March-April, 2013

IMI Konnect

BRICS, Mortars & We Mortals

The Durban summit of the five developing nations – Brazil, Russia, India, China and now South Africa (BRICS) – which concluded recently, talked of creating a Development Bank on infrastructure with a seed capital of USD 50 billion. There was however no consensus as to what will be the contributions of each of the nations to this new bank (they only said that it would be 'substantial'); but they all agreed on the immediate necessity of creating such a pool of funds for infrastructural development of these nations constituting this emerging power group. Till such time they will have to continue seeking help from IMF along with the 'conditions'.

India's concern for infrastructure is perhaps all the more acute and its search for appropriate funds move down the line from the centre to the states and even to the private sector. Mr. Hemant Kanoria, who heads Srei – one of the largest infrastructure financing companies of India – provides a figure during a discussion with *IMI Konnect*: "In India USD 500 billion has been invested in infrastructure in the last five years. In the next five years, the government's plan is USD 1 trillion of investment. Out of that USD 1 trillion, if I suppose India is able to achieve 80 percent of that, it is USD 800 billion in next five years." He expresses concern for an immediate need of professional people in the infrastructure sector. We assured him that at IMI-Kolkata we have already created a special Centre for Infrastructure Management (CIM).

The other major aspect discussed at the Durban summit of BRICS was the foreign currency reserves and the feasibility of pooling in an initial safety net of USD 100 billion by the nations for emergency lending for development. Four of the five BRICS nations, including India, revealed a comfortable level of foreign exchange reserves and therefore showed possibilities of developing alternative sources of global funds for development other than the World Bank and IMF. What was interesting was the revelation that much of this reserves of these nations was kept in gold. In India, for example, the latest official figures reveal that one-tenth of the total foreign currency reserves (14 thousand billion rupees) is preserved in gold. In spite of Keynes's rejection of gold as a 'barbaric relic', the fascination of the nations for the metal continues. *IMI Konnect* carries in this issue a brilliant summary of the history of gold from the book Extreme Money of the internationally respected expert on Finance, Satyajit Das.

Our reviews of the Indian economy and business continue to grow richer. We have provided three articles this time – one on economic growth and the others on non-food retail and rural insurance. Dr. Paramita Mukherjee's review of the country's growth provides a word of caution: "the components of (country's) expenditure reflect that the revised estimate of non-plan expenditure has exceeded the budgeted expenditure, while plan expenditure has fallen short of the budgeted amount. This fall in actual planned expenditure compared to the budgeted one might have an adverse implication on the economic growth in a developing country like India…" The other two articles are equally interesting treading on offbeat areas.

IMI-Kolkata has been busy in the last one month preparing itself for the admissions of the fresh batch of students and new sessions. We invited the IMI alumni members to take part in the admission process, which they enjoyed and provided reactions for the *IMI Konnect* quite emotionally. This fourth issue of *IMI Konnect* has been a combined one (March–April) which we hope will be as satisfactory as the previous ones. We still need to be more expansive and more innovative – and that cannot happen without your cooperation and feedback. Please do write to us with your suggestions.

Buroshiva Dasgupta

Dr. Buroshiva Dasgupta
Professor, IMI-Kolkata

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Growth of Indian Economy: More Concerns than Hope?

By Dr. Paramita Mukherjee

The Union budget for 2013-14 along with the release of the Economic Survey by Ministry of Finance has refreshed the hopes about the Indian economic growth once again. But, the Finance Minister stating India's estimated GDP growth for the current fiscal to be 5% coupled with the slower growth in the third quarter at 4.5% have raised concerns as well. At the end of January, 2013, RBI, in its macroeconomic review of the economy for the third quarter, had also revised India's GDP forecast to 5.5% in 2012-13 as against 5.7% estimated earlier. ADB too, has revised India's growth forecast from 5.6% to 5.4% in fiscal year (FY) 2012.

However, the hope for a better performance in the next fiscal has been voiced by many. The Economic Survey has predicted a growth rate of 6.1-6.7% in 2013-14. Moody's Analytics is more optimistic about the growth prospects from next year onwards and their forecast of economic growth in fiscal 2013 is 6.2% compared to 5.1% in fiscal 2012. Even after revision, the growth forecast by ADB stands at 6.5% in FY 2013[1]. The World Bank Chief is also hopeful about over 6% growth[2].

The current scenario presents a mixed picture. It is not clear whether the widely discussed reform measures taken in the latter half of the fiscal 2013 have started paying off or not. The considerable deceleration in growth in services sector during the third quarter has led to a substantial revision of the GDP for the fiscal [Table 1]. But, definitely notable is the recovery in the industrial growth fuelled mainly by manufacturing and electricity, gas and water supply. There is another positive development that has taken place in the external sector. The exports have started picking up since December, 2012 and imports have decelerated very recently, in February, 2013 leading to a fall in current account deficit [Chart 1].

It should be noted that the fall in import is higher in non-petroleum products compared to petroleum products. But, whether this fall in imports will be sustainable or not remains to be a concern given the continuous depreciation of rupee against dollar during the fiscal 2013, especially due to inelastic import demand for petroleum.

TABLE 1: GDP Y-O-Y Growth for India (percent)

	2011-12				2012-13		
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**
Agriculture	3.7	3.1	2.8	1.7	2.9	1.2	1.1
Industry	5.6	3.7	2.5	1.9	3.6	2.8	3.3
Services	10.2	8.8	8.9	7.9	6.9	7.2	6.1
GDP	8	6.7	6.1	5.3	5.5	5.3	4.5

Source: Ministry of Finance and CSO

The major concerns at this juncture are food price inflation and fiscal deficit. The headline WPI inflation has fallen to 6.62% in January, 2013 but it should be noted that the food inflation still persists at a very high level of 11.88%. More importantly, this inflation remained consistently high for the past eleven months. And it is very unlikely that this can be arrested in near future through improvement in supply side. In the fiscal front, to compensate for the lower revenue at the backdrop of a slowly growing economy, the union government has cut expenditure. The revised estimate of government expenditure is smaller than the budgeted amount (Rs. 1,430,825 crore as against budgeted Rs. 1,490,925 crore) but unfortunately, the components of expenditure reflect that the revised estimate of non-plan expenditure has exceeded the budgeted expenditure while plan expenditure has fallen short of the budgeted amount. This fall in actual planned expenditure compared to the budgeted one might have an adverse implication on the economic growth in a developing country like India and hence, is not at all desirable.

Given these constraints and related concern expressed widely by economists, the Finance Minister cited that though India's growth rate has slowed, only China and Indonesia have outpaced India in 2012-13 among the large countries. It is also true that amidst global recession, India was able to maintain its share of GDP (PPP-based) in world GDP over the years. The share has consistently increased from 3.62% in 2000 to 5.46% in 2010 and 5.7% in 2011[3]. It is still to be seen to what extent India can increase this share by removing the roadblocks in future.

[1] *ADB Outlook*, December 2012. | [2] *Business Line*, March 11, 2013. | [3] *IMF World Economic Outlook*, April, 2012.

"India can Create a Harvard in Infrastructure Studies"

Mr. Hemant Kanoria,
Chairman & Managing Director SREI Infrastructure Finance Ltd., in conversation with
Dr. Tirthankar Nag, Dean (Academics) and Dr. Rachana Chattopadhyay, Assistant Professor, at IMI-Kolkata campus.

Q. What is your opinion – should the MBA programmes be reshaped?

HK: It will not be very wise for me to comment whether it has to be restructured or not because MBA programme, all across the world and in India, is considered to be very good. Nevertheless, right from the beginning when students join any organization, they should be highly performance-oriented.

When I think of the MBA programme, the question which arises is where are these MBA students going to get absorbed? Which are the sunrise industries? Today, in India the sunrise industries are hospitality, infrastructure, and healthcare. I am not saying that FMCG or other industries will close down. They'll keep on expanding. But at the same time these emerging sunrise industries require large number of trained manpower. Especially the infrastructure industry is involved from financing of infrastructure to development of roads, power, ports and other infrastructure-related projects. There is a huge crisis of good professionals. When we get MBAs, they are either specialized in Marketing or Finance or HR. But how many MBA professionals would understand the infrastructure sector? In my estimate - very few. I think there is a great opportunity in our country if the institutes align their MBA programmes accordingly.

My suggestion for a curriculum would be that the first year should have a general programme covering all subjects whereas the second year, instead of being functionally focused, could be more sector-specific.

In India USD 500 billion has been invested in infrastructure in the last five years. In the next five years, the government's plan is USD 1 trillion of investment. Out of that USD 1 trillion, if I suppose India is able to achieve 80 percent of that, it is USD 800 billion in next five years. This is a massive size of investment that is going to be there in infrastructure. If students feel that there is no opportunity after getting specifically trained in infrastructure, then there is a common-sensical gap. How can that human resource gap be bridged? I think infrastructure provides a great opportunity that MBA institutes should look into and especially the students need to make up their minds. Otherwise, it becomes very difficult for the institutes to build a discipline if there are no takers. If they have experience in the power sector that doesn't mean they cannot get into roads; or if they are in roads, they cannot go into ports.

At the end of the day, it is important to understand the customer psyche. What a person is able to understand in FMCG or in manufacturing, the understanding has to be broader in the infrastructure sector. The infrastructure sector has a consumer base which runs across the entire strata of the society. If we look at the power sector, everyone – the poor and the rich use power; industry uses power and so does agriculture. The professional will have to understand the entire spectrum of consumers and their psyche, which is so diverse. If a person is in a position to understand these and deal accordingly, the financial modeling, the technical side of it will all fall in place.

Q. Your advice was very helpful. We will try to incorporate them in our curriculum.

HK: We will have to develop a unique curriculum for infrastructure. It cannot be copied from anywhere in the world. We may criticize our government - usually we are very self-critical people - but in the ultimate analysis we have done a great job. No other country in the world has mobilized such large investments from the private sector in infrastructure creation. We cannot, therefore, borrow case histories from other countries or take the learning from anywhere. If you are copying from Harvard, Wharton or Stanford, it will have its limitations. They don't have any understanding of the issues in the infrastructure sector that is very unique to India. We have had our failures. But our failures have given us opportunities to learn. Indian institutes can globally market those students who would do their professional studies in the infrastructure space. For them, opportunities will not get limited only to India. Indian business schools focusing on infrastructure will become like Harvard for infrastructure professionals. This is where the actual groundwork needs to be done.

The Gold Rush

India's budgetary proposal to raise the limit on duty-free gold ornaments that can be carried back to the country by NRIs had immediate impacts. It was announced that male passengers can carry gold worth Rs. 50,000, and female passengers Rs. 1 lakh compared to the earlier limit of Rs. 10,000 and Rs. 20,000, respectively. The previous limits were fixed almost 40 years ago, sometime in 1970.

According to media reports, most outlets in Oman, almost immediately, registered 25 percent higher sales than any normal day.

Gold imports of India – the biggest user of yellow metal in the world – fell to 860 tonnes in 2012 from an all-time high of 969 tonnes in 2011. The intention of the government relaxation, obviously, is double-edged: it seeks to procure more revenue, at the same time stabilize the rising domestic gold prices.

IMI Konnect, in this context, carries a book extract that summarizes the fascinating history of gold in the global market.

The Excerpt

Gold – chemical symbol *Au* and atomic number 79 – is a dense, malleable and highly ductile lustrous metal that doesn't rust in air or water, making it useful in dentistry and electronics.

Gold has qualities desirable in money – it is rare, durable, divisible, fungible (each unit is exactly identical and equivalent to other units of gold), easy to identify, easily transported and possesses a high value–to–weight ratio. The gold standard was the basis of money for substantially all of human economic history.

Gold bullion is stored in ultra-secured walls, such as Fort Knox and the Bank of England. The gold is in 400 troy ounce bar – each bar weighs about 28 pounds (11 kilograms). At a price of $1,200/ ounce, each bar is worth around $480,000. The bars have an assay mark recording the quantity and quality of the gold and the mint at which it was produced.

The bullion is stored in sealed lockers at an appointed time, burly men dressed in drab grey uniforms move bars of gold from one numbered locker to another, settling purchases and sales. This movement of gold bullion over a short distance once signalled major changes in the fortunes and wealth of countries and kings.

In all human history, only about 161,000 tons of gold have been extracted, equivalent to about two Olympic standard swimming pools. Gold's monetary role confers extraordinary riches on those who control it and was once key to wealth and economic dominance.

In the 1980s the issue of gold became central to the US presidential campaign of William Jennings Bryan. Southern farmers in the USA borrowed from the north-eastern bankers to finance their farms, equipment and crops. The debt had to be repaid in gold. As gold prices rose and the price of farm produce fell, the farmers' earnings fell and their debt repayments grew, fuelling resentment. The farmers wanted more money in circulation and advocated silver as well as gold currency – known as *bimetallism*.

At the 1896 Democratic Convention, Bryan spoke passionately: 'You shall not press down upon the brow of labour this crown of thorns. You shall not crucify mankind upon a cross of gold.' Bryan was defeated in the 1896 and 1900 election by William McKinley and the USA adopted the gold standard in 1900.

The bimetallism debate spawned Frank Baum's satire on the currency debate, the *Wizard of Oz* (actually the *Wizard of Ounce* – of gold). Dorothy, the Kansas farm girl represented rural America. The Scarecrow, Tinman and cowardly Lion represented farmers, factory workers and Bryan respectively. Dorothy and her companions' journey down the golden road is the 1894 Coxey march of unemployed men (named after its leader Jacob Coxey) to secure another public issue of $500 million of paper money and to obtain employment. Baum's plot has Dorothy and her companions exposing the fraud of evil wizards and witches, representing bankers and politicians, and establishing a new monetary order based on gold and silver. Dorothy returns Kansas City courtesy of her magic silver slippers. In the film, Dorothy's slippers are red rather than silver, a concession to Hollywood cinematography.

In Ian Fleming's 1959 novel *Goldfinger*, James Bond, Agent 007, is sent to investigate Auric Goldfinger, the mysterious Swiss financier who is smuggling gold. Goldfinger's plot is to boost the value of his gold through an audacious attack on the Fort Knox gold depository. Goldfinger plans to contaminate the gold by exploding a nuclear device - *a dirty bomb*. Goldfinger's own stock of uncontaminated gold would increase in value astronomically. Bond discerns the plot through dazzling mental arithmetic – Fort Knox's 15 billion dollars of gold equated to over 400 million ounces, which would weight over 1,200 tons, making it difficult to carry off.

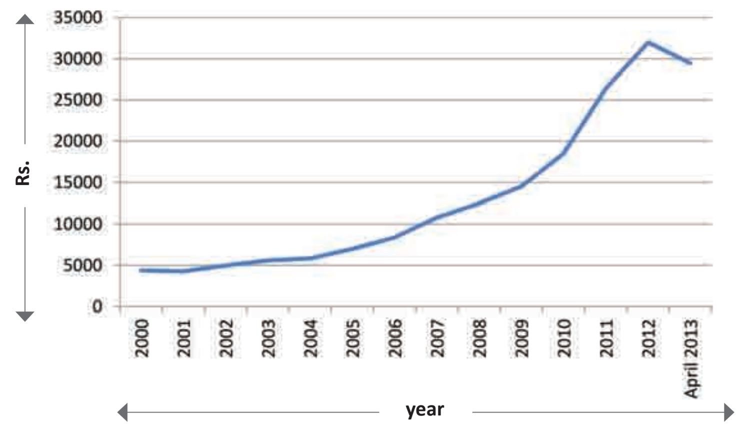
Thirst for gold fuelled war and conquest. The Spanish, who followed Columbus, took around half a century to strip the major treasures of gold and silver accumulated by the indigenous people of South and Central America. In the process, the Spanish enslaved and virtually wiped out the native population until they literally ran out of things to loot. Today, armed groups fight for control of gold mines in the Democratic Republic of Congo to purchase weapons and finance wars. As the more easily accessible rich deposits of gold have been exhausted, mining gold in more remote, inhospitable and fragile environments leads to irreversible damage.

Gold's mythological power has fuelled the imagination of mankind for much of its history. Financial historian Peter Bernstein wrote: 'Gold has … this kind of magic. But it's never been cleared if we have gold – or gold has us.'

In India, gold is the ultimate store of wealth that can be pawned or used as security to raise money quickly. A child's baptism or eating of its first solid food, usually rice, requires offerings of gold. Marriage traditions require a dowry of treasure – heavy necklaces, ornate bangles, dangling earrings, jewel encrusted rings, delicate headpieces and saris woven with gold thread. For Indian women, gold may be the only real property they own – their only *nest egg*.

While few believe in its once assumed magical properties, the attachment to gold has persisted into the twenty-first century. In Goldfinger, Colonel Smithers explained the monetary role of gold: 'Gold and currencies backed by Gold are the foundation of international credit … We can only tell what the true strength of the pound is … by knowing the amount of [gold] we have behind our currency.' As the global financial crisis consumed the world in 2007 and 2008, individuals purchased 150 tons of gold in the form of coins. Investors poured money into special funds that bought up 1,000 tons of gold. Gold prices increased from around $800 per troy ounce in December 2007 to over $ 1400 per ounce by early 2011.

Rise in Price of Gold in India (10 gms)



Source: Media Reports

Harry 'Rabbit' Angstrom, the central character in John Updike's 1970s novel about American suburban life, spent $11,000 on the purchase of 30 gold krugerrands (a South African minted gold coin). Rabbit explained the purchase to his wife: 'The beauty of gold is, it loves bad news.' John Maynard Keynes famously described gold as 'a barbarous relic.'

Rise in International Gold Price

Source: Media Reports

(Last ten years has seen significant rise in the gold prices both in the national and international markets. This has been generally attributed to the nations' increasing confidence in accumulation of gold than on the fluctuating dollar.)

Courtesy: ***Extreme Money*** by Satyajit Das, Penguin India.

"In India, gold is the ultimate store of wealth that can be pawned or used as security to raise money quickly. A child's baptism or eating of its first solid food, usually rice, requires offerings of gold. Marriage traditions require a dowry of treasure – heavy necklaces, ornate bangles, dangling earrings, jewel encrusted rings, delicate headpieces and saris woven with gold thread. For Indian women, gold may be the only real property they own – their only *nest egg*."

India's Non-Food Organized Retail: A Consumers' Perspective

By Dr. Gopal Das

The adoption of a liberalized retail trade policy for rapid economic development by the Indian government has brought about dramatic prosperity in the Indian organized non-food retail industry. Increasing urban demographics, rapid development of shopping malls, emerging breed of brand-conscious consumers and various influences from the western world are boosting the growth of Indian organized non-food retail sector and attracting new players. Based on the extent of penetration and market share, the major components of the current development in non-food retailing are clothing, textile and fashion accessories (38%), consumer durable (9%), and footwear (10%) (http://www.technopak.com). In the present scenario of Indian retailing, clothing, textiles and accessories retailing is the largest segment of organized retailing, constituting 38% of the total organized retail. In spite of slowdown of the share of clothing in the Private Final Consumption Expenditure to 6.5% in 2007-08, apparel sector is rapidly evolving and is estimated to reach a retail value of USD 39.4 billion by 2013 (Datamonitor, 2009). Footwear is another important player of Indian retail revolution and accounts for around 10% of the total organized retail market. Indian footwear market has shown phenomenal strong double digit growth of 17.7% historically during the period of 2003 to 2009 from USD 1,641 million in 2003 to USD 4,367 million in 2009. It has been resilient during the financial crisis witnessed in the country in 2009 registering a rise of 18.7% from USD 3,679 million in 2008. The Indian footwear industry possesses significant potential with overall market anticipated to grow at a CAGR of around 9% during 2011-14 (www.rncos.com).

Along with clothing textile and footwear, consumer durable market is also growing at a significant rate. Indian consumer durable sector witnessed single digit negative growth in most of the months of 2007-08 but thereafter witnessed medium term recovery from a 1% decline in financial year 2007-08 to a 4.4% increase during 2008-09, which has given way for an impressive double digit growth of 30% growth during January-March 2010 and 25.6% rise in April-March 2010 respectively (www.cygnusindia.com). According to Cygnus report, for the year 2009-10, the total size of consumer durable sector in India is estimated at around USD 6.58 billion. The sector has been consistently witnessing above 20% growth in each of the nine months from July 2009 to March 2010. Consumers and their increasing purchasing power have played a vital role in the growth of India's non-food organized retail.

Roles of Consumers

In the world, which is mainly composed of an ageing population, 54% of Indian population is below 25 years of age. Nearly, 30 million Indians have a disposable income of more than USD 30,000. This number is expected to rise at an average of 8.5% per year until 2015. Overall, six million of the Indian population is considered to be in the "rich" category as they spend USD 28 billion every year. Recently, life's pleasures have gained importance among consumers, and are at par with saving for children's education. The changing landscape in India has changed Indian customers' spending habits. The increased disposable income and their increasing preference for western styles and brands make Indian urban customers more attractive to foreign apparel retailers. The rising number of double-income, nuclear families in the present scenario has changed the lifestyle and approach towards purchasing consumer durable. The Indian consumers' apparel, footwear and consumer durable demand is influenced by several factors like spending habits, gender, age, income, consumer financing, growing young population, and developing lifestyle. The new Indian consumer is definitely more materialistic. The Indian consumers' needs include global and local products. The exposure to American television shows and/or families residing in the western countries has unveiled various foreign brands to Indian consumers. While there is a growing demand for luxury goods and foreign brands, these consumers are not only enamoured by products from foreign retailers, but also by goods provided by the Indian retailers. Indians are getting money-rich time-poor. This generates an increasing need for Indian consumers to complete their shopping at a "one-stop" shopping store, which cater to all shopping needs of the consumer in a luxurious setting.

Availability of interest free credit periods offered by several card providers has made purchasing convenient thereby generating a positive impact on consumer expenditure on apparel, footwear and consumer durable. Greater operational efficiency like reduced checkout times at the store level has made it easier for the customers to buy the product. Apart from steady income gains, consumer financing has become a major driver in the consumer durable industry. In the case of more expensive consumer goods, such as refrigerators, washing machines, colour televisions, and personal computers retailers are joining forces with banks and finance companies to market their goods more aggressively. With the emergence of concepts such as quick and easy loan, zero equated monthly instalment (EMI) charges, loan through credit card, loan over phone, it has become easy for Indian consumers to afford more expensive consumer goods. Also, the growth in the information technology and IT enabled service industry is significantly driving consumerism in urban India.

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Rural Insurance: Needs a New Network

By Dr. Sweta Dixit

The insurance industry market in India has really not extended in real terms beyond the urban domains. The penetration is pitiably low. In his landmark book *The fortune at the bottom of the pyramid* describes C.K. Prahalad that profit can be earned by selling products to bottom of the pyramid customers. If the overall market has to grow and expand then the insurance companies have to look at the newer segments rather than fight for a share of the same pie. There exists a vast potential in the rural areas where 70% of the population lives. But, it is common perception and belief among the insurance companies that it is expensive to do business in the rural areas.

India requires a fresh approach to sell insurance products in the rural areas because of the limitations in business. Since the activity revolves around agriculture, products such as rain insurance, loss of productivity, price fluctuations in the market and personal accident cover need to be designed targeting the rural people.

Also, life and livelihood risks are the risks faced by rural households. The major livelihood risks faced by rural household are risk to agricultural activity and allied agriculture activities like livestock, risk to assets used in farm/non-farm activities and health risk.

Therefore, to meet the risk affecting various livelihood activities, a combination tool like minimization (through pest management practices, disease prevention etc.) and risk management through financial instrument like insurance is required.

Most of the insurance companies are just trying to meet the mandate requirement by Insurance Regulatory and Development Authority (IRDA) from the rural areas and are still not considered commercially viable rural opportunities. When it comes to marketing of insurance products, because of the cultural diversity and irregular income, distribution channel is considered to be a paradox.

The Recommended Distribution Channels for Selling Insurance Products are:

Agents: An extensive rural agent network for sale of life insurance products exists. The agent plays a major role in creating awareness, motivating purchase and rendering other insurance services. New players may need support of at least a limited agent network for their delivery systems.

Non-Government Organization: To enhance the income opportunities, improve working conditions, and make education available to the villagers NGOs' work is closely knitted with the villages. NGOs are really suited for selling insurance products as they work extensively with the villagers.

Formal Banks and Regional Banks: Huge database of these banks can be utilized to market and sell insurance products and there is a sort of trust which people have on banks.

Post Office: Post office in villages is a place for saving deposits, postal services and also for village telephone. People are mostly satisfied with the services of post office. The postal department has postal agents to sell savings certificate such as Kisan Vikas Patra (which is being called off now by the government), National Saving Certificate and also generates recurring deposits through postal agents. These postal agents are recruited by the district savings officer, office of the collectorate and the licence is issued to them for three years which is renewable. These agents can be recruited and trained by insurance companies also to sell insurance product. This is can be advantageous to insurance companies as well as to these agents.

Cable T.V. Operator: Cable TV operators are educated and have access to homes in the villages. They visit the village at least once in a month and therefore their network can be materialised to sell insurance products.

Youth Club Members: Youth club members in various villages are actively involved in activities like digging village well, processing official documents for villagers. They are also part of the government programmes, like pulse polio, in spreading awareness to the rural people. These members are educated and seek for income avenues for themselves.

Leaders of the youth club can be selected and used for marketing of the insurance products.

Doctors and School Teachers: These people command a considerable respect in the village and are highly trusted.

Many of them worked as insurance agents for LIC and can be used as a potential source for private insurance companies.

"India requires a fresh approach to sell insurance products in the rural areas because of the limitations in business. Since the activity revolves around agriculture, products such as rain insurance, loss of productivity, price fluctuations in the market and personal accident cover need to be designed targeting the rural people."

Research

Dr. Paramita Mukherjee contributed to the International edition of *Macroeconomics* by Hubbard R. Glenn, Anthony Patrick O'Brien and Matthew Rafferty published by Pearson Education, England. This edition is meant for sale in Europe and other parts of the world, viz. Amsterdam, London, Paris, Hong Kong, Sydney, Mexico City, Singapore, Tokyo etc. This edition is different from the earlier edition in many ways. With the changing economic scenario, more emphasis has been given on the global financial system and also on the theory of economic growth with more international examples from around the world in every chapter. The application of theories is presented through real-life economic phenomena as well as real-time data exercises. This edition will be useful for students outside US and Canada.

Workshop

Dr. Paramita Mukherjee and Dr. Chanchal Chatterjee participated in a two-day workshop on Public Finance organized by the Centre for Advanced Studies, Department of Economics, Jadavpur University on February 7 – 8. Senior professors from renowned institutions and universities of the country like Delhi School of Economics, Jawaharlal Nehru University, National Institute of Public Finance and Policy, talked on the theory of taxation, tax design and the measurement issues of tax compliance in India. The tax structure of India was discussed in detail. The measurement issues focused on the estimation of the amount of tax evasion in India with a sample survey. The session on structural equation modeling focused on theory as well as its application with STATA.

IMI Events

Alumni Speak

The alumni were invited to participate in the recent Admissions to IMI. Some views :

Mr. Ashish Mandelia, Self-Employed

I'll begin with the campus of IMI-Kolkata. It is very state of art. I was really impressed by the facilities that are there in the campus.

So far as the panel was concerned the presence of Dr. Ahindra Chakrabarti itself added credibility to the panel. The quality of students that I was privileged to interview, were really good. It was very encouraging to see students coming from small cities and towns are so ambitious and knowledgeable. It was really very enriching to be a part of the panel. It was really a good experience.

Ms. Priyanka Mandelia, Insights (D), IMRB One

It was an enthralling experience to come back to IMI, the place that is very close to my heart. It's extremely important for a business school to have students with right mix of 'Communication skills', 'Curiosity', 'Strategic thinking', and 'Zeal to learn' – all these can only be demonstrated only through direct interaction. As a panel member, I was looking at all these qualities and I am glad and humbled to be a part of the admission process for IMI.

Mr. Ramachandra Yadavilli, Director, Capgemini

IMI has indeed come a long way and has emerged among the top B- schools of the country and this is largely due to the efforts of the faculty and management of the institute supplemented equally by the quality of students, who have done very well in their pursuits whether it's in industry, entrepreneurial ventures, NGO's or academics.

Hence I feel it's extremely important to ensure the quality of intake is nothing short of the best and I was glad to see certain level of rigor in the process of admission. From the process perspective it was fairly robust.

Mr. Ritum Jain, CEO, Safechem Industries

It was an enriching experience to be a member of the interview panel for admission to various courses offered by IMI. I would say that today's MBA aspirants are totally focused on their targets and goals in life and a proper road map has been drawn in their minds to achieve the same. The entire thinking process has undergone a sea-change as compared to earlier days. The bonus for me was that I also got an opportunity to interact with the faculty after a long time.

Ms. Rituparna Ghosh, AVP, Wipro Ltd.

I was extremely thrilled to go back to IMI. I take intense pride to be associated with this institute because it has shaped my professional career. I look up to Prof. Chakrabarti, who incidentally happened to be in the interview panel when I had applied for my post-graduation course in IMI. I consider this as a privilege to sit with him in the same panel. I always thought that teaching as a profession adds as much value to the teacher as it does to the students. This is because teachers get the opportunity to interact with fresh batch of students every year. They are in touch with the youth of that time. It's a fresh, new perspective that leads to a lot of learning for the people who are interacting with them.

So far as the interview is concerned, I would say that interview is a two-way communication process. This gave me a perspective of what youth of today's society are feeling, what are their thought processes. What I found that they are way more aware and informed. In sum, it was an extremely fulfilling and enriching experience.

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