



A STUDENTS' JOURNAL OF SHRI RAM COLLEGE OF COMMERCE



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The Trump Card
Arshya Aggarwal

To be or Not to be?
Sanchie Shroff



STRIDES

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Volume 1 Issue 1 2016-17

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Principal's Message

The mission statement of the College, signifying the existence and its road map to the achievement of its vision, reads as:

“To achieve and sustain excellence in teaching and research, and enriching local, national and international communities through our research, the skills of alumni, and the publishing of academic and educational materials”

To achieve and promote excellence in publications and applied research, the College has taken the initiative to launch a new journal exclusively to publish students' research papers and articles. It will be an add-on to the enriched catalogue of College publications and academic literature.

The journal has provided an opportunity to the students of our college to focus on research at the undergraduate level. Since the students were not opened to the research methodologies at the undergraduate level, they were mentored by *experienced senior faculties* of our College. Simultaneously, their articles were also reviewed by the referees and tested for plagiarism before publication. After reporting all the suggestions recommended by the referees, the articles were revised and then finally published. The College is successfully releasing the foundation issue of the journal i.e. *STRIDES – A Students' Journal of Shri Ram College of*



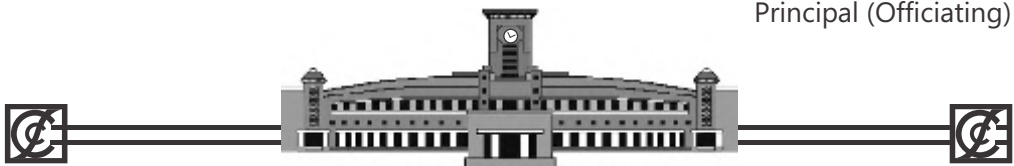
Commerce, Volume 1, Issue 1, 2016-17 on the occasion of 91st Annual Day of College held on 13th April 2017. The Journal is released by Shri Prakash Javadekar, Honb'le Minister of Human Resource Development, Government of India.

The college has already applied for *International Standard Serial Number (ISSN)* for the Journal. The application for ISSN is still under process.

I would like to congratulate the students whose papers are published in the foundation issue of the journal and simultaneously, encourage all the students to contribute their research papers and articles for the successive issues of the Journal.

Best wishes for their future endeavor.

Dr. R.P. Rustagi
Principal (Officiating)



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Editor's Message

Shri Ram College of Commerce is well known for its academic excellence and dedicated approach towards dissemination of knowledge in the academic world. The College appreciates the role of research in education and is committed to developing an inclination towards research in both faculty and students. In this pursuit, the College has taken the initiative to launch a new Journal named 'STRIDES – A Students' Journal of Shri Ram College of Commerce' to encourage students to pursue research under the guidance of the faculty of Shri Ram College of Commerce.

It is an annual journal launched exclusively to publish academic research papers and articles by students on contemporary topics and issues in the area of commerce, economics, management, governance, policies etc.

In order to maintain high standards of publication, a Committee on Publication Ethics (COPE) has been constituted. The COPE shall be the apex authority to take all decisions related to publication of research papers and articles in STRIDES. The decision of the COPE shall be final and binding.

To maintain the *academic standards*, *academic ethics* and *academic integrity*, a rigorous process of blind review of

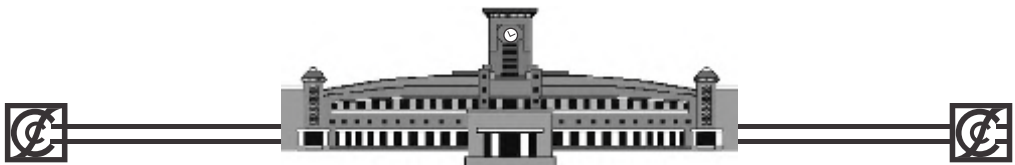


articles is followed after screening for plagiarism of each manuscript received by the college for publication. The research work published in STRIDES is original and not published or presented at any other public forum.

The foundation issue of the Journal i.e. *STRIDES – A Students' Journal of Shri Ram College of Commerce, Volume 1, Issue 1, 2016-17* is successfully released on 91st Annual Day held on 13th April 2017 by Shri Prakash Javadekar, Hon'ble Minister of Human Resource Development, Government of India.

Successive issues of STRIDES will be released every year on the occasion of College Annual Day.

Dr. Santosh Kumari
Editor



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The Effect of Demonetisation on Inflation in India

This article throws light on the divulgence of demonetisation and its impact on inflation. The key motive behind demonetisation was to control the huge amount of black money in the economy. The government's tough decision impacted the trend of inflation in the country which has been analysed for the financial year 2016-17.

Key words: Inflation, Demonetisation, Indian economy

INTRODUCTION

Investopedia defines demonetization as the act of stripping a currency unit of its status as legal tender. On November 8, 2016 the sudden announcement by the Prime minister to scrap out the validity of Rs. 500 and Rs. 1000 currency note as a legal tender surprised the whole economy with several reasons being given for the same. Post demonetisation, speculations were made by economists like Amartya Sen, Arvind Virmani, Dr. Manmohan Singh, Kaushik Basu and many more on the growth of the Indian economy. After almost four months of the episode of demonetisation, it is possible to look at some facts and figures and analyse whether the *rationale* for this

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step was fulfilled or not. A major impact of demonetisation was forecasted to be on the inflation rate which hits the economy very drastically if it goes beyond a set limit.

DEMONETISATION AND INFLATION

There has been an exorbitant fall in the Consumer Price Index (CPI) since August 2013 from 10.62% to unpredictably low of 3.17% in January 2017(WebTeam, 2017). The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services(Times, 2017). In India, inflation is measured using CPI. The percentage change in this index over a period of time gives the amount of inflation over that specific period, i.e. the increase in prices of a representative basket of goods consumed.

The financial disruption caused by demonetisation on November 8, 2016 was not the only reason for the declining inflation rate. Inflation in FY2016-17 has been characterized by two discrete features; the Consumer Price Index (CPI), which averaged 4.9 per cent during April-December 2016, has exhibited a downward trend since July when it became clear that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in CPI inflation which reached 3.4 percent at end-December was substantially due to decline in pulses price. The second distinctive feature has been the reversal of Wholesale Price Index(WPI) inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. (Affairs, et al., 2016-17).

With the rupee remaining relatively stable, the debt market reacted positively to the demonetisation move. Improvement in government finances due to shift of the black economy to white—increased tax compliance and better revenues for government—is another positive aspect. However, few sectors like the real estate sector, which is the biggest receiver of black money, may take a massive hit. The short-term impact on the sector could be very serious. The number of transactions and prices in residential and land markets may see a substantial downward trend. Also, India's stock market faced a downfall by 0.93 percent as stated in the Economic Survey (16-17).According to the Indian Monetary Fund (IMF) forecast, India's growth would come down to 6.6% in FY 2016-17 as compared to 7.6% growth in FY 15-16, due to the "temporary monetary disruption" caused by demonetisation. However, demonetisation would have only short term impact on the economy and it would bounce back to its expected growth of more than 8% in the next few years. (IMF Country Report No. 16/76)

Therefore demonetisation can be one of the factors for the inordinate reduction in the inflation rate but it should not be misinterpreted as the sole reason for the reduction. Central government and RBI's efforts to keep check on the inflation post demonetisation are clearly visible through RBI's decision to keep an unchanged repo rate at 6.25% for the last quarter of the year citing inflation concerns (Manojit & Saha, 2017).

CONCLUSION

The Financial Year 2017-18 will be a crucial phase in the growth of the Indian economy with many radical policy changes being implemented. The long term benefits of demonetisation are predicted to be beneficial for the Indian economy. The temporary instability caused in the economy due to the sudden removal of 86% of cash from the economy, proves to be a boon or a bane in the arena of the economic health is definitely going to be highly debatable. However, it is to be seen how the general public and the government deals with the transition in the long run.

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