

THE ASSAM VALLEY SCHOOL



Winter Semester

ACE

COMMERCE
DEPARTMENT
PUBLICATIONS



The economy is the start and end of everything. You can't have successful education reform or any other reform if you don't have a strong economy.

-David Cameron

Volume 4

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"Economics is everywhere, and understanding economics can help you make better decisions and lead a happier life."

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Editor's Note



Does the passage of 365 days change anything? Do situations and environments change- for good and bad- in a new year? Do individuals achieve what they resolve to earn, save and improvise when the old calendar makes way for the new? The answers for most of us would be a “not necessarily”, if not a resounding “no”. Covid-19 may today be a pale shadow of the killer virus it was, but on the global stage, crises persist. No war is good for the countries involved, and their citizens, but the Russia-Ukraine hostilities have left much of the world, India included, in economic turmoil. Where India’s equity indices dropped 1% as renewed concerns over the spread of covid-19, sales of electric passenger vehicles are expected to more than double. Alphabet and Google chief Sundar Pichai said India has set shining example with UPI, Aadhaar and India stack. But what he also added was that a balance is required in the current overhaul of tech and telecom regulations. The RBI’s monthly bulletin has said that the emerging markets could be vulnerable but those in Asia are “likely to become world’s engines of growth”. But it has also warned about the risks to global growth in 2023 when the full impact of rate hikes will be visible. What the world craves is rewiring. The wires are well connected to their points, but completely entangled. To disentangle these problems on a modest basis, we present to you the winters’ edition of ACE, focusing on a vast area of accountancy, commerce and economics, as suggested by the abbreviation. This time in ACE, we indulged in promoting financial literacy as well as go deep to the origin of money as currency. To acquire money requires valour, to keep money requires prudence, and to spend money well is an art. We will also give an update about cryptocurrency and put you up with the economic prospective of IPL. An investment in knowledge pays the best interest. As always, thank y’all so much for reading our magazine. With that i will also remind you of the importance of reading." A person who won't read has no advantage over one who can't read". Let us all get everyone out there excited about finances and the commercial world and create a sense of vigilance towards what actually has the world in its hands.

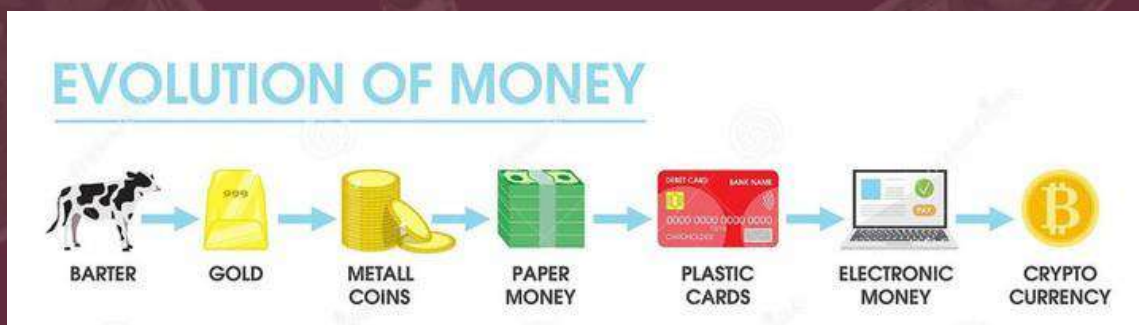
Happy and lush reading!

-Sanchi Lalani
Manasvi Agarwal

THE EVOLUTION OF MONEY

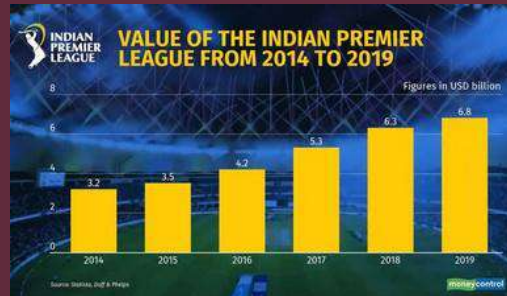
-Mayushka Patodia

First, there was no money; and people used goods to gain other goods, most of the time not even of the same value. This was called the 'barter system'. Think of it like a kid exchanging a toy truck with his friend for a lollipop. Livestock, grain, food, salt, everything was used like money. But in this system, people faced a problem of storing goods or 'money' and even a divisibility problem i.e., to exchange goods of the same value. So, as we became more civilized and evolved, 'metallic or token money' was introduced. Precious metals like gold, silver, copper, etc. were used as money according to their value. Now, the problem arises that the value of a given metal object would have to be calculated by its weight and purity resulting in delayed or time taking transactions. This led to the introduction of coined money. Metals were made into coins by their weight and each type had a fixed value. We currently don't use coined money as metal coins are heavy to carry around. Also, precious metals were required in large capacity to mint the coins. To solve this problem, goldsmiths gave receipts as guarantee which started being exchanged as money. Later, the government adopted this idea and started distributing 'paper money'. Central banks were in charge of producing and distributing paper money and coins (now made of alloys, used as change) of standardized value. Credit money, i.e., bank cheques and drafts that can conveniently be converted into cash started being accepted. After yet more human civilization, we now use cash and credit money as well 'digital currency' or electrical money. Prepaid cards such as credit, debit and UPI cards are widely used. Even apps like Paytm and google pay that use virtual money linked to one's bank account are used. In this time, cryptocurrency like bitcoin is also becoming more and more famous which solves the problem of converting currency of one country to another.



ECONOMIC CONTRIBUTION OF IPL

-Manasvi Agarwal



Indian Premier League (IPL) is a cricket championship that started in 2008. With the start of IPL, there has been an immense impact on the Indian economy. It generates a lot of revenue through sponsorship, ticket sales and advertisement and broadcasting rights. There are 100s of crores poured in annual auctions of players and million and billion dollar deals are signed amongst BCCI, sponsors, global media houses, advertisers, etc. A lot of business activities take place during IPL which boost the finances of not only the players, the BCCI, the mammoth size corporations, but also of the government as well as the nation. The question that arises here is how does IPL have such an immense impact on the Indian economy? Ever wondered how many tickets are sold per match? Or how many snacks or team jerseys are bought by people during matches? All of these contribute to the income of those small businesses that also pay tax to the government and thus help the economy. Cricket isn't just about fitness and health anymore. It is also about entertainment, business & fun. The government has thus brought IPL's income under the tax net. IPL produces numerous employment opportunities, from gatekeeper to the player on the field. The money a player can earn here can even at times be greater than what the player could earn playing for the national teams. The IPL teams earn revenue through their sponsors and the sale of merchandise of their kits and garbs. They also earn revenue from stalls set up in stadiums, and through the revenue shares that are paid to the teams by the BCCI. Of course, the biggest revenue a team can earn is the prize money, but that is just for the winning teams. To sum it up, IPL is one of the major contributors to the Indian economy with a lot of employment opportunities.

IMPORTANCE OF FINANCIAL LITERACY FOR GEN Z

-Sanchi Lalani



Financial literacy is the most important subject probably least taught to students, even though when it effects every single day of one's living life, including how one leaves wealth to his / her next generation. Most of the people hate to learn & practice it. But one should learn how it works giving it the same dedication demanded in learning various other skills such as sports, hobby. One should learn finance as a game with focus on the playing field similar to a player & try to keep One's income, money inflows & outflows very organized. One should start learning with small sums of money, because one doesn't suddenly learn how to manage money. We should encourage learning to put free money as investment in different avenues, so that it can come to use beneficially when needed. Making a plan and setting a goal, with innumerable mid-course corrections to be made as situation demands is the always the best way forward. One should always try to spend less than what one earns. It always boils down to how much one can keep, instead of howmuch one makes. One should always have a long-term emergency fund, save and accumulate for various goals like self & children's education, marriage, vehicle, vacation and retirement with making a nominee in every investment prudently.

Everyone will make mistakes but one should never let our past experiences harm one's future. Past can't be altered and the future doesn't deserve the punishment. A single conversation with a wise & financially successful man is better than years of study.

All About Crypto



-Veesaj Goswami

A cryptocurrency, crypto-currency, or crypto is a digital currency designed to work as a medium of exchange through a computer network that is not reliant on any central authority, such as a government or bank, to uphold or maintain it. It is a decentralized system for verifying that the parties to a transaction have the money they claim to have, eliminating the need for traditional intermediaries, such as banks, when funds are being transferred between two entities. Individual coin ownership records are stored in a digital ledger, which is a computerized database using strong cryptography to secure transaction records, control the creation of additional coins, and verify the transfer of coin ownership. Despite their name, cryptocurrencies are not considered to be currencies in the traditional sense, and while varying treatments have been applied to them, including classification as commodities, securities, and currencies, cryptocurrencies are generally viewed as a distinct asset class in practice. Some crypto schemes use validators to maintain the cryptocurrency. In a proof-of-stake model, owners put up their tokens as collateral. In return, they get authority over the token in proportion to the amount they stake. Generally, these token stakers get additional ownership in the token over time via network fees, newly minted tokens, or other such reward mechanisms. Cryptocurrency does not exist in physical form (like paper money) and is typically not issued by a central authority. Cryptocurrencies typically use decentralized control as opposed to a central bank digital currency (CBDC). When a cryptocurrency is minted, or created prior to issuance, or issued by a single issuer, it is generally considered centralized. When implemented with decentralized control, each cryptocurrency works through distributed ledger technology, typically a block chain, that serves as a public financial transaction database. Traditional asset classes like currencies, commodities, and stocks, as well as macroeconomic factors, have modest exposures to cryptocurrency returns. The first decentralized cryptocurrency was Bitcoin, which was first released as open-source software in 2009. As of March 2022, there were more than 9,000 other cryptocurrencies in the marketplace, of which more than 70 had a market capitalization exceeding \$1 billion.



Formal Definitions of Crypto :

According to Jan Lansky, a cryptocurrency is a system that meets six conditions:

1. The system does not require a central authority; its state is maintained through distributed consensus.
2. The system keeps an overview of cryptocurrency units and their ownership.
3. The system defines whether new cryptocurrency units can be created. If new cryptocurrency units can be created, the system defines the circumstances of their origin and how to determine the ownership of these new units.
4. Ownership of cryptocurrency units can be proved exclusively cryptographically.
5. The system allows transactions to be performed in which ownership of the cryptographic units is changed. A transaction statement can only be issued by an entity proving the current ownership of these units.
6. If two different instructions for changing the ownership of the same cryptographic units are simultaneously entered, the system performs at most one of them.



BLOCKCHAIN:



The validity of each cryptocurrency coins is provided by a block chain. A block chain is a continuously growing list of records, called blocks, which are linked and secured using cryptography. Each block typically contains a hash pointer as a link to a previous block, a timestamp and transaction data. By design, block chains are inherently resistant to modification of the data. It is a quote open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way & quote. For use as a distributed ledger, a block chain is typically managed by a peer-to-peer network collectively adhering to a protocol for validating new blocks. Once recorded, the data in any given block cannot be altered retroactively without the alteration of all subsequent blocks, which requires collusion of the network majority. Block chains are secure by design and are an example of a distributed computing system with high Byzantine fault tolerance. Decentralized consensus has therefore been achieved with a block chain.

CRYPTO MINING:



On a block chain, mining is the validation of transactions. For this effort, successful miners obtain new cryptocurrency as a reward. The reward decreases transaction fees by creating a complementary incentive to contribute to the processing power of the network. The rate of generating hashes, which validate any transaction, has been increased by the use of specialized machines such as FPGAs and ASICs running complex hashing algorithms like SHA-256 and script. This arms race for cheaper-yet-efficient machines has existed since Bitcoin was introduced in 2009.

CONCLUSION:



In recent years, big tech has taken on a new, unprecedentedly central role in people's lives and in the economy. It is important that we understand exactly what that role is, where these companies are headed, and what it might mean for us, as citizens, consumers, and investors. Cryptocurrencies are a new paradigm for money. Their promise is to streamline existing financial architecture to make it faster and cheaper. Their technology and architecture decentralize existing monetary systems and make it possible for transacting parties to exchange value and money independently of intermediary institutions such as banks.

India's Top 10 Richest

by Sanchi Lalani

1. GAUTAM ADANI- \$150 BILLION-
ADANI ENTERPRISES- AGE 60
2. MUKESH AMBANI- \$88 BILLION-
RELIANCE INDUSTRIES- AGE 65
3. RADHAKISHAN DAMANI- \$27.6 BILLION-
AVENUE SUPERMARTS- AGE-67
4. CYRUS POONAWALLA- \$21.5 BILLION-
SERUM INSTITUTE OF INDIA- AGE 81
5. SHIV NADAR- \$21.4 BILLION-
HCL TECHNOLOGIES- AGE- 77
6. SAVITRI JINDAL- \$16.4 BILLION-
OP JINDAL GROUP- AGE-72
7. DILIP SANGHVI- \$15.5 BILLION-
SUN PHARMACEUTICAL INDUSTRIES- AGE- 67
8. HINDUJA BROTHERS- \$15.2 BILLION-
ASHOK LEYLAND- AGES- 71,76,81,86
9. KUMAR BIRLA- \$15 BILLION-
ADITYA BIRLA GROUP- AGE- 55
10. BAJAJ FAMILY- \$14.6 BILLION- BAJAJ AUTO

Wealth Creation in Indonesia: 2022

-Tanishka Sharma

Amid intensifying geopolitical tensions, Indonesia is getting a fresh look from the global investment community. International funds have helped make the Jakarta stock market among Asia's top performers this year. And while listing activity has been muted in 2022 overall, Indonesia leads its Southeast Asian peers by deal count as of mid-November. The rupiah also has held up well against the U.S. dollar. Robust demand for Indonesia's coal underpinned exports, and with strong domestic consumption, Southeast Asia's largest economy is set to expand by 5.3% this year. The country's much-touted transition to renewable energy is expected to drive future growth, paced by Indonesian President Joko Widodo's climate goal to reach net-zero emissions by 2050. To help Indonesia reduce its reliance on coal, a group of governments and lenders announced \$20 billion to support the shift at the G20 summit, which Widodo hosted in Bali in November. High inflation, however, is also a major worry, and consumer prices are running at a multiyear high.



Bounce Back

After last year's dip, Indonesia's economic growth is on track to recover to pre-pandemic levels.

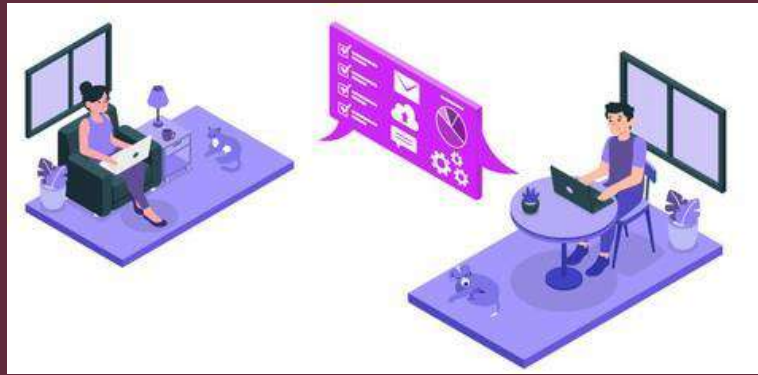


Source: Bloomberg



Is the Paradigm Shift of Flexible Working at Risk?

-Ila Gupta

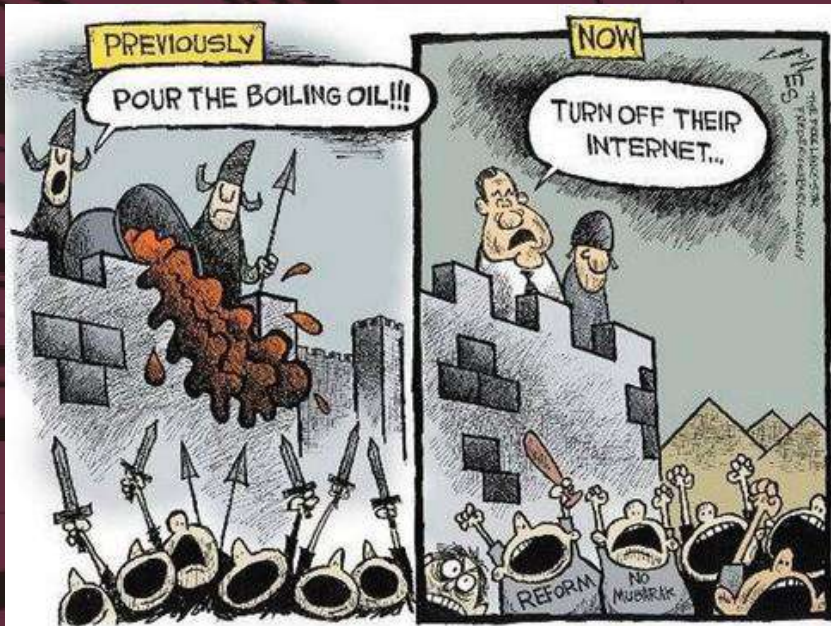
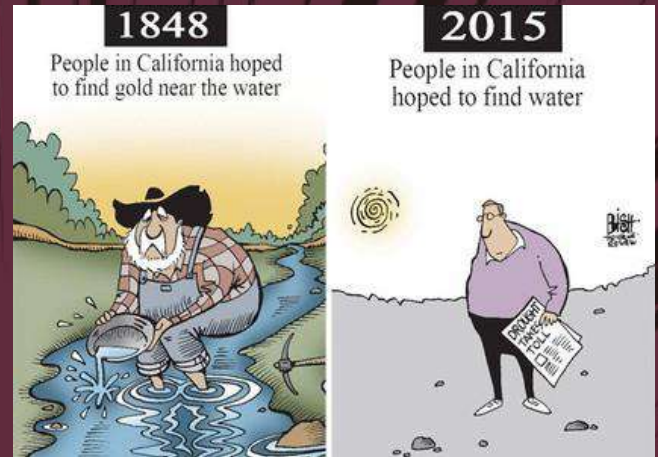


Economic uncertainty has followed the pandemic and it has made it really unclear what work culture will look like in time ahead. Some scholars believe that the genie is out of the bottle and office workers will never go back to their old ways, while others feel that the increasing economic uncertainty is hardening employers' attitudes forcing employees to return to their old ways of working out of fear of losing jobs. Brad Harris, a professor at HEC Paris, claims that the trend to stop hiring and even scale back will extend in light of the recent layoffs by big-tech companies. He believes that businesses will pull back from employee-friendly rules if a financial crisis is on the horizon. He is incredibly pessimistic about the future of the new methods of working.

Others avoid picking a side, emphasizing that it is too early to tell how things will work out and indicating that there are many complications. Of course, hybrid work, the idea that employees work remotely and only come into the office for tasks that are best completed in person, is a compromise in and of itself. To receive an idea of how complicated it is, let's consider the effects of rising inflation. On one hand, the rising cost of daily living expenses would make people keener to keep working from home so that they can save on high rents and commuting costs while on the other hand, the rising energy costs are forcing workers to head to work where their employer was paying the bills.

Such references are just one factor of the soul-searching that continues as employers try to optimize technical opportunities and changing attitudes on how and where work is done. Only time will tell whether we will resume new ways of flexible working which are economically efficient for all stakeholders; employees and employers, and society or we go back to conventional expensive ways.

Illustration Corner



'All things are difficult before it is easy'

As a responsible citizen of India, we all look forward to the Government for their various policies that will help the nation to grow in the right direction. As India follows the idea of welfare nation, it is the prime importance for the Government to regulate all its policies in favor of common people and at the same time need to take up few effective steps that will help the country to grow economically.

The standard of living should be higher than before, income of the people should increase, unemployment and poverty should be eradicated, education and health sector should be best so that every Indian could utilize the benefits of it. But, to handle such situations and problems are not easy, infect it is a big challenge for the Govt. Though pandemic has lot of bad impacts on us and the economy, but it has taught our country to fight back and maintain a balance in the economy efficiently. It has also helped us to look for many alternative ways and means to tackle various issues. Taking proper decision on time and calmly executing it efficiently can help us to solve it to the highest level. Governments need to act now to address the structural obstacles to growth, build resilience and sustainability; boost productivity and facilitate reallocation; and help people adapt to change.

Hope the new year 2023 will bring lots of positive change in our life and will help us to move towards development of our nation. We the ACE team is ready to publish yet another edition of our journal. Hope all our readers will have an enjoyable time reading this edition and will encourage us with their valuable feedback. I will always be obliged and thankful to our Headmaster Dr. Amit Jugran for his guidance. I would also like to thank each member of my department for their support. At last, but not the least, I would like to thank and congratulate each member of ACE. Keep up the good work.

With warm regards,

Rupali Borah

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