

BOOK REVIEW

DAY TO DAY ECONOMICS

**Author: Satish Y. Deodhar, Year of Publication: 2012, Publisher: IIM Ahmedabad
Book Series with Random House India, Pages: 214, Hard Bound, Price: Rs. 299**

Anju Verma *

Economics and its applications are considered as an arcane, prosaic and an elusive science. It involves more sophisms than any other field of study known to man. It is not just about the numbers, it is also about commerce, business, politics, psychology, history, and so much more. Taylor (2012). Economists over the years have found it very difficult to explain the basic economic principles and how and why they affect a layman. Tirole (2017) says Economics is a lens that shapes how we look at the world. Understanding it does not require expert knowledge, Intellectual curiosity is just enough to break into the world of economics.

Satish Y. Deodhar has also attempted to demystify the world of economics by writing this book. Very succinctly the author in the book has elucidated basic and advanced concepts of economics for the layman who remain confused about the terms GDP, FDI, CRR, SLR, Repo rate, why the prices of petrol increases, what happened during the great depression, what is the need for the RBI, how taxes, stock markets work, what are growth and health indicators, what are fiscal and monetary policies, economic growth, unnamed opulence etc. The book provides a good head start for people who are inquisitive about the functioning of the government and how things work and happen in an economy. The author has explained various esoteric terms and jargons which we hear in our day- to- day life on TV shows or in newspapers in a highly perspicuous manner. The limpid writing style helps clear hitherto recondite concepts. The author has also made sure that people from non-economic background can also get aware of the nitty gritty of basic economics. The book helps to overcome the myth that economics is a very complicated and a statistical subject by explaining the myriad terms with the help of anecdotes and realistic India-centric examples

* Assistant Professor, Commerce Department, Shri Ram College of Commerce, University of Delhi, Delhi-110007, E-mail: anjuverma333@gmail.com

and engaging case studies. Important definitions listed in the "Ready Reckoner" at the end of each chapter makes the book more unique, useful and user friendly. The book ensues seven chapters which are well connected and flows into each other.

The book very perspicuously throws light on the questions that comes in the mind of layman such as why pure public goods such as, defence services, police force, lighthouses, street lights, traffic signals etc. are offered by the government and not private institutions. The author has also cleared that the government provides the services of pure public goods because their consumption is non-rival and non-excludable in nature. It also discusses that there is a medley for certain economic activities i.e. they are offered both by the government and the private sector for e.g., water supply, postal services, electricity supply, gas supply, telephone services, air transport services etc.. The author has stated the existence of natural monopolies as the reason behind it. He has also discussed that for certain economic activities, government is forced to interfere in the free market or undertake the economic activity itself because of the presence of "externalities". The book also provides a primer on questions related to government budgets, taxation and deficits such as the process followed by the government for preparing the budget, what is its size, how is it financed, whether budget deficits are bad for the country or not. It explores the concepts of Revenue expenditure, Capital expenditure, Revenue Receipts, Capital Receipts. At the outset, the author's modus operandi of answering economic questions, situations that affects everybody's life, spurs the curiosity and makes this book an engrossing read.

The major problem facing the Indian economy that why the government falls short of funds and is left with the option of borrowing from public, external financial institutions or from the central bank of the country is well highlighted in the book. The comparative analysis of Central Government deficits as a percentage of GDP over a number of years gives a better understanding about Revenue Deficit, Fiscal Deficit, and Primary Deficit. The author has made it incredibly easy to understand the concept and effect of recession on world economies, particularly India. The illustration of the case of Greece that led to a very critical condition in the country help the readers to understand why economists do not look favourably upon a high Fiscal Deficit. Overall, the author provides a clear explanation of different economics terms by relating them with the real life cases of the world.

The book covers a detailed explanation about Money, Taxation and Inflation. It helps to understand the different forms of money, taxation, the process of earning profit by the bank, when and why RBI increase or decrease the repo rate , CRR, SLR, how is Inflation calculated, how it affects the life of the common people, why it is worrisome, how it affects the share prices of the company etc.. The author has also very interestingly linked the world of finance with economics by explaining the concepts of Stock Market, SENSEX, NIFTY, Dalal Street, bullish and bearish market, why the share prices falls or rises, though a wider explanation could have been incorporated for much better understanding. He has also explained in a very lucid manner the principle of Comparative advantage which led to the formation of WTO and described the role of two international organizations - International Bank for Reconstruction and Development (IBRD), namely, the World Bank, and the International Monetary Fund (IMF) that works to protect the trade, production, and employment prospects between the countries. The author's recommendation in the last chunk of the book, that observations about opulence must also be drawn from quantitative data by comparing India with other countries on other parameters is strongly agreed.

CONCLUSION

To conclude, this book without being too academical and technical, let the readers realize that not one action of theirs is unrelated to economics. The simple language, clear explanation, real life examples can help uncut anyone's teeth into economics. Overall, this is an amazing book for someone who wants to understand or have some proclivity towards Indian day-to-day economics. As the author rightly terms, this book is a rookie's guide to Indian economy. It can be strongly recommended to someone who wish to study economics from the start. As the quote mentioned in the End "I don't see novels ending with any real sense of closure ". Exactly this book has potential to pique anybody's interest in economics and increase the appetite to explore more in the world of economics. "Relevance of the content" without fail is what will keep this book unscathed at all times.

Though the book discusses the important concepts of economics, the other book by the author "Why I am Paying More" must also be read in continuation to understand the other jargons of economics like pricing, market structures, costing, market demand and supply. The author is also advised to pen down an updated version of these books to equip one with

new economics terms, situations, assumptions connections between the world economies and new economic policies that directly affect a common person's life.

REFERENCES

Taylor, T. (2012). *The Instant Economist*. USA: Penguin Group (USA) Inc.

Tirole, J. (2017). *Economics For The Common Good*. New Jersey: Princeton University Press.