



St. Joseph's College Of Commerce (Autonomous)

Affiliated with Bengaluru City University

Accredited with A++ Grade by NAAC in 4th Cycle (CGPA of 3.57/4)

College with Potential for Excellence (Status Awarded by the UGC)

Ranked 93rd in NIRF 2022 by the Ministry of Education, Government of India

#163, Brigade Road, Bengaluru 560025, Karnataka, India

The Department of Economics presents



INTAGLIO



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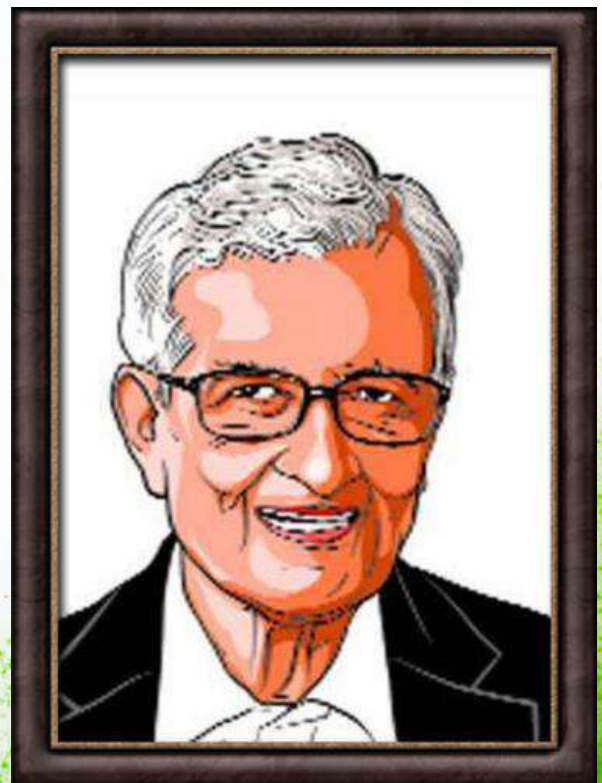


Inside this Issue.

Welcome to Intaglio! This edition is full of fun and interesting articles about making decisions, Karl Marx, the importance of studying economics, and a fun quiz. Dive into this content to learn more about economics and see things from a different point of view. Our articles are a great way to learn new things that can be used in many areas of life. You will learn something new, whether you are a student, a professional, or just interested in economics. Make sure to take the quiz, which is both fun and useful.



"A society can be Pareto optimal and still perfectly disgusting."



Amartya Kumar Sen, Nobel Prize winning Indian Economist



Major Economic Headlines India

- **Indian Economy to grow at a robust 6.6% in FY24, says World Bank.**
- **Davos 2023: EY projects India to become \$26 trillion economy by 2047 with six fold increase in per capita income.**
- **India's exports in December 2022 dipped by 12.2%; trade deficit at \$23.76 bn.**
- **India's December WPI inflation eases to 4.95%.**
- **India better positioned to navigate global headwinds: World Bank**
- **Cabinet approves National Green Hydrogen Mission with outlay of Rs 19,744 cr.**
- **Govt eases Minimum Public shareholding norms for PSU's.**
- **Parliament's Budget session to start from Jan 31, Union Budget FY24 to be presented on Feb 1.**
- **Supreme Court dismisses petitions challenging 2016 demonetisation.**
- **GST collections in December grow 15% to Rs 1.49 lakh crore**
- **88% of India's ultra-wealthy individuals saw an increase in wealth in 2022 despite global crises: Knight Frank's Wealth report.**
- **RBI cautions states against reverting to Old Pension scheme.**
- **India's coal production likely to be over a billion tonnes for FY24.**



Major Economic Headlines International

- **“Only option is to seek IMF support”, says Sri Lankan President on economic collapse; to hold debt restructuring talks with India**
- **US Secretary of Treasury Janet Yellen warns of US default risk by early June, urges debt limit hike.**
- **Wall Street banks stockpile funds for possible recession, show resilience.**
- **Wells Fargo to shrink mortgage business, exit corresponding lending.**
- **Goldman Sachs readies biggest layoffs since the financial crisis.**
- **Pakistan’s Forex reserves hit 8 year low; enough only for 3 weeks of imports.**
- **Amazon to cut over 18,000 jobs; e-commerce, HR divisions to be impacted.**
- **World Bank seeks more funds to address climate change, other crises.**
- **Dubai ends 30% tax on alcohol sales to boost tourism.**
- **China’s population shrinks for the first time in six decades.**
- **Bernard Arnault appoints daughter Delphine Arnault as ‘Dior’ head.**
- **International Business and political leaders gather at Davos, Switzerland for 53rd World Economic Forum Annual meeting, “cooperation in a fragmented world” from January 16-20, 2023.**
- **EU plans for cleantech future boosted by subsidies.**
- **Cost of living crisis to hit women hardest, report by World Economic Forum says.**



The Eminence of the Study of Economics today

Everyone's life is impacted by economics. Understanding economic principles helps billions of us get better equipped while dealing with numerous tasks on a daily basis.

It aids in a better reaction to the dangers and chances presented by change. Because of their ability to solve problems and analyse data, economics majors are well-suited for a variety of career paths, including law, risk management, actuarial work, finance, foreign policy, public administration, politics, policy analysis, health administration, entrepreneurship, market research, journalism, and undiscovered fields of the future.

An economics degree's breadth and flexibility equip students to adapt to unforeseen developments and seize their opportunities. In the first 10 years following graduation, college graduates change professions and occupations roughly four times. Economics is a fantastic choice in a world that is always evolving due to its broad range of applications. Fundamentally, economics is the study of how to weigh options and make wiser decisions. Making wise selections requires the development of critical thinking and problem-solving abilities. It improves the ability to analyse facts and make informed judgements.

Both the public and commercial sectors are in need of workers with these talents. Every year, the National Association of Colleges and Employers (NACE) conducts a survey to determine what talents employers seek most from job candidates, and these abilities include the capacity to make decisions, solve issues, gather and process information, evaluate data, and communicate clearly, all of which are talents acquired while pursuing a study of economics.

A degree in economics helps people achieve their goals regardless of the future. People can make better judgements and solve more issues if they understand how markets operate, how rules impact results, and how economic forces shape social institutions. Success in work and in life may be attained in this way.

Although economics majors typically start off with very high incomes, long-term performance and lifetime earnings are the most important measures of an economics major's worth. According to recent research, economics majors had higher lifetime incomes than other business majors, social science majors, and even general engineering degrees, so if a high income is what you're looking for, economics has you covered.

Economics provides the fundamental framework for analysing public policy.



People with a major in economics are better equipped to comprehend the underlying political concerns that influence economic and social consequences.

An economist comprehends the more general concerns of generational consequences, welfare implications, and inequality in addition to the more concrete ones of tradeoffs, market failure, and public financing. Students majoring in economics have the knowledge and abilities to participate in discussions about public policy and take action to promote economic and social growth. Most other majors can benefit from taking economics as well. When combined with a non-business major like computer science, healthcare management, journalism, environmental science, building science, or design, or even with a more career-specific business major like accounting, marketing, finance, or computer information systems, an economics major's breadth and flexibility can be a priceless way for people to diversify. Not only is the study of economics helpful in your career, but even for further analysis of your spending habits, You will learn about the behaviour of your company and its market through economics, but you will also gain understanding of your own beliefs and spending patterns. WTP, for example, is the highest price a buyer is willing to pay in exchange for an item.

Knowing the difference between hypothetical and actual WTP will help you understand your own behaviour and help you make better financial decisions.

This is just a minor look into what the world of economics has to offer due to the fact that it's an ever-growing industry making rapid developments as the seconds go by.

~ Amitha Mathew, 1 BSc Economics

What if India was ruled by a Private Company?

A private company's rule is nothing new to India, going back to the time of the East India Company's rule in India, followed by the takeover of the British Crown. Indians were being suppressed during these years as their gold was being taken away, goods were being snatched, high taxes were imposed, and punishments were severe for not paying taxes, and Indians could do nothing but just watch.

A similar situation might arise when a private company takes power in our country. This transition from democracy to dictatorship (monopoly) can take place when the political



party overthrows the other and becomes the dictator, the help of the army must be present. When democracy is at its lowest, a private company can overthrow a country's ruling party with the help of a military coup, or it can be a slow transition of a company to be the superpower, as the East India Company was in our then-India.

The absolute rule of a private company is similar to a dictatorship's rule; it is when the company holds governmental powers with few to no limitations on them. This company will have absolute power. The lives of people will be completely different from those in a democracy. The taxes that must be paid by people will be high, and non-payment of them will lead to grave punishments. The individuals who serve no use to the country, the ones who do not perform any job or pay tax, might be sent to jail or, worse, executed.

There will be no price ceiling on essential goods; the price set by the company will be final, which will be a major issue for the public. The public can no longer choose their leader as the process of hierarchy comes into play. The public can no longer choose their leader as the process of hierarchy comes into play. The public would gradually develop feelings of rebellion and would attempt to speak out against the ruling company, but with the army on the side of the company, this would be futile.

However, with the army on the side of the company, all voices must be silenced, or they will be charged with sedition, as many of our great freedom fighters were during our freedom struggle. A private company will mostly look for capital gains rather than the benefit of people, so employment will take a hit and many Indians will be left without jobs. The company has the authority to direct people's education, employment, and residence, among other things. The company can order people to buy goods only from their company or its subsidiaries, and any other competing firm that emerges will be dominated and suppressed to its roots, resulting in a monopoly.

As a result, a private company's rule in India will be more detrimental than beneficial, as seen in the rule of the East India Company in India. A private company will look for nothing other than profit and wealth. A private company's rule is very unlikely to happen in India, but dictatorship is prevalent in many countries, e.g., North Korea.

~ Ronith Lella, 1 BSc Economics

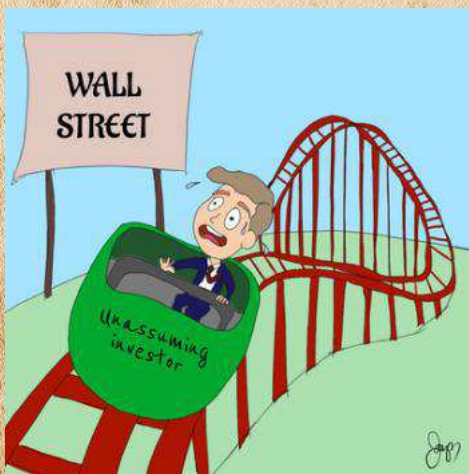


Quiz

1. The critical minimum effort theory is associated with the name
2. The difference between gross domestic product and net domestic product equals
3. In the second nationalisation of commercial banks, banks were nationalised.
4. The first wholly Indian bank was set up in
5. Debenture holders of a company are its

Answers for the previous quiz

1. H. Leibenstein
2. Depreciation Cost
3. 6
4. 1894
5. creditors



~ Jayasree Bhaskar 1 BSc Economics

The Theory of Profit as Conceived by Karl Marx

Marx's theory offers a spectacular theory of profit, one of the most important dominant purposes of capitalist production and the central issue in capitalism theory.

Mainstream economic theories provide almost no theory of profit at all, and certainly no theory with comparable explanatory power to Marx's. In other words, mainstream macroeconomics attempts to provide a theory of capitalism without a theory of profit! It is like trying to have a theory of the Catholic Church without the Pope.

Mainstream microeconomics has attempted to provide a theory of profit (or what it calls interest), the "marginal productivity" theory, according to which interest is determined by the marginal productivity of capital. However, this theory has been shown to be logically contradictory (as a result of the "capital controversy") and has little or no explanatory power. This theory is now in general disrepute and is being quietly dropped (in hopes that no one will notice) from microeconomics textbooks at both the



graduate and undergraduate levels. Marx's theory, by striking contrast, provides a logically robust theory of profit with very impressive explanatory power. Marx's theory of profit is, of course, that profit is produced by the surplus labour of workers. That is, it only takes a part of the working day for workers to produce value equal to their wages (the "necessary labor" portion of the working day). During the rest of the working day, the value created by workers is converted into capitalist profit. Therefore, Marx's theory concludes that the profit of capitalists is the result of the exploitation of workers because the value produced by them is greater than the wages they are paid.

It follows from this theory that capitalism is inherently an unjust and exploitative economic system. Capitalism cannot exist without profit, this basic, fundamental truth. If we want a just and equitable economic system without exploitation, then Marx's theory suggests that we must change the economic system from capitalism to socialism.

The most important thing to learn from Marx's theory of profit is that the rate of profit tends to go down over time, especially during times of growth.

~ Joanne Varghese, 1 BSc Economics

THE WORLD ECONOMY WILL RETURN TO NORMAL IN 2023?

The year 2022 brought forth several unforeseen challenges for the global economy, even as the world was still hoping to recover from the past two years of pandemic. Among the most potent factors that hit the economy hard was the war in Ukraine. From triggering food and fuel shortages to creating an environment of uncertainty, the conflict, which even raised concerns about a nuclear threat, has kept the world on edge since it started on February 24. Amid the war, the three largest economies -- the United States, the European Union, and China -- will continue to stall as we enter the following year, according to the IMF, which warns that 2023 may feel like a recession to many.

Ukraine's war and its consequences -

After over nine months of fighting, there is still no end in sight for the war in Ukraine. Millions of civilians are unable to return home.



Many still in the country are forced to live without access to food, water, health care, and other essential supplies. This is not an isolated crisis—blockades of Ukrainian grain exports have worsened hunger in some of the world's most vulnerable regions. Even as international efforts have helped to resume grain shipments, the situation remains dire. In East Africa, for instance, a perfect storm of continued drought, the blockade, and the economic fallout from the war is causing mass starvation. Without urgent international funding, the lives of millions of people are at stake. Many still in the country are forced to live without access to food, water, health care, and other essential supplies. This is not an isolated crisis—blockades of Ukrainian grain exports have worsened hunger in some of the world's most vulnerable regions. Even as international efforts have helped to resume grain shipments, the situation remains dire. In East Africa, for instance, a perfect storm of continued drought, the blockade, and the economic fallout from the war is causing mass starvation. Without urgent international funding, the lives of millions of people are at stake.

Inflation -

The cost-of-living crisis emerged following persistent and broadening inflation pressures. The UN agency and the IMF predicted that the inflation rates would increase by the

end of 2022, and they were right. It is now very likely that inflation will continue to rise for a longer period of time. "Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024," the IMF report underlines. "Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy," it stresses. This year, many countries, including Japan and Australia, among others, have registered record inflation. The central banks have been trying to strike a balance by hiking interest rates.

China's supply chain issues and restrictions -

COVID Even in 2022, we continued to see frequent lock-downs in China as part of the COVID zero policy, which took a toll on the economy worldwide. Every single sector in China was affected very severely. mainly the property sector, which represents one fifth of economic activity in China. The international body has underlined "Given the size of China's economy and its importance for global supply chains, this will weigh heavily on global trade and activity," it stressed. At the time the report was published, the country had reported two new deaths, sparking new fears. Global growth will slow from 6.0 percent in



2021 to 3.2 percent in 2022. In 2022, and 2.7 percent in 2023. "This is the weakest growth profile since 2001, except for the global financial crisis and the acute phase of the COVID-19 pandemic," the IMF underlines in its latest report. "The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China," it points out.

~ Bhashwat Sankar Bora, 1 BSc Economics

Game theory, decision making, economics, and more with Dr. Abhinay Muthoo.



Neeladri: Today. We are here with Dr. Abhinay Muthoo. He is an alumni of the London School of Economics and has a PhD from the University of Cambridge. He has served as the Dean of Warwick in London and has 37 years of experience in teaching at LSC, Harvard, Warwick, and Essex. He is currently a visiting professor at the Lord Meghnad Desai Academy of Economics. Sir, this will be a very short interview on decision-making negotiations and game theory as a whole. I mean, we can't go as in-depth in such a short period of time.

Dr.Muthoo: Sure.

Neeladri: First of all, what inspired you to pursue a career in decision making, and what do you find most interesting in this field?

Dr.Muthoo: So, decision-making, economics, and all these other areas you mentioned are about human behavior. And I'm fascinated by human behavior—how to make choices in different contexts—in the context of the economy, in terms of markets, buying, and selling, but also in the context of the social context and the political context. So decision-making is relevant across the board. And so the fascination for me was always with the social sciences, and that's what led me to study economics over the years to better understand it. We need to learn more. The frontier is figuring out how the human mind works to make decisions. that's the

frontier where economists, we hear of science, we are economists, but also the psychologists about the same issue how do you make decisions? And now we're trying to talk to medics what's the brain or steel, artificial intelligence as to how we use humanity. That is an excellent strategy. Alarm. We encourage everybody to keep reading and thinking about how human beings make such big, interesting decisions.

Neeladri: Can you talk about some real-world applications of game theory that might go unnoticed?

Dr.Muthoo: So game theory is about making choices in interactive situations, meaning that there are two or more parties involved, in any context. So, for example, the economic context is all over the place when two firms are competing or three firms are competing in the social context when you're deciding who to marry and who not to marry. So it plays games, theoretically suffering because if you can't tell if you should marry this person, that person will not want to marry you. And there was some sort of consensus. Gains are everything in politics, as Prime Minister Modi and the opposition, the main opposition party, were Congress and Rahul Gandhi in India. Next year, they will fight an election. It's a game situation in which—what do I mean by that? which Mr. Modi retains power



depends not only on Prime Minister Modi's choices, actions, strategies, but also depend upon Rahul Gandhi's actions. The outcome depends on both parties. They're interdependent. That is what game theory studies. It offers advice to the relevant players on a good strategy to try to win.

Neeladri: How do you stay current with the latest developments and trends in economics or decision-making, and what resources do you find useful?

Dr.Muthoo: So one of the things I would say to everyone right now is to read broadly. If you're an economist, you should read anthropology. We should read science because, as economists, we want to have a broad perspective. What do I do nowadays with internet access to resources at my fingertips? So keep reading, and keep reading widely. When I say that, the first person who comes to mind is Leonardo Da Vinci, who is famous for painting the Mona Lisa; we all know who he is. But he's much more than that. He had a broad perspective; he was curious about everything. Okay, so right now, AI is the big thing, and as an economist, it should be interesting, because artificial intelligence will impact the future of work, labour markets, and policymaking. And therefore, you should be interested, be curious, as a social scientist, as an

economist, about stuff, other resources. I will be encouraging scientists to read literature because a lot of good literature is about human drama. Just give one example. Shakespeare is all about human drama and interaction, and all of his plays are game situations. Examine Shakespeare through the lens of social science.

Neeladri: This would be a follow-up, I guess, but are there any particular journals you would like to recommend to us?

Dr.Muthoo: So I would say to you, especially you youngsters starting out, that there are lots of resources; we just mentioned that, but you can't read anything but reflect on it and innovate; that's what I would recommend. the Economist, so what has stood the test of time for me? I have seen lots of newspapers and journals, and I would say The Economist is a high-quality outlet. Just read The Economist from A to Z; it covers everything from economics to science to politics to literature. I don't know whether you read it, but that's what I would say. That's one thing. After that, I'll give you other lists, but one thing at least you should read is a weekly newspaper. It comes out on a Friday or Saturday. I would get a hold of it, read it, and that will give you a perspective and tell you where you need more. Of course, if you want to read a bit more of science then there is Nature, the Indian



production they used to be a time when I used to be a big fan of India Today, but it's okay, but if you want quality, the latest frontier of the world The Economist. Yeah. So that's one thing. So if nothing else you do per week. Read The Economist, and definitely, of course, read the books as well at the same time per week.

Neeladri: Sir, how do you see the fields of economics and decision-making evolving in the future? And what new challenges or opportunities do you think it might bring up?

Dr.Muthoo: Economics is in crisis in some sense. Take, for example, inflation. We do not really understand how to control the inflation that's waging across the world. We have standard tools that were invented in the last 70 years, like interest rates and monitoring policies. They're also not as effective as they should be. What I would say to youngsters starting out in economics is that we're looking for the next John Maynard Keynes. We're looking for fresh perspectives on the economy, a new conceptual framework. And that's where the discipline is—the discipline is looking for new items.

Neeladri: Something revolutionary?

Dr.Muthoo: That's why I said Maynard Keynes. John Maynard Keynes invented macroeconomics roughly 100 years ago.

That's what we want from India. I want India to produce the next Maynard Keynes. That would be amazing.

Neeladri: I appreciate your time and consideration, sir.

Dr.Muthoo: My pleasure

Interviewed by:

~ Neeladri Panigrahi, 1 BSc Economics

~ Mahith V Unni, 1 BSc Economics



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Editorial Team:

Neeladri Panigrahi

Vaishnavi H R

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Fardin Pasha N

Designed By:

Mahith V Unni

Atul Verma

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About SJCC:

St. Joseph's College of Commerce (SJCC) began as a Department of Commerce in 1949 at St. Joseph's College (Estd. 1882). This department was moved to Brigade Road campus in 1972 and became an independent college under the name St. Joseph's college of commerce (SJCC). SJCC is affiliated to the Bengaluru City University. Currently there are over 3000 students in B.Sc, B.B.A, B.Com, B.A. & M.Com programmes at SJCC. SJCC was conferred autonomous status in October 2004 and recognised as a "College with Potential for Excellence" in February 2010 by UGC. The college is re-accredited with 'A++' grade by the National Assessment and Accreditation Council (NAAC). It has been consistently ranked within the top 100 colleges by the National Institutional Ranking Framework (NIRF), MHRD. Since its inception, the college has been a state-of-the art space for Commerce and Management Education focusing on multi-dimensional response to the significant changes and developments in the field of Higher Education as well as in the domain of Commerce and Management. The academic year 2022- 2023 marks the Golden Jubilee year of the establishment of SJCC.

About Dept of Economics:

The Economics Department at St. Joseph's College Of Commerce seeks to instill an academic drive among the students of the program. With its numerous workshops, seminars and events, it aims to further the students' understanding of Economics from how to chalk out a graph to creating models. The Department envisions to nurture the potential of every student, in a bid to invigorate and inspire them to get one step closer to their vision.