENERGY IN INDIA?**

India is poised to become a leader in clean energy, driven by its ambitious plan to install 500 GW of non-fossil fuel power capacity by 2030. This ambitious target isn't the only factor propelling India's solar push. The International Energy Agency (IEA) predicts India will experience the fastest rate of electricity demand growth among major economies through 2026. This surge in electricity needs is fueled by a robust economy and growing consumer demand, particularly in light of extreme weather events.

Despite the significant contribution of solar power, it still holds immense untapped potential. Solar already accounts for about one-third of India's renewable energy generation between April of last year and February of this year. Recognizing this untapped potential, the Ministry of New and Renewable Energy (MNRE) is committed to unlocking it through various schemes and programs. As stated by MNRE Minister R.K. Singh in parliament last year, India holds an estimated solar power potential of 748.99 GW. By harnessing this potential, India can soar towards a cleaner and more sustainable future.

## **Impact of GST on Indian Economy: Pre and Post GST implementation Conditions**

Ayushi Pandey  
B.A. Part III

The Goods and Services Tax (GST) implemented in India on July 1, 2017, marked a significant milestone in the country's tax reforms. It was adopted to streamline the complex indirect tax structure prevalent in the pre-GST era and create a unified market by subsuming various central and state taxes.

### **Conditions before GST implementation:**

**Fragmented Tax Structure:** Before GST, India's tax system was fragmented between central and state taxes such as excise duty, service tax, Value-added tax (VAT), Central Sales Tax (CST), etc. It resulted in several taxes each levied on the other, leading to increased compliance costs and inefficiencies in tax systems.

**Interstate Barriers to Trade:** The pre-GST era was marked by Interstate barriers to trade as goods had to pass through multiple state borders each subject to different tax rates and regulations. This led to delays in the movement of goods, increased transportation costs etc.

**Compliance Burden:** Compliance with multiple tax laws imposed a significant burden on businesses, especially small and medium-sized enterprises.

### Conditions after GST implementation:

**Unified Tax Regime:** GST replaced the complex web of central and state taxes with a single and unified tax regime. It subsumed multiple indirect taxes, streamlined tax structures and eliminated the cascading effect of taxes.

**Seamless Interstate Trade:** GST facilitated the creation of a common market by removing Interstate barriers to trade. The implementation of a uniform tax rate across states and the seamless flow of goods and services have reduced transportation costs and delays.

**Simplified Compliance:** GST introduced a simplified tax compliance framework with online registration, return filing and payment processes through the GSTN portal. The transition to a digital tax system has reduced paperwork, improved transparency and enhanced ease of doing business for taxpayers.



## Analysing data to assess the impact of GST on the Indian Economy

The following table shows the before and after impact of GST implementation for FY 2016-17 and FY 2019-20.

<b>Economic Indicators</b>	<b>Before GST (FY 2016-16)</b>	<b>After GST (FY 2019-2020)</b>
<b>GDP Growth Rate (%)</b>	<b>7.1</b>	<b>5 (In 2020-21, it was 4% due to the impact of COVID-19)</b>
<b>Tax Revenue ( in Lakh Crore)</b>	<b>8.63 (Indirect Tax Collection)</b>	<b>12.2</b>
<b>Ease of Doing Business Ranking</b>	<b>130 (2017)</b>	<b>63 (2020)</b>
<b>Number of Taxpayers Registered</b>	<b>—</b>	<b>12.38 millions</b>

**GDP Growth:** Before GST (FY 2016-17), India's GDP Growth rate was 7.1%. Post-GST implementation, the GDP Growth rate exhibited fluctuations but showed resilience. In FY 2017-18, the GDP Growth rate was 7.2% and reached 8.3% in FY 2018-19, as per the data from the Ministry of Statistics and Program Implementation. However, the growth rate declined to 4% in FY 2020-21 due to COVID.

**Tax Revenue:** According to the Economic Survey 2020-21, GST collections increased steadily post-implementation. In FY 2019-20, the GST revenue stood at Rs. 12.2 lakh crore, showcasing an improvement in tax compliance and revenue mobilization. On the other hand, the gross indirect tax collection was Rs. 8.63 lakh crore in FY 2016-17.

**Ease of doing Business:** GST simplified the tax compliance process and reduced procedural complexities, contributing to an improvement in India's ranking on the ease of doing business index. According to the World Bank's Ease of Doing Business Report, India's ranking improved from 130 in 2016-17 to 63 in 2020.

**Formalization of Economy:** According to the Economic Survey 2020-21, there was a notable increase in the number of taxpayers registered under GST. As of 2019-20, 12.38 million taxpayers were registered. Moreover, as of 2023, 14 million taxpayers are registered under GST in India.

## Conclusion

The data analysis demonstrates several positive outcomes of GST implementation on the Indian Economy. While challenges such as initial implementation hurdles and compliance issues existed, the overall trajectory indicates that GST has been conducive to economic growth and reforms.

# Ropeway Services

Anupama Singh Rajput  
B.A. Part III

A ropeway is a medium of transport that can be used to transport materials and people from one place to another. This system is used especially in mines and mountainous areas where it is difficult to use road transport.

## History

The origin of ropeways is initially related to the development and manufacturing of ropes and cables. Therefore the invention of the steel cable in 1884 by Albert increased the speed of the advanced development of the new system of Ropeway. Initially, development focused on Ropeways for the transportation of goods, later interest turned to be used for public transports.

## Ropeway in India

In Feb 2021, the government of India amended "the Government of India (Allocation of Business) Rules 1961." This facilitated the "Ministry of Road Transport and Highways (MORTH)" to look after the development of Ropeways. There were a total of 65 in India till 2018. In 2018, NITI Aayog released a draft Public-Private Partnership agreement framework to guide the state government in the design and implementation of ropeways projects.

## **Ropeway in Varanasi, UP:**

The foundation stone for Ropeways was laid by the Government of India on March 24, 2023. The project is worth a total cost of Rs. 645 Crores.

Trial runs of the gondolas on the cable will begin by the end of July.

Passenger services are expected to start in November or December covering Varanasi Junction and Rathyatra via Kashi Vidyapeeth.



## **Challenges**

Recently in Jharkhand's Deoghar, over 40 people were trapped mid-air in cable cars. The IAF had to mount a rescue mission. It took around 45 hours but unfortunately, we lost three lives.

### **Disturb Fragile Mountain Ecosystem:**

Ropeway projects are rarely planned in isolation. They are usually the precursors of development. For instance, in the construction of the Jakhu Ropeways in Himachal Pradesh, over 100 Deodar trees were cut down. As per the sources, some of the trees were 200 years old.

### **Disturb the Earnings of Auto Drivers:**

The ropeway can transport 6000 passengers per hour. This will create a hurdle in the earning source of auto drivers, which will directly affect their livelihood.

## **Conclusion**

The Indian Government has been advocating the service of Ropeways for tourism and urban transport. They are encouraged as low-cost, low-energy forms of transport and development that can reduce pollution. But as painted out by experts and communities, the government should address the unintended consequences associated with Ropeways.

# Empowering Women's Labor Force Participation and its Societal Impact in India

Shilpi Ash  
M.A. Part II

Promoting the empowerment of labor force participation involves implementing policies and strategies geared towards increasing the involvement of individuals in the workforce, especially those encountering barriers to entry or progression.

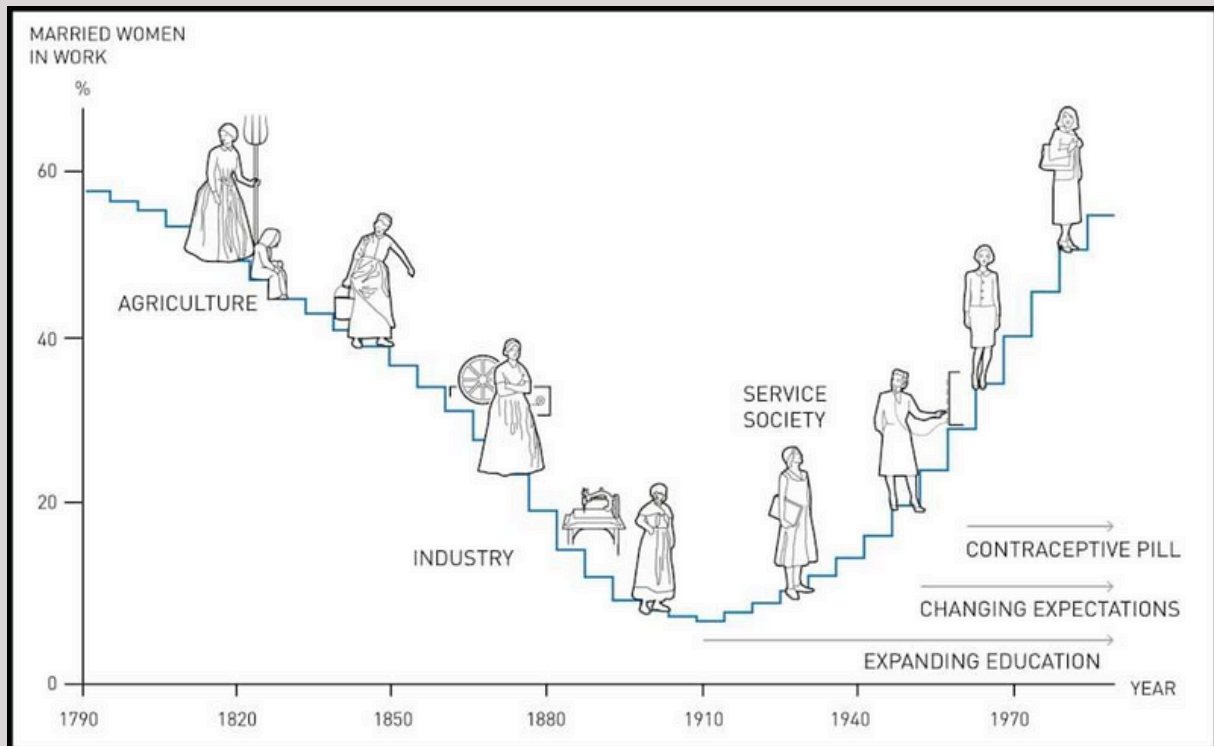
This encompasses various elements including gender equality, skill enhancement, access to education and training, adaptable work arrangements, and fostering supportive workplace environments. Gender equality serves as a cornerstone for empowering labor force participation, ensuring equal opportunities and treatment irrespective of gender.

Crucial policies include bridging the gender wage gap, facilitating parental leave, and combating workplace discrimination to encourage women's engagement in the workforce. Skill development is another pivotal aspect, necessitating investments in education and training programs to equip individuals with the necessary competencies for contemporary job roles.

Access to education and training is imperative to enable individuals to acquire the skills required for workforce participation. This involves initiatives aimed at enhancing access to quality education across all levels, alongside programs providing vocational training and opportunities for lifelong learning. Flexible work arrangements play a significant role in facilitating labor force participation, particularly for individuals managing caregiving responsibilities or other personal commitments. Policies supporting flexible scheduling, remote work alternatives, and part-time employment aid in effectively balancing work and family obligations. Creating supportive workplace environments is critical for empowering labor force participation, fostering inclusive and diverse workplaces where all employees feel valued and respected.

Measures include promoting diversity and inclusion, offering mentorship and support networks, and addressing issues like workplace harassment and discrimination to foster a positive work culture. Claudia Goldin, an American economist, was awarded the Nobel Prize for her groundbreaking research paper titled "Gender Inequality in the Labor Market." Although her work primarily focused on American society, its implications extend to understanding the impact on Indian society. Goldin highlighted the persistently low participation of women in the global labor force and the prevalent wage gap between men and women.

She delved into the mechanisms to address and alter this wage gap over time. Her seminal book, "Understanding Gender Gap- 1990," further elucidates these concepts. Goldin acknowledges the significant increase in women's participation in the labor force over the past century, yet emphasizes that this does not equate to equitable opportunities. She illustrates this trend with a U-shaped graph depicting women's labor force participation.



The depicted figure unmistakably illustrates a shift: during the agrarian-based economy, women's participation rate hovered around 60%. However, with the advent of industrialization, this rate declined, only to rise again with the emergence of the service sector. This transformation is a societal-wide phenomenon, independent of societal shifts; rather, it's attributed to structural changes within the economy. Women's increasing participation can thus be attributed to these structural shifts in the economy.

## Impact On Indian Society

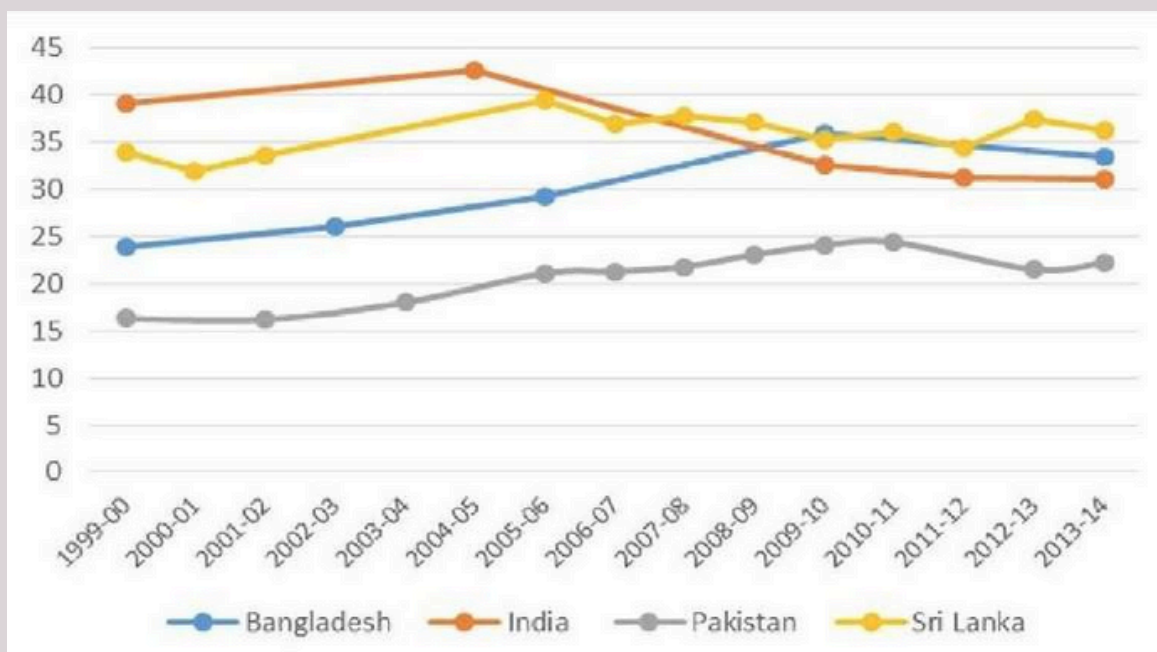
India, classified as an underdeveloped nation, grapples with persistent gender discrimination. Presently, the country exhibits a notably low participation rate, particularly among women. The Periodic Labour Force Survey (PLFS), released by the Ministry of Labour, underscores this issue by revealing that male participation rates surpass female rates by 2.5 times.

LFPR in usual status for persons of age 15 years and above									
Survey period	Rural			Urban			Rural+ Urban		
	Male	Female	Person	Male	Female	Person	Male	Female	Person
2022-23	80.2	41.5	60.8	74.5	25.4	50.4	78.5	37	57.9
2021-22	78.2	36.6	57.5	74.7	23.8	49.7	77.2	32.8	55.2
2020-21	78.1	36.5	57.4	74.6	23.2	49.1	77	32.5	54.9
2019-20	77.9	33	55.5	74.6	23.3	49.3	76.8	30	53.5
2018-19	76.4	26.4	51.5	73.7	20.4	47.5	75.5	24.5	50.2

The data clearly indicates a significant disparity in participation trends between men and women. In India, women's participation rates are notably lower compared to men. This can be attributed to several factors, including the heavier burden of domestic responsibilities and lower levels of education among women. Additionally, factors such as marriage, childcare responsibilities, and living in larger households further diminish the likelihood of female participation in the labor market. When examining global trends in women's participation rates, the World Bank's research paper provides insightful statistics. Globally, male participation rates stand at approximately 80%, while women's participation rates hover around 50%.

According to the International Labour Organization (ILO), women's participation rates vary across regions. In North America and South Asia, approximately one-third of women participate in the labor force, while in East Asia and Sub-Saharan Africa, this figure rises to around two thirds, approximately 65 to 66 percent. The data provided by the ILO underscores that the gaps in literacy rates between young men and women have narrowed globally, which significantly impacts the decrease in women's participation in the labor market.

**Comparative analysis of South Asian Countries:**





India's women's labor force participation is notably lower compared to other South Asian countries, with the exception of Pakistan. This disparity negatively affects our country's development. It is imperative for the government to implement policies aimed at increasing women's participation rates in the labor market.

## **Recommendation to improving female labor force participation rate:**

House making unpaid wages female- According to SPI Research (Service Performance Insight), the average housemaker dedicates approximately seven and a half hours of work per day. If we were to assign a monetary value to this work, paying rural women 5000 Rs and urban women 8000 Rs per month, the total value would amount to approximately 23 lakh crore rupees. This constitutes roughly 7.5% of our GDP.

On a global scale, the International Labour Organization (ILO) states that this value would equate to 11 trillion dollars, roughly constituting around 9% of the world's GDP

Effective Education for women.

# **India's Booming Gig: A Double-Edged Sword for Labor and Economy**

Rashi Shukla  
M.A. Part II

In the sprawling landscape of India's economy, a notable shift is underway. The rise of the gig economy, characterized by short-term, flexible jobs often facilitated by digital platforms, is fundamentally altering the traditional notions of employment and work. From food delivery to ride-hailing and freelance services, the gig economy is reshaping how people earn a livelihood, impacting not only individual workers but also the broader labor market and economy.

## **A Boon for Employment and Flexibility**

At first glance, the gig economy appears to offer an array of benefits. It provides individuals with flexible work arrangements, allowing them to balance employment with other responsibilities such as education or caregiving. For many, especially in urban areas, gig work serves as a crucial source of supplemental income, enabling them to make ends meet in an economy marked by fluctuating job opportunities and rising living costs.

The gig economy has emerged as a driver of employment generation, particularly among the youth. With India's demographic dividend in full swing, the gig economy presents a pathway for young people to enter the workforce and gain valuable skills and experience. Platforms like Swiggy, Zomato, and Ola have become key facilitators of job creation, offering employment opportunities to millions of individuals who might otherwise struggle to find work.

## **Challenges and Uncertainties**

Beneath the surface lies a complex set of challenges and concerns. One of the most pressing issues is the precarious nature of gig work. While flexibility is touted as a major advantage, gig workers often lack the stability and security associated with traditional employment. They are typically classified as independent contractors, depriving them of essential benefits such as health insurance, paid leave, and retirement plans. This lack of social protection leaves gig workers vulnerable to financial shocks, illness, and other risks, exacerbating income inequality and perpetuating cycles of poverty.

Moreover, the gig economy has sparked debates around labor rights and regulation. In India, as in many other countries, the classification of gig workers as independent contractors rather than employees has been a subject of contention. This classification allows platforms to bypass labor laws and regulations, resulting in concerns about exploitation, unfair wages, and inadequate working conditions. As a result, there have been calls for greater regulation to ensure that gig workers are afforded basic rights and protections, such as minimum wages, occupational safety standards, and access to social security benefits.

The gig economy has implications for traditional sectors and businesses. While it has undoubtedly fueled innovation and entrepreneurship, it has also disrupted established industries and business models. For instance, the rise of food delivery platforms has reshaped the restaurant industry, with implications for employment patterns, consumer behavior, and market dynamics. Similarly, the advent of online freelancing platforms has transformed the nature of work in sectors such as IT, marketing, and creative services, challenging traditional employment structures and practices.

Despite these challenges, the gig economy also presents opportunities for economic growth and development. By leveraging technology and innovation, it has the potential to unlock new sources of productivity, efficiency, and value creation. Moreover, it can facilitate the integration of marginalized groups, such as women, rural communities, and people with disabilities, into the formal economy, thereby promoting inclusive growth and reducing socioeconomic disparities.

To harness the potential of the gig economy while mitigating its adverse effects, a multi-faceted approach is needed. This includes:

- Implementing appropriate regulatory frameworks to ensure that gig workers are afforded basic rights and protections, while also fostering innovation and entrepreneurship.
- Promoting skill development and capacity building initiatives to enhance the employability and productivity of gig workers, enabling them to access higher-paying opportunities and improve their livelihoods.
- Encouraging collaboration between government, industry, and civil society stakeholders to address the social, economic, and ethical implications of the gig economy, and to foster a more equitable and sustainable model of employment and work.

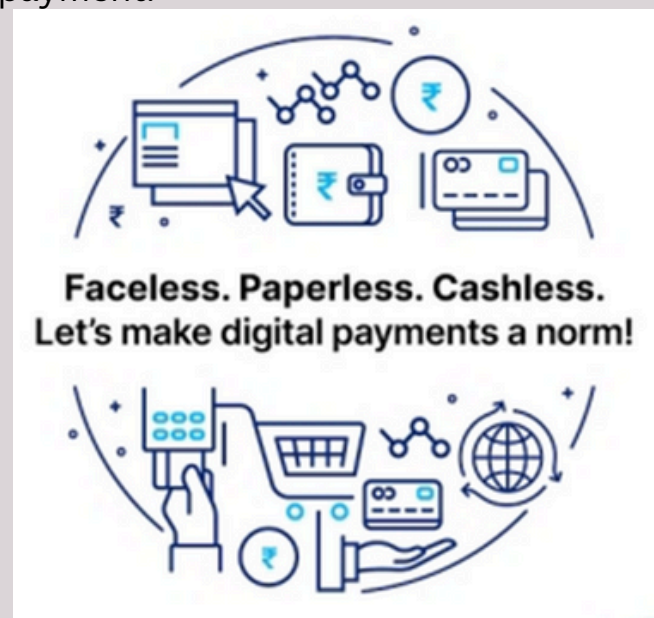
In conclusion, the gig economy is reshaping India's labor market and economy in profound ways. While it offers opportunities for flexibility, innovation, and job creation, it also poses challenges in terms of labor rights, social protection, and regulation. By adopting a holistic approach that balances flexibility with fairness, India can harness the potential of the gig economy to promote inclusive growth, empower workers, and build a more resilient and dynamic economy for the future.

# Cashless Economy

Arshi Parveen  
M.A. Part II

Digital payments have been expanding exponentially in India. Cashless transactions will be the backbone of the future economy, and they will only be made possible by the digitalization of payment methods across a range of platforms, including cards, cellphones, and online banking. After demonetization, India has demonstrated tremendous support for the shift to a cashless economy. When making purchases, whether online or off, many customers prefer using digital methods of payment. Paying via digital devices eases the hassle of always having cash on hand. However, there is a belief among customers that using digital payments is risky. One of the key initiatives of the Indian government to make India a digitally empowered society is the Digital India program. Digital payments with "Faceless," "Cashless," and "Paperless" payment methods are among their main goals. My objective is to ascertain and investigate the variables that impact digital payment behavior among customers, including obstacles encountered during the use of digital payment techniques, usage trends, and customer satisfaction levels about digital payment.

There are numerous digital payment methods available. According to the report, demonetization was followed by a large consumer movement to digital payments as a result of the pandemic. The study also examines the variables affecting consumers' degree of satisfaction with digital payments. It also highlights the issues with the uptake of digital payments. The belief that the public's money is secure in banks plays a crucial role in the operation of such an



economy. Going cashless is also a much better option. It's not only the sexiest way to run things; it also makes the financial system far more transparent, which reduces the amount of money that flows to terrorist groups and other bad things. It also deters the use of black money and tax avoidance. Because revenues are becoming more and more important, many developing economies are embracing the cashless system and turning digital.

This is a significant project that requires a strong infrastructure that reaches all customers, traders, and business owners. The regulatory agencies of the various nations should put pressure on banks and telecom companies to develop the mobile and internet banking ecosystem in order to give brokers and consumers a continuous end-to-end response.

## **BENEFITS OF CASHLESS ECONOMY:**

- **Lower Maintenance Costs:** The exchequer's wealth is used to estimate the logistics and cash supply chain. A significant amount of money is needed to print currency, store it, transport it, distribute it, and detect counterfeit money. concentrated cases of tax evasion due to the economy's reliance on financial institutions and the lingering effects of business. Openness in Business Transactions: It goes without saying that electronic transactions or plastic money always leave a digitally impermeable value for the government, which collects taxes, and the taxpayer, who is the consumer.
- It will reduce the amount of black money created. Increased Income Transparent transactions have the unoriginal benefit of increasing tax collection. Consequently, the government will receive more revenue, which will then be converted into public welfare programs and policies.
- **Financial Inclusion:** The desire for a cashless society will encourage people's financial ties. All households must be connected to a bank and the plastic economy by the government.
- Welfare programs will be more competent because funds are typically deposited into recipients' accounts. Therefore, the entire process becomes transparent as soon as funds are transferred straight into the bank account of the beneficiary. People won't have to pay to get what is really theirs because payments may be simply specified and composed, and dishonesty will automatically decline. As deal costs decrease across the economy, there will be benefits in effectiveness.
- Increasing the usage of credit cards instead of cash would primarily allow for a more thorough record of all social relationships, providing greater flexibility in money transfers and commercial processes.

# Glossary

- **Accelerator:** A parameter that determines the relationship between National Income and Required Capital Stock.
- **Autonomous Expenditure:** Expenditure that takes place independent of National Income.
- **Budget:** An annual statement, showing item wise estimates of receipts and expenditure during a fiscal year.
- **Business Cycle:** An economic contraction (recession) followed by an expansion.
- **Consumer Surplus:** Difference between the maximum amount that a person is willing to pay for a good and its current market price.
- **Cost:** Cost in economics includes actual expenditure on inputs and the imputed value of the inputs supplied by the owners.
- **Cross Demand:** Relationship between demand for a given commodity and the price of related commodities, assuming no change in other factors.
- **Deflation:** A decline in the aggregate price level.
- **Depreciation:** Fall in the value of fixed assets due to normal wear & tear.
- **Economic Expansion:** Growth in real GDP for one fiscal quarter or more.
- **Economics:** It is a social science that studies the production, distribution and consumption of goods and services.
- **Economy:** System providing people with the means to work and earn a living.
- **Economy of Scale:** When cost per unit of output declines with the number of output produced.
- **Economizing of Resources:** Making optimum use of available resources.
- **Efficiency:** Condition in which the economy is producing what people want at least possible cost.

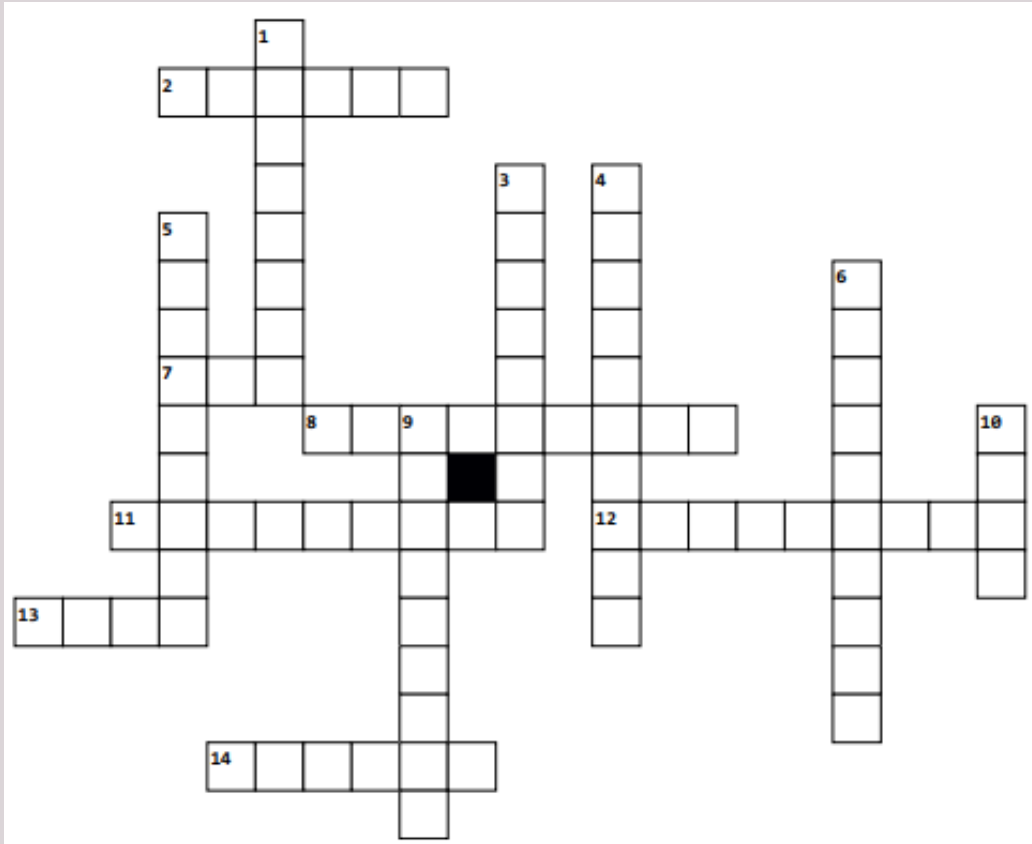


- **Equilibrium:** A state that occurs when there is no tendency to change.
- **Externality:** Side effect occurred to a party due to an action or economic activity of another party.
- **Fiscal Deficit:** It refers to the excess of total expenditure over total receipts (excluding borrowings) during the given fiscal year.
- **Foreign Exchange Rate:** Rate at which one currency is exchanged for the other.
- **Full Employment:** A situation in which all those people who are willing and able to work at the existing wage rate get work without any difficulty.
- **Gross Domestic Product (GDP):** It is a standard measure of value added through the production of goods and services in a country during a certain period.
- **Gross Investment:** Total investment made in an economy in a given period of time.
- **Inferior Goods:** Goods for which demand tends to fall when income rises.
- **Inflation:** The sudden rise in price level.
- **Interim Budget:** It is presented when time constraints or impending elections prevent a full budget.
- **Law of Diminishing Marginal Utility:** With the increasing consumption of a commodity, the utility derived from each successive unit goes on decreasing.
- **Law of Variable Proportions:** As we increase quantity of only one input keeping other inputs fixed, the total product initially increases at an increasing rate, then at a decreasing rate and finally at a negative rate.
- **Market:** A region where buyers and sellers of a commodity come in contact with each other to effect the transaction of purchase and sale of commodity.
- **Market Equilibrium:** A situation when the quantity demanded of a commodity becomes equal to the quantity supplied.
- **Market Failure:** Situation of an inefficient distribution of resources.
- **Money:** It refers to anything which is generally accepted as a medium of exchange, measure of value and standard of deferred payment.

- **Money Creation:** The process of increasing the money supply of a country or monetary region.
  - **Money Supply:** Total volume of money held by public during a particular point of time in an economy.
  - **Net Indirect Tax:** Difference between indirect taxes and subsidies.
  - **Non-Tax Revenue:** Receipts of the government from all sources other than those of tax receipts.
  - **Opportunity Cost:** Cost of the next best alternative foregone.
  - **Primary Deficit:** Difference between fiscal deficit of the current year and interest payment on the previous year.
  - **Production:** Transformation of inputs into outputs.
  - **Profit:** Excess of revenue over cost.
  - **Revenue:** Amount received by a firm through the sale of given commodity in a market.
  - **Scarcity:** Situation in which resources are insufficient to meet all the human wants.
  - **Stock:** Total quantity of particular commodity available with the firm at a particular point of time.
  - **Tax Revenue:** Sum total of receipts from taxes and other duties imposed by the government.
  - **Utility:** Want satisfying power of a commodity.
-



# Crossword-Puzzle



## Across

2. derived from 'marcatus'
7. organization initiated at Bretton Woods Conference
8. derived from 'oikonomia'
11. ease with which assets are converted into cash
12. rise in price level
13. commercial enterprise
14. amount of goods available to consumer

## Down

1. term for give and take
3. only one seller
4. measure of quantity demanded to change in price
5. government owns production facilities
6. goods purchased to generate future wealth
9. small number of large firms
10. form of investment

Send your solution entries to [ecotalksvkm@gmail.com](mailto:ecotalksvkm@gmail.com) with your Name & Picture and get a chance to feature in our newsletter.

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