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# VISION



*Journal of*

THE DEPARTMENT OF ECONOMICS  
SHRI SHIKSHAYATAN COLLEGE

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# **ECOVISION**

**AN ANNUAL PUBLICATION OF  
THE DEPARTMENT OF ECONOMICS  
Special Volume : 2017-2020**



**SHRI SHIKSHAYATAN COLLEGE**

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## **ECOVISION**

**Volume - 6**

**Special Volume : 2017-2020**

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## **FOREWORD**

I am delighted to present volume 6 of 'Ecovision', the departmental journal of Economics. This volume is a bouquet of articles by present students, past students and faculty members of the Department. In addition it also features special lectures delivered by invited Guest speakers on issues relevant to the discipline. I am sure this volume will be a significant addition to the variety of projects undertaken by the Department during the academic sessions. I congratulate the Editorial team for their efforts in bringing out this edition of 'Ecovision'.

Best wishes.

(Dr. Aditi Dey)  
Principal

# MESSAGE FROM THE DEPARTMENT

The Department of Economics humbly presents the Special volume of ECOVISION [2017 -2020]. It is a pleasure for all of us in the Department to have been able to publish our Departmental Journal amidst such tough times that the world has been going through, due to the Covid 19 pandemic. In this regard we acknowledge the support and encouragement of our Principal, Dr. Aditi Dey, the Secretary, Mr. P.K. Sharma, Office staff members, our colleagues and most importantly, our students. This volume of Ecovision is truly special in a number of senses. This is our first online version or e-journal. Though the pandemic situation has necessitated the online publication, we consider this as a positive outcome of the current situation. Ecovision is our annual Departmental Journal and five volumes have already been published. The sixth volume, of our journal , is a special volume, covering the time span of 2017-2020. The Department sincerely acknowledges the dedicated service provided by the guest faculties Smt. Nilanjana Roy and Smt. Suraya Roy during this period of time. The Department welcomed the new faculty member, Smt. Paramita Bhattacharya in August, 2018, who took up her responsibilities with ease and sincerity. We congratulate her on completing her PhD from Jadavpur University in January, 2020. Presently, the Department is served by Smt. Manjari Chatterjee, Smt. Paramita Chakravorty, Smt. Sutapa Sen and Dr. Paramita Bhattacharya.

With pride and happiness we relive the moment when our student **Megha Shah** secured the **1st Class first rank** in the Calcutta University B.Sc. Economics Honours Examination, 2017. Our students have always made us proud of their academic and co-curricular achievements. Their academic progression and job profiles, after finishing their graduation, give us immense satisfaction. In the Semester system too, our students have been performing very well. The first batch under this new system will be appearing for their final Semester examinations in August, 2021, in the online mode.

It has been very challenging for the students and the teachers to continue the teaching- learning process with the onset of the Covid 19 pandemic. The College has provided us with an online platform [Impartus], through which classes have been regularised. Our students have learnt to attend classes and give their examinations in the

online mode. The teachers also, with training and support from the College, have got acquainted with this new form of online teaching. The 2017 -2020 batch of students gave their final year examinations in the online mode. The admission procedure of the new batch of students in 2020 also took place in the online mode. It is very tough to be away from the College premises, the staffroom, the classrooms, our colleagues and our students for such a long time. However, such unexpectedly difficult situations always give us alternative paths, newer ideas and unique opportunities and that is what we are regularly adjusting to, while eagerly waiting for normal times to be back again.

Amidst such times, the online publication of our journal 'Ecovision' gives us immense pleasure and satisfaction. With gratitude we acknowledge the valuable contributions of our founder teacher, all the ex-faculty members of our Department, our Principal, the Secretary, Office staff members, our colleagues, our alumni and the current batch of students. We look forward to meet our students in the College premises soon.

We sincerely wish everyone an enriching reading experience.

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# HOW DID THE LABOR MARKET IN INDIA CHANGE SINCE ECONOMIC REFORMS ?

**Dr. Saibal Kar,**

*Professor of Economics, Centre for Studies in Social Sciences, Kolkata  
Research Fellow, Institute of Labour Economics, IZA, Bonn*

*The labor market in India is a complex coexistence of formal, regular employment and unorganized, and broadly informal and irregular job market activities. The labor market policies in India largely follow a set of rules put into practice since independence. With globalization and episodic economic reforms in India, the labor market also changed substantially. This short article tracks down some of these changes and highlights areas which could benefit from amendments to older policies or initiation of new policies.*

**Keywords : Wage rate, unemployment, labor force participation rate, India**

It is well known and well argued in the literature, in general, that if firms are not allowed to enjoy the flexibility of hiring and firing of labor, employment, entrepreneurship and investment will be discouraged. Thus, the concern for protecting employment will be defeated with a negative impact on employment. This is undoubtedly Economics 101. India has always been a case in point advocating rigid labor laws and regulations. However, in the light of recent developments towards a regime of flexible labor market, usually to the satisfaction of producers and entrepreneurs, this topic merits attention. This is one of the contexts, which motivates the present paper. However, a broader question is, to what extent such a policy can help the economy at large ? The economy under consideration is characterized by the presence of a large unorganized manufacturing sector, as well as agriculture and the rural non-farm sector. Is the reform likely to benefit the unskilled workers in general ? Does it allow rural people to move into the industrial sector with productive employment ? This remains an age-old concern of the development economists stemming from the observations of Arthur Lewis (1954) and Myrdal (1968). One could think of the short run effects of such policies, which definitely raises the return to capital and in the longer run may even increase the rate of accumulation of capital. To what extent will that help an average worker? Answering these questions constitutes another motivation of this paper. While it is important to go for easier hire and fire policies that would encourage entrepreneurship and investment, it is also important to check what this kind of policies have in store for the economy as a whole.

Indeed, the Indian economy entered an extended and still ongoing process of external trade liberalization, domestic deregulation and privatization of public sector units in 1991. Over the subsequent two and a half decades, there has been a significant and sustained increase in both per capita output and output per person employed, while the overall unemployment rate has remained low. However, labor force participation rates have fallen sharply, especially for women. Youth unemployment remains stubbornly high; an overwhelming and almost unchanging proportion of the labor force continues to be employed in the informal sector; and there is little evidence of a sustained rise in wage rates of either unskilled rural workers or factory workers in India.

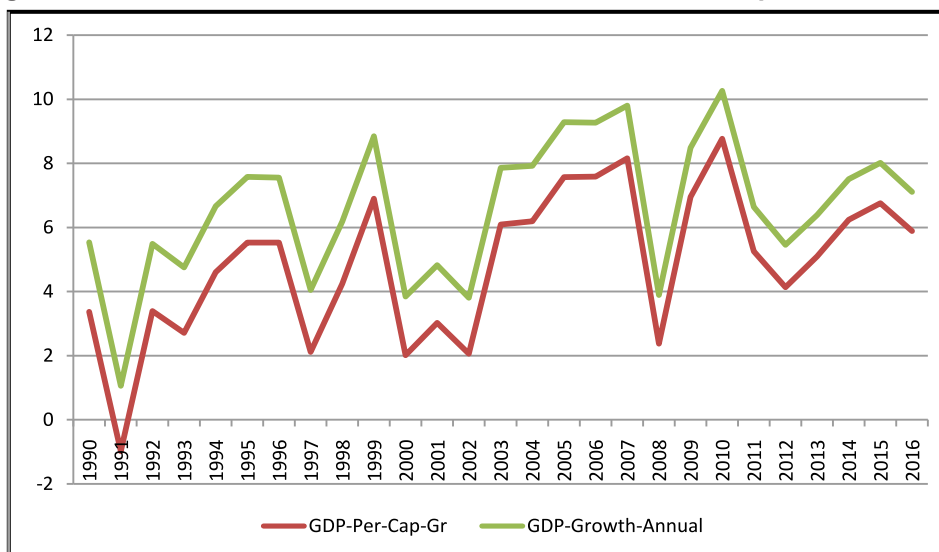
## Main Message

The Indian economy has performed well in terms of GDP growth and increases in output per worker over the last 25 years. There has been significant structural change: the importance of agriculture in total output has fallen sharply and about 15% of the country's labor force has shifted from agriculture to industrial and service sector occupations. The aggregate unemployment rate has remained low. However, low aggregate unemployment rates have been associated with a large fall in laborforce participation among women and young men. Total increase in employment has thus been muted. The quality of available work remains a matter of concern. Employment continues to be overwhelmingly informal in nature, without security, income stability or the benefit of protective legislation. The share of wages in net value added by organized manufacturing appears to have fallen dramatically. The very low and declining level of output per worker in agriculture and allied activities relative to other sectors points, in a context where almost half the labor force is still located in agriculture, to yet another cause for concern.

### Aggregate issues : growth, unemployment and labor participation

In 1991, the Indian economy entered a period of extensive trade liberalization, substantial domestic deregulation and limited privatization of the public sector. As shown in Figure 1, over the next quarter century, real GDP grew at a compound annual rate of over 5.5%, a significant improvement over the preceding quarter century. Growth performance of the economy was particularly impressive during 2003-10, when India achieved growth rates above 7.8% in 7 years, and above 8% in 5 years, out of 8. Growth rates fell during 2011-16, but nonetheless remained within an impressive 6-8% range in 5 of those 6 years. In consequence, India improved its global GDP country rank in PPP terms from 8th in the early 1990s to its current rank of 3rd by 2010, and its share of global GDP (PPP) from about 3% in 1990 to almost 7.5% in 2016.

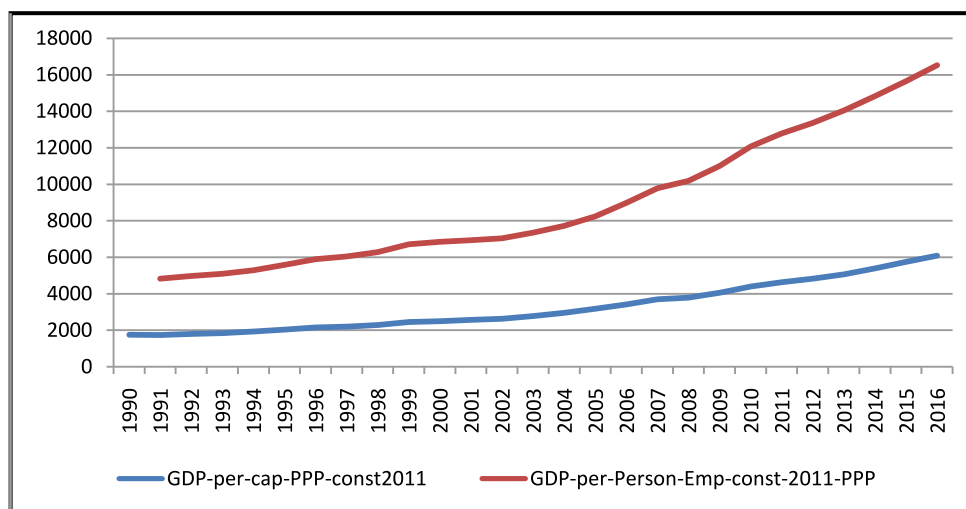
**Figure 1. Annual Real GDP Growth Rate and Real GDP Per Capita Growth Rate**



Source : World Bank, World Development Indicators, <https://data.worldbank.org/>

Figure 2 below maps changes in per capita GDP and labor productivity, in the sense of output per person in the labor force. Per capita real GDP in purchasing power parity terms in 2011 international dollars was about \$6000 in 2016, about 3.5 times its 1991 value of roughly \$1700. The increase was about 50% during 1991-2001, almost 80% over the subsequent decade of 2001-2011, and about 30% over the next half decade. Labor productivity increased practically in tandem. GDP PPP per person employed in 2016 was about 3.4 times that in 1991. The increase in labor productivity was about 44% in the first decade, about 84% in the subsequent decade, and about 30% over the half decade thereafter

**Figure 2. GDP Per Capita (PPP const. 2011 international \$) and GDP Per Person Employed (PPP const. 2011 International \$)**

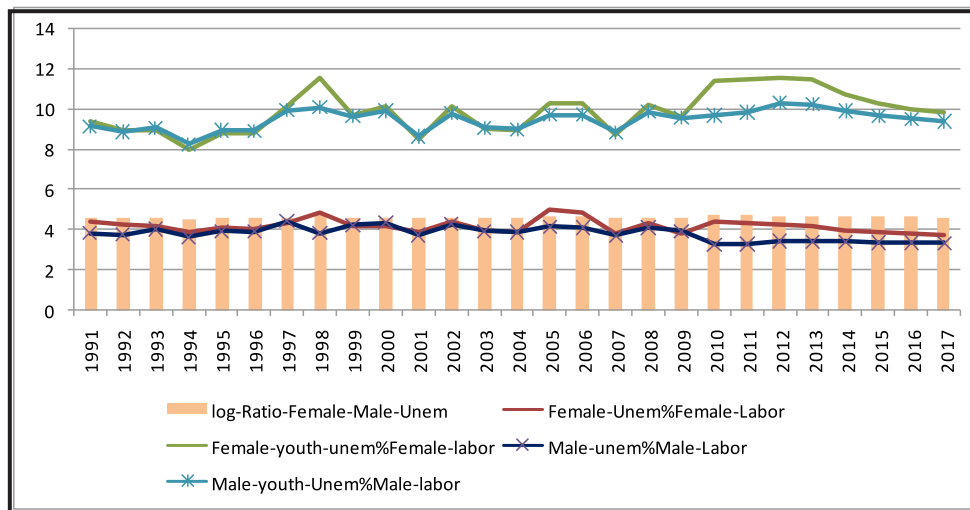


Source : World Bank, World Development Indicators (1990 data for GDP-per-person NA), <https://data.worldbank.org/>

**Note : NA - Not available**

The fact that labor productivity increased more or less in proportion to the increase in per capita output immediately suggests a limited impact of growth on employment. Figure 3 plots the behavior of unemployment rates over this period. Aggregate unemployment rates (15 years or older) remained relatively low at around 4% with female unemployment somewhat higher than male unemployment. However, youth (15-24 years) unemployment rates remained in the 8-10% range between 1991 and 2010. Subsequently, as the growth rate fell, the unemployment rate for young males moved up to around 10%, while that for young females moved up to the 10%-12% range. Youth unemployment rates are significantly higher in urban areas. In 2011-12, the youth unemployment rate reached a maximum of 18.8 per cent for urban women aged 20-24 and 12.8 per cent for young urban men aged 15-19. By comparison, the unemployment rate for rural youth peaked at 6.3 per cent for young women aged 20-24 and 8.9 per cent for young men aged 15-19 [1].

**Figure 3. Male-Female Adult and Youth Unemployment (% of each type)**



Source : World Bank, World Development Indicators,  
<https://data.worldbank.org/>: Modeled ILO estimates.

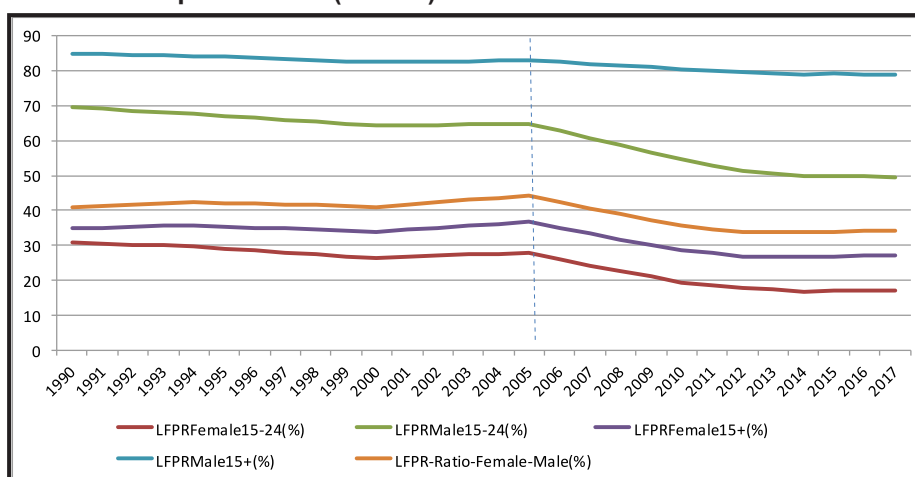
Figure 4 illustrates the behavior of labor participation rates. Strikingly, after staying more or less stable within a low 34%-37% range over 1991-2005, the female labor participation rate started declining in a sharp, secular fashion, so that, by 2012, it had fallen to about 27% from about 37% just 7 years earlier. The female labor participation rate remained stable at 27% thereafter. The male labor participation rate fell over this period as well, but merely from about 85% in 1991 to about 83% in 2005 and thereafter to about 79% by 2013. Thus, while female workers amounted to 41-45% of male workers during 1991- 2005, this ratio had fallen to just about a third by 2012. It stayed at that level in subsequent years.

India has the world's largest youth population, with 27% of the population comprising of those aged between 15 and 29. It is therefore interesting that the post-2005 fall in participation rates appears even more marked for young (15-24 years) people. The participation rate of young females, after fluctuating in the 28% - 31% range over 1991-2005, collapsed subsequently, to stabilise at about 17% after 2012. The participation rate of young males declined gradually from 69% in 1991 to 65% in 2005, and thence much more sharply to stabilize at about 50% after 2012. The share of youth not in education, employment or training increased marginally from about 26% in 2004 to 27% in 2010 overall. However, the corresponding increase for young females was from 46% to 54% (Figure 5). This suggests that a large part of the decline in participation by young males during 2005-2012 was matched by a commensurate increase in their presence in education and training.

This does not appear to have been the case for young females. Women's labour force participation declined the most among the poorest households, whereas it actually increased in the case of better-off households. Similarly, by levels of education, women's labour force participation

declined among those not literate or the least educated, but increased among those with higher levels of education. One possible interpretation is that women who had earlier been forced to take on the worst-paid, lowest-quality jobs because of their poverty have withdrawn from those jobs as their household incomes have risen or due to the fact that the male household income earner has a higher pay.

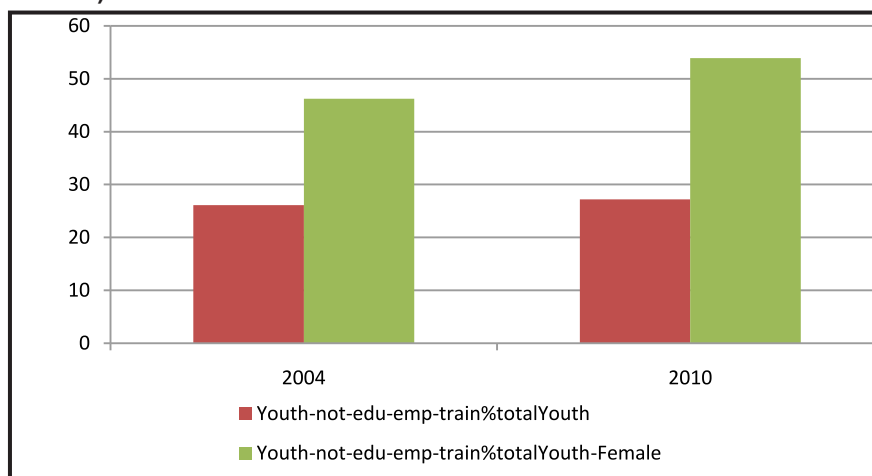
**Figure 4. Labor Force Participation Rate (Male and Female 15-24, Male and Female 15+) and Female-to-Male Participation Ratio (all in %)**



Source: Gender Statistics, World Development indicators, World Bank, <https://data.worldbank.org/>, modeled ILO estimates.

Note: '---' line showing distinct change from year 2005

**Figure 5. Share of youth not in education, employment or training, total (% of youth population) and Share of youth not in education, employment or training, female (% of female youth population)**

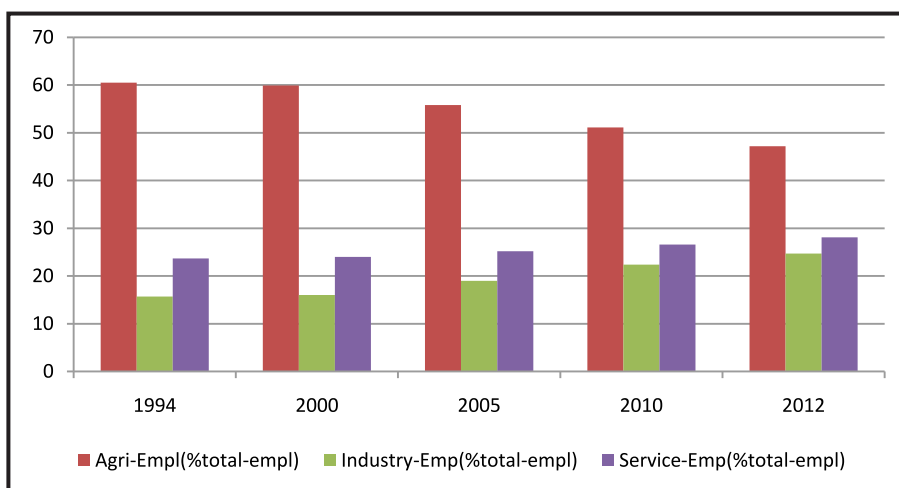


Source : World Bank, World Development Indicators, <https://data.worldbank.org/>

## Changes in sectoral composition of employment

As a largely rural society, agriculture and allied activities constitute the main source of employment for India's workforce. In 1951, soon after Independence, this sector absorbed about 72% of India's labor force, while the industrial sector (mining, manufacturing, construction, gas, electricity and water supply) employed about 11%. The service sector absorbed the remaining 17%. The GDP shares were 51%, 19% and 30% respectively. Thus, agriculture was the biggest employer as well as the largest contributor to GDP. This employment structure changed quite slowly over the next four decades, so that, by 1994, services had come to absorb about 24%, and the industrial sector only about 16%. The corresponding GDP shares were 28% (agriculture and allied activities), 27% (industry) and 45% (services). Therefore, while the agricultural sector remained the pre-dominant employer, absorbing about 60% of the workforce, the service sector had supplanted it as the biggest contributor to GDP, while industry's contribution to GDP was about the same as that of agriculture. However, by 2012, agriculture and allied activities had come to employ only a minority (about 47%) of the labour force, while industry absorbed a quarter and services almost 30%. The corresponding GDP shares were 14%, 27% and 59%, respectively.

**Figure 6. Sectoral Composition of Employment in India (1994-2012)**



Source : World Bank, World Development Indicators, <https://data.worldbank.org/>

Output per person employed in agriculture and allied activities was about 70% of that for the economy as a whole in 1951. This proportion had fallen to 47% by 1994 and 30% by 2012. Output per person employed in industry also fell steadily from 173% of that for the economy as a whole in 1951 to about 169% in 1994 and about 108% in 2012. For services, the change was from 176% in 1951 to 188% in 1994 and 211% in 2012. It follows that, while there was indeed a significant (almost 15 percentage point) transfer of labor away from the agricultural sector, this transfer was insufficient to compensate for the relative stagnation of agriculture in the post 1991 period, leading to a sharp relative immiserization of those trapped in that sector.

## **Limitations and gaps**

The biggest hurdle in carrying out rigorous empirical analysis of India's workforce and its labor market is the absence of reliable earnings data. As already noted, over 90% of India's workforce is employed in the informal sector, and less than 20% is engaged in regular wage or salaried occupations. About half of India's GDP is generated in the informal sector. Informal sector enterprises do not report earnings or wage data and, at a conservative estimate, over 80% of all workers do not even have written contracts. Fewer than 4% of all Indians report their incomes for income tax assessment, and under-reporting is universally acknowledged to be extensive. Furthermore, until recently, income tax data were not made publicly available by the government for analysis. Consequently, estimates of income distribution as well as employment have to be derived almost entirely from large-scale sample surveys. These sample surveys are however episodic and have traditionally focused on self-reported consumption expenditure rather than income. Those which do incorporate income estimates are bedeviled by the usual problems of self-reporting compounded by the informal and fluctuating nature of occupations as well as large-scale use of family labor in agriculture and household industries in rural areas.

Employment estimates suffer from analogous difficulties. Furthermore, the issue of under-employment and disguised unemployment is likely to be important, but impossible to capture satisfactorily in surveys when work is preponderantly either of the self-employed or casual labor kind. These data limitations make detailed analyses of employment and earnings trends outside the formal sector in India difficult at any except a broad impressionistic level. While long due, the country still does not have a longitudinal survey of occupations, income or internal migration, for example.

## **Summary and policy advice**

Increasing the employment elasticity of output growth outside agriculture, bringing a larger proportion of the population within the ambit of income tax and formalizing the informal sector remain India's greatest policy challenges. Without the first, substantial labor transfers from the overcrowded agricultural sector cannot be effected. Without the second, the income tax mechanism cannot be used to reduce inequalities generated by the labor market in any substantive sense. Without the third, even a modest system of worker protection and a universal social safety net would both remain almost impossible propositions. Expanding the coverage of the current National Rural Employment Guarantee Scheme and maintaining it over the next 15-20 years could play an important role in attaining the first objective. Stepping up the growth rate of the manufacturing sector is also essential, since manufacturing in India exhibits the highest employment elasticity of output growth among sectors, in particular for unskilled workers. The second requires plugging major loopholes in tax laws, especially the elimination of the tax-free status of agricultural income, and a major improvement in tax compliance. A substantial improvement in the ability of the legal system to deliver cheap, quick and binding arbitration is also essential in this context. The third requires the elimination of the many policy-induced distortions that favor smaller operations and negate both technological and financial economies of scale. Also relevant in this context is the highly fragmented nature of India's land market, the often fuzzy nature of property rights in land and the interminable nature of land litigation,

all of which militate against easy acquisition of land necessary for large-scale operations. These factors also make it inordinately difficult to build the public infrastructure necessary to support large-scale operations and concentration of workers in relatively few sites. Without sustained and proactive government intervention in the land market (a political hot-potato in India), enterprises will therefore continue to face major obstacles to scale expansion. The fragmented and highly dispersed nature of work sites will in turn continue to deter unionization of the casual and contract labor force and the expansion of at least some labor protection legislation to cover these segments.

### Further reading

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- [Special lecture delivered at the department of Economics on 30th April, 2019.]

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# GOODS AND SERVICES TAX (GST)

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## Introduction

Goods and Services Tax (GST) is an indirect tax. It replaced several other indirect taxes in India. It is a multi-stage, destination based tax. GST has been implemented in India with effect from 1st April, 2017. Since 1991, the tax structure in India has been substantially rationalized. Despite reforms, the tax structure still remains dominated by indirect taxes. The share of revenue earning of the government from indirect taxes exceeds two-thirds of the tax revenue. This is slightly above the average for the emerging Asian countries, and significantly above the average of all emerging economies taken together.

## Criteria of indirect taxation

In theory, maximizing social welfare requires an 'optimal' indirect tax structure for **maximising** social welfare : an '**optimal**' indirect tax structure required for raising the revenue required, given by the so-called **Ramsey rule** : *A differentiated set of taxes on (final, finished) consumer goods and services. No tax is ideal* in this optimal indirect tax structure on raw materials, intermediate goods or capital goods. It requires a detailed knowledge of the **demand elasticity** and **cross-elasticity** for all goods & services as well as the social welfare function. It is generally proposed that there should be differentiated structure of consumer taxes : towards *higher* rates on goods & services with *low demand elasticity*.

Efficiency considerations drive the differentiated structure of consumer taxes towards *higher* rates on goods & services with *low demand elasticity*. Logically, the structure of optimal taxes are to be based on reality (varying administrative costs, evasion costs & corruption possibilities). Complexity facilitates and encourages tax evasion and corruption. It also provides an incentive for lobbying by powerful organised groups to obtain special favours for themselves. This necessitates the need for an indirect tax structure that is simple and as close to uniformity as possible. The best way to implement a uniform structure of indirect taxes is through a value added tax. These considerations have led an overwhelming majority of countries (not just developing but even developed) to replace their existing indirect taxes by a Value Added Tax.

## Nature

**Indirect (consumption)** taxes should not in theory affect savings and investment decisions since future and current consumption are treated equally, and they generally remain neutral with respect to various sources of income. Empirical evidences are mixed. Some studies find that such taxes indeed have no impact on employment and growth. But others find that – like income taxes, although to a lesser extent – they have a negative impact on growth by distorting the choice between labor and leisure, and also could depress savings. They are sometimes regressive in nature. Taxing the service sector – there remains the fear of providing formal sector an incentive for informalisation.

## Introductory Steps in India

### GST Bill : The timeline :

2006 : Announcement to introduce GST by 2010

2009 : First Discussion Paper (FDP) released by EC

2011 : Constitution (115th Amendment) Bill introduced

2013 : Three committees constituted by EC and GSTN set up

2014 : Constitution (122nd Amendment) Bill (CAB) introduced

2016 : Constitution Amendment Bill passed

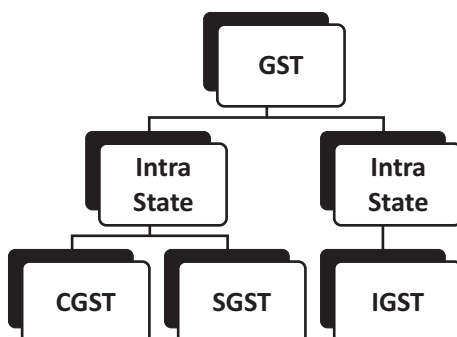
2017 : GST implemented

### GST as in practice

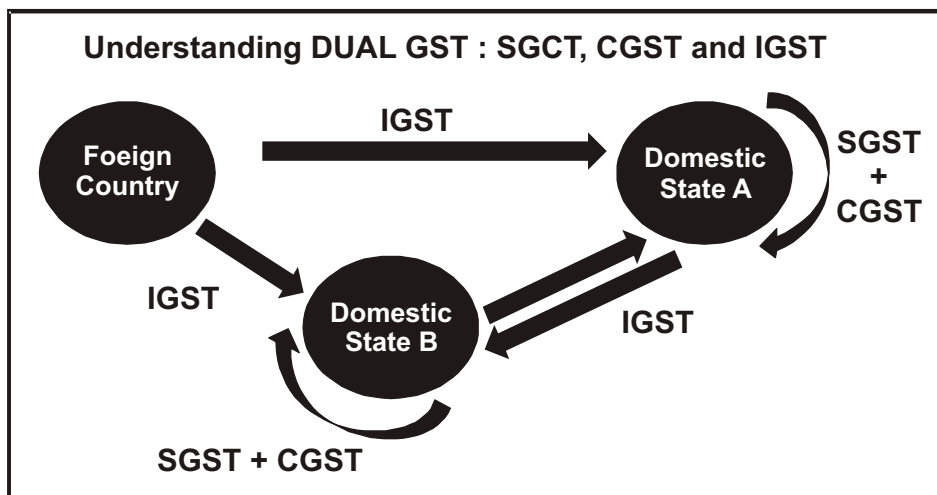
Goods and Services Tax (GST) is a proposed system of indirect taxation in India merging most of the existing taxes into single system of taxation. Goods & Service Tax or GST is be levied on goods and services. It replaces all the various taxes and bring them under one umbrella to make compliance easier. The goods and services tax (GST) is a comprehensive value-added tax (VAT) on goods and services. Presently, there are around 160 countries that have implemented GST/VAT in some form or other. In some countries, VAT is the substitute for GST, but conceptually GST is a destination based tax levied on consumption of goods and services. Only Canada has dual GST model (Just like India is going to implement Dual GST Model).

### Existing Indirect Tax Structure in India

Taxes by Centre	Taxes by State
Central Excise duty	State VAT / Sales Tax
Additional duties of excise	Central Sales Tax
Excise duty levied under Medicinal & Toiletries Preparation ACT	Purchase Tax
Additional customs duty (CVD & SAD)	Entertainment Tax ( Other than those levied by local bodies)
Service Tax	Luxury Tax
Surcharges & Cesses	Enter Tax (All forms)
	Taxes on lottery etc.
	Surcharges & Cess



## Understanding DUAL GST : SGST, CGST and IGST



### GST : Major Highlights

GST is applicable on “supply” of goods or services as against the present concept of tax on the manufacture of goods or on sale of goods or on provision of services. It is based on the principle of destination based consumption taxation as against the present principle of origin based taxation. Import of goods would be treated as inter-State supplies and would be subject to IGST in addition to the applicable customs duties. CGST, SGST / UTGST & IGST would be levied at rates to be mutually agreed upon by the Centre and the States under the aegis of the GSTC. Exports would be zero-rated.

Input Tax Credit (ITC) – Tax paid on purchase of inputs by manufacturer/seller registered under GST can claim Input Credit for tax paid on the purchase. ITC can be used as :

ITC for SGST for payment of SGST & IGST

ITC for CGST for payment of CGST & IGST

ITC for CGST cannot be used for paying SGST or ITC for SGST cannot be used for paying CGST

Centre and States to settle accounts periodically and ensure that credit of SGST (or IGST) used for paying IGST (or SGST) are transferred by originating State (or Centre) to the Centre (or to destination State). SGST portion of IGST collected on Business to Consumer supplies is transferred by Centre to the destination State. The transfer of funds is carried out on the basis of information contained in the returns filed by the taxpayers.

### Compensation for States

The GST Council has decided to compensate for losses of the States for 5 years

The Compensation mechanism is :

Compensation = (State's Revenue for FY 2015-16)\* 14%x -State's Revenue (for x year)

Revenue of all taxes subsumed in GST by the State with 2015 – 16 as the base

The basic assumption was of 14% Annual Growth Rate. Cess implemented only on few specified luxury and sin good.

### **Conclusion**

Budget 2018-19 shows a fall in indirect taxes (GST) remains a major concern. Almost every sector requests a rate cut in the GST rates but there are very feeble chances of such reductions. One effect of the GST on the Union Budget is that after the implementation of GST the government's revenue has been steadily declining which puts further pressure on an already strained fiscal deficit target of the government. With the current trend continuing, the GST collection of the government may be below collection of indirect taxes in the pre-GST era. This will be a big jolt to the fiscal consolidation agenda of the Government.

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*[Summary of Special Lecture delivered on September 15, 2017  
at the Department of Economics, Shri Shikshayatan College]*

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# INCLUSION OF THE FEMALES' EMPLOYMENT IN THE INDIAN PLANNING AGENDA

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## **Abstract**

*This paper attempts to follow the development-trajectory of women in the different years of planning. The issues regarding women's employment found no place in the Indian planning agenda during early fifties. However, over the years the issues concerning the employment and development of women emerged as one of the major agendas of the Five Year plans of India.*

## **Keywords : women's employment, labour force, work force**

One of the key priorities of the Indian developmental agenda is employment generation. Being the largest labor surplus developing polity, creation of sufficient job opportunities for the people of India has always been a major concern for the Indian government. Virtually no efforts were undertaken to generate gainful employment opportunities for the females in the early phase of Indian planning (1951-74). The low status of women in the large segments of the Indian society cannot be raised without opening up of independent income and employment opportunities for them. The notion of female employment was initially bought to focus by the Fifth Plan (1974-78). The Fifth Plan considered economic development, employment and training for women as the principal focus for the socio-economic development. The main approach in this plan was generally to view women as the beneficiaries of the social services rather than as contributors to development.

The seventies brought women to the forefront of development concerns with the publication of the report of the Committee on the status of Women in India. This decade saw the enactment of important specific legislations like the Equal Remuneration Act of 1976. The labor force participation rates for the females remained more or less unchanged during the initial years of planning. The employment share of the females in the organised sector increased marginally from 11 per cent in 1971 to 12.4 per cent in 1979. In fact, more than 90 per cent of the females were seen to be engaged in the unorganized sector which was characterized by poor rates of remuneration and job insecurity. This dismal employment performance of the females must be considered as a consequence of her low skills and low rate of participation in the training cum skill-upgradation programmes. Therefore, it was soon realized by the Indian policy makers that the problem of women's employment must be placed at the centre of the development strategy.

As a result of this, during the Sixth Plan (1980-85), a multisectoral approach was adopted for women's development and a coordinated picture with regard to the employment scenario for the females of the Indian economy was presented for the first time. The basic objective of the Sixth Plan

was to ensure economic upliftment of women through greater opportunities for salaried, self-employed and wage-employed women via three important packages, namely, the technological package, the service package and the public policy package. The technological package would impart new skills to the women and upgrade the existing ones. The service package would pay attention to the training, credit and marketing needs of women. Finally, the public policy package aspire to enforce wage laws and employment impact assessment with reference to the employment of women in the development projects.

The technological package programs included the introduction of the scheme of Krishi Vigyan kendras for women. The scheme aimed at the skill upgradation of women folk by bridging the gap between the farmer's knowledge and the available technology. Other skill upgradation programs included improved agricultural implements for farming in the hilly areas, better methods of sheep rearing and wool spinning devices for women. To provide a boost to women's participation in the field of science and technology, University Grant Commission have increased the eligibility age for the women scientists to receive the research fellowship by ten years.

Further, in order to augment the self-employment opportunities among the women, a decision was made that a minimum of the one-third of the beneficiaries under TRYSEM (Training of Rural Youth in Self-Employment) that was launched in 1979 would be women. Simultaneously, the Integrated Rural Development Programme (IRDP) accorded priority to the women headed households. Moreover, the females who were unable to take advantage of the schemes under Integrated Rural Development programmes, for them, a new scheme was launched during the Sixth Plan, namely, Development of Women and Children in Rural Areas (DW CRA). Under this scheme, training in certain specific economic activities like weaving, fish vending, pickle making were given to the females such that they could easily get absorbed in the job market.

Above all the other measures, a special cell that was constituted in 1976 was there to monitor the implementation of the Equal Remuneration Act such that the gender wage inequality gets subsided over time. The unemployment rate for the females according to the criteria of Usual Principal Status was found to be 1.41 per cent in rural areas and 6.97 per cent in urban areas during the sixth plan.

During the Seventh Plan (1985-90), the National Commission on self employed women and women in informal sector submitted a comprehensive report titled 'Shramshakti' analyzing the problems faced by the women in the informal sector. A number of beneficiary oriented programmes were also undertaken during the Seventh Plan. The plan aimed at achieving a larger coverage of women under the IRDP programme. In fact, stress was given upon the provision of adequate employment opportunities to the women beneficiaries under the National Rural Employment Programme, Rural Landless Employment Guarantee Programme and the newly launched programme titled Development of Women and Children in Rural Areas. The public sector undertakings would be persuaded to sponsor ancillary industries in collaboration with the state level agencies dealing with development programme for women to create increased employment opportunities around them. Also, women were expected to obtain sizeable employment as artisans, managers, supervisors and entrepreneurs as the scope of the specific training programmes for the

women entrepreneurs would be widened in order to fully familiarise them with the technical knowledge needed for setting up these enterprises. The employment share of women in the Khadi and Village industries was pretty high. Efforts would be made towards the creation and the promotion of equal employment opportunities for the men and women. Above all the measures, the steps that were taken up during the previous plan periods, namely, Equal Remuneration Act, concept of Vigyan Kendras, other programmes of science and technology were also simultaneously playing a pivotal role in removing the bottlenecks that hinder women's employment.

In spite of all these measures adopted in the previous plan periods, the trend of increase in the incidence of open unemployment was found to be stronger in the case of the females compared to the males. A overwhelming number of women were found engaged in the informal sector characterized by low quality of work. The rates of the female workforce participation was found to be 22.6 per cent in 1991 as compared to 19.77 per cent in 1981. The marginal rise in the female work participation rates was due to the fact that 1991 census took special care that women's participation in work is not left out. The plan indicated about the under-reporting of the contribution of women in the economy due to its conceptual, methodological and perception problems.

Promotion of self employment opportunities and creation of wage employment opportunities thus became the major thrust of the Eighth five year plan (1992-97). Vocational training of women was one of the special thrust areas of the plan. However, the female work force participation rates were found to be lower than her male counterparts. The problem of unemployment particularly among the educated women became a matter of great concern in the recent past.

Attention must also be given to the empowerment of women and therefore the ninth plan (1997-2002) tried to ensure the basic minimum working condition for the women in the Informal sector. In addition to this, efforts were made to introduce programmes to upgrade the skills of the displaced women so that they can take up jobs in the new and expanding areas of employment. Attempts were made to eliminate the gender stereotyping of jobs (one of the dominant behavioural deterrent to the females employment in the Indian society) such that the women's share in the non-conventional jobs like within the domains of the factories and the industrial establishments would go up. The plan also recognized the need for a conducive credit policy to increase the credit access of women through appropriate institutional mechanisms like Rashtrita Mahila Kosh, National Agricultural Bank for Rural Development, Council for Advancement of People's Action and Rural Technology. Further, the plan also emphasized upon the expansion of the training cum employment cum income generating programmes like IRDP, Nehru Rozgar Yojana, Jawahar Rozgar Yojana, Indira Mahila Yojana so as to cover as many as women possible living below the poverty line and also to expand both the wage and the self-employment opportunities among them.

In spite of the untiring efforts made by the Indian government towards giving a boost to the women's work participation, it was seen that the rates of participation of the females in the labor force has decreased substantially from 36.8 per cent to 26.1 per cent in the rural areas and from 17 per cent to 13.8 per cent in the urban areas during 1993-94/2009-10 as indicated by the National Sample Survey Organisation database. To combat against the continuous decline in the women's labor force

and work force participation rates, the Twelfth Plan (2007-12) endeavour to increase women's employability in the formal sector as well as their asset base. The plan focuses on improving the rates of the women's work participation in the secondary and the tertiary sectors of the economy, ensuring decent work for them, reaching out to women working in the agriculture and the manufacturing sector, financial inclusion and extension of the land and property rights to the women. The plan also emphasized upon promoting skill development among the women. Training of women as BPO employees, electronic technicians and plumbers will be incorporated in these skill development programmes. In order to promote participation of women in the manufacturing sector, the plan supported the promotion of marketable manufacturing skills in production activities with special emphasis on skill development of women belonging to the marginalized sections of the society. There would be the provision of refinance loan for the women entrepreneurs so as to extend their involvement in the economic activities.

Again, the increasing role of the females as agricultural workers upon the small and fragmented landholdings prevent the generation of sufficient income for the households of the rural areas. As a result, the male members are compelled to migrate to the non-farm sectors leaving the family farms to be tended largely by the women and the children. Thus, it would be incorrect in this regard to link the rising work participation of the females in the agricultural sector with their economic upliftment. On the other hand, the existing formal institutions must recognize the roles and needs of women in the various fields of agriculture and so must ensure the participation of the women farmers in designing programmes for technological training and research. The plan also harped upon the provision of the Special Resource Centres (SRC) for this purpose.

Thus, the women's employment scenario has been a much discussed issue during the last six decades of planning. The researchers and scholars must pay attention to the contemporary female employment scenarios because once the females are integrated in the process of economic development the aim of attaining inclusive growth for our economy will be fulfilled in the near future.

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# **ELEMENTARY EDUCATION : THE INDIAN SCENARIO**

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There is a Tibetan proverb that “a child without education is a bird without wings”. Education is one of the key determinants of economic & social expansion. Considering this view one of the targets of MDG was to ensure that by 2015 children everywhere, boys & girls alike will be able to complete a full course of primary schooling & there will be no gender inequality.

India is the fastest growing economy in the world but 68% of the population resides in rural India & they are mainly dependent on public school. So to accelerate economic growth further it is necessary to improve the quality of education in rural India. Empirical studies have demonstrated that investment in elementary education, among three tiers of school education is most effective. It increases substantial productivity in all sectors of the economy. Also returns to investment in primary education are quite high. Therefore strengthening the elementary education should be the priority.

The National Policy on Education, 1986 emphasizes that the objective of education should be not only to provide access to schooling but also to ensure success: success for all children in satisfying their basic learning needs irrespective of their caste, creed, religion, language or geographical location. The quantitative provision (ie availability) of primary (class I to class IV) & elementary schools (class I to class VIII) in India is commendable. Over the past decade, India's annual budget for elementary education has risen steadily. In 2013 budget spent on schooling infrastructure (school building, classrooms, toilets etc.) was almost Rs. 21000 crores. But if we give a closer look to the qualitative outcome, the result is unsatisfactory. Though any clear cut definition of quality education or quality school is unavailable. According to R. Govinda & N.V. Varghese (1993) for understanding school quality, each aspect of schooling, namely, the material and human inputs available, the teaching-learning processes in the school and the learning outcomes, needs to be viewed in an independent fashion as well as together in an interactive framework.

According to Census 2011 more than 100 million youths are in the age group of 14-18 & have crossed the elementary school age. Recently published ASER Report 2017 mentions that overall 86% of youth in the 14-18 age group are within the formal education system out of which almost 54% are enrolled in std X or below. With increased availability of school overall enrollment has increased steadily over the years. Though enrollment has increased the learning outcome is not up to the mark. About 25% of the age group still can not read basic text fluently in their own language, more than half struggle with division (3 digit by 1 digit), only 53% of all 14 year olds in the sample can read English sentences. In spite of these some positive outcomes are visible though it is in lower primary schools. If we compare ASER report 2016 with that of 2014 it is found that in std 3, the proportion of children who can read at least a std 1 level text has increased from 40.2% in 2014 to 42.55% in 2016 at all India level & the proportion of children who can study at std 2 has gone up from 23.6% to 25.2%. All these improvements are driven by learning gains in govt. schools as opposed to private schools. There is a common belief that children from private school get better quality education than the public schools.

but it is a subject to debate. Private schools are not affordable by everyone. Between 2006 to 2014 private school enrollment increased steadily from 18.7% to 30.8% but in 2016 there was a marginal fall in enrollment. At the same time the proportion of std 3 student who can read std 1 level, the gap between govt. & private school has narrowed by 2.6% point.

There are certain factors responsible for this low learning achievement in elementary schools specially the govt. schools. According to The National Knowledge Commission (2007) the main factors are –

- 1) Most of the primary schools are shelter less.
- 2) The schools with buildings have insufficient accommodation.
- 3) High pupil teacher ratio.
- 4) A high absentee rate of the students in primary school particularly in rural areas.
- 5) Political nature of appointment of the primary teachers is largely responsible for poor quality of teaching.
- 6) Resource materials are never provided in adequate quantity.

Government of India has launched various projects to mitigate these problems. Among them The Samagra Shiksha Abhiyan(SSA) is being implemented as the main programme for universalizing the elementary education. Samagra Shiksha Abhiyan provides for a variety of interventions, including inter alia, opening and construction of new schools, additional teachers, regular teacher in-service training, academic resource support to ensure free textbooks, uniforms and free support for improving learning outcome. But infrastructural facilities both in terms of human and physical resources are not the only influential and responsible factor behind the good learning outcome. Every stage of education needs relook and reform with special attention towards elementary education so that we can ensure that many more youth who are in the education system but behind, remain in school and get the skills needed to participate in the country's growth process.'It is a common knowledge that a strong and sturdy foundation is crucial for a good building. Therefore what we do with our children in early stages in school sets the tone and pthe pce for what will be possible for them to achieve in future' – ASER 2013 Report.

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# **MORAL HAZARD AND ADVERSE SELECTION PROBLEMS IN INDIAN INSURANCE MARKET**

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Uncertainty is a state where limited knowledge of the matter makes it impossible to predict future outcome(s). It is a situation regarding a variable where credible probabilities to possible outcomes cannot be assigned. Risk is a situation where the probabilities of various outcomes are known but which outcome will occur cannot be predicted with certainty. But in case of uncertainty, the probabilities of the various possible outcomes are only unknown. Risk refers to a concept that an action or choice can result in a losing situation. Every business involves some amount of risk. The greater the risk involved, the higher will be the expected gain associated with it. Most people today do not prefer risky business, however, different people have different attitudes towards risk. For example, a gambler decides to take all of his winnings and attempt a bet of “double or nothing.” Here, the gambler’s choice is a risk in the sense that he could lose all that he won in one bet. A person is said to be risk averse if he chooses not to take a risk and not to gamble any further with his winning. The same person if chooses to risk his winnings expecting a double amount from the next bet, will be termed as a risk lover. Risk neutral is a person who is indifferent between his winning and the double amount that he anticipates to win if he gambles further. The difference between the expected income and the certain income is called risk premium. For risk-averse individuals, it becomes positive, for risk-neutral persons it is zero, and for risk-loving individuals their risk premium becomes negative.

Insurance is a form of risk management in which the insured transfers a risk of potential financial loss to the insurance company that mitigates it in exchange for monetary compensation known as the premium. A person who buys an insurance is called a policy holder or an insured and the company which protects him under the cover of insurance is the insurer. Under an insurance contract, the insurer secures the insured against a specified amount of loss, occurring from specified eventualities within a specified period, provided a fee called premium is paid. In case of general insurance, the amount of premium is proportionate to the loss incurred. In life insurance usually a fixed sum is paid, whereas in car insurance, the amount of premium decreases overtime as the value of car is subject to depreciation. Insurance provides protection only against tangible losses.

In an insurance contract, it more often happens that one party possesses more information than the other. This is known as asymmetric information. There is a hidden characteristic problem and people on the informed side of the market self select in a way that is harmful for the uninformed side of the market. Here, the insurance companies are unable to judge as to who are the bad risks, this raises the cost of insurance for everyone and makes it difficult for good-risk people to buy insurance at reasonable premium rates. The problem of moral hazard occurs when the insured behaves in a way which makes the insured event more probable. It occurs after the transaction has taken place. These informational problems have the potential to lead to the lack of market equilibrium

either simultaneously or separately. That is why the studies assessed for information asymmetry comprise both of moral hazard and adverse selection.

Adverse selection and moral hazard are the adverse consequences of market failure situations caused due to asymmetric information between the buyers and sellers in a market. Insurance market is an example of a service which suffers from both moral hazard and adverse selection. In case of health insurance, the buyer may choose not to reveal his entire medical history to the agent, which makes it an attractive deal for the insured person but unprofitable to the insurer or the insurance company. This highlights the case of adverse selection where a bad-risk individual becomes better off at the cost of the society. After getting insured, the person tends to become careless about his health by not taking proper dietary precautions, smoking or other such activities which are prohibited in his case. This portrays moral hazard. There are also situations when adverse selection occurs but moral hazard does not. Like in most situations that do not involve insurance, warranties, legal liabilities, renting services, or any form of continued contract and obligation, moral hazard is unlikely to occur. On the other hand, adverse selection can occur for any good whose value is determined only after buying it and using it. For example, when a second hand car is sold, the seller need not worry about how the buyer will treat the car after the deal is done, because the seller has no continued obligation to the buyer to ensure that the car remains in good condition. In this case, adverse selection is unavoidable because the buyer has no way of evaluating the performance of the car without actually using it. Any situation which involves moral hazard also involves adverse selection to some extent. As we can see in the case of health insurance market, where a person indulged in the risk taking behaviour may have prior knowledge about his risk facing tendencies and this influences his decision making. This makes insurance sellers set overly cautious rates, and thus, the buyers who are actually less risk-prone end up not buying insurance. In case of health insurance, it is the buyer who possesses more knowledge than the seller but in case of market for used cars, the seller possesses more information about the genuinity of the contract made. Due to asymmetric information, the market lacks efficiency in setting the prices of goods and services. Adverse selection is more relevant in case of health insurance because each individual chooses among the set of contracts offered to him by the insurance companies on the basis of their expected probability of using health services. Individuals who foresee intense expenditure on health and medical services are more likely to spend on insurance than those who expect a limited use of them. So insurance rates are overpriced to good risk individuals and under- priced to bad risk individuals. For each amount of premium and extent of coverage of any policy, the buyers are the ones who are much more exposed to those risks and hence, they are willing to pay the amount of premium which is less than or equal to the amount of expenditure they foresee. So, whatever the premium be, the companies may face a loss on each customer. This purchasing behaviour of an individual is anticipated by the companies and they frame contracts in order to minimize their loss. It is very common in case of health insurance that the individuals are sent for a medical checkup whose reports are directly received by the companies. This provides them with a genuine medical case history of their potential buyer. This screening technique is used in cases where it is critical to acquire the complete information about an individual. If not managed properly, adverse selection can result in a 'book' of

insurance business of extremely bad policies that will cost the company substantial sums of money and, in some cases, drive it out of business.

An example of moral hazard can be unemployment insurance and other welfare benefits which encourage individuals to rely upon the state and not make an effort to find a job or to retrain themselves once they become unemployed. Moral hazard is most observed in agency relationships where an employee spends an extravagant amount on meals and entertainment because he knows that his company will bear the cost. Again, there is a correlation between dental insurance and brushing habits of an individual. If a person is not insured, they may take extra time to floss and brush twice a day, knowing that they cannot afford to have teeth or gum issues. However, if they purchase dental insurance that dental work becomes more affordable and they have less financial incentive to stay on top of things. The insurance company assumes that the insured will still do a good job of brushing and flossing, but the person who is insured might not take care of dental hygiene that much. In each of these situations, moral hazard exists.

### **CASE STUDY : THE SUB-PRIME CRISIS**

The subprime loan meltdown in 2007 occurred due to moral hazard. As the US economy slowed, the Federal Reserve cut the interest rates sharply to kick-start the economy. The really low interest rates prompted US customers to buy houses which in turn raised house prices and led to a surge in housing investment. A significant portion of the additional demand came from sub-prime borrowers who now obtained access to credit that had been denied to them. For many, the need to repay loans seemed remote and distant. This easy money which was lent out for housing loans came from investors far away. They earned it by exporting goods to US and feeding the national consumption habit. The lenders resorted to securitization where they could bundle their risks and sell it to the government. According to a foreign dentist based in Germany, this enabled to lend her money to enable an American (possibly sub-prime) to borrow money to buy a house. The world was in a sweet but unsustainable spot. As long as the home owners were paying, the lenders received high interest rates but if the home owners default, then it was the government who had to pay for the loss. This rush to create mortgage backed securities in the real estate boom created information asymmetry between the mortgage originators and the investors in risky mortgages. As defaults started to increase, housing prices started to fall. Prices fell so much that it became hard for troubled borrowers to sell off their houses at a gain and fully pay off their mortgages. Sub-prime securities turned out to be backed by much riskier mortgages than previously advertised and their value plummeted. The seemingly smart bankers turned out to have substantial portion of these highly rated by low quality securities on their balance sheet. Some of these banks failed, others were bailed out. After 2007, tighter financial controls were implemented in the mortgage industry so that loans could no longer be extended to high risk borrowers.

The reverse mortgage scheme which was introduced in India in 2007, allowed senior citizens to mortgage their self-occupied home in return for a loan, which may be paid in installments or lump sum. But this scheme did not become very popular among users because the interest rates were very high. The rates were high to prevent banks from losses arising due to moral hazard and adverse

selection. Moreover, the banks can recover the loan only upon the death of the borrower. So, there is an additional risk for the banks. It is beneficial for families where heirs are well settled and have the right to settle the loan. In that case, the bank's risk decreases.

The process is similar to that of a home loan and the borrower has to cover all the home insurance premiums. Although the rates have come down in recent times but they are still higher than home loan rates. So, it is best to avoid such plans unless one has a huge difference in his income and expenses.

According to a survey in India, motor and health insurance fields are more susceptible to loss followed by life and property claims. About 87.33% frauds committed by individuals are responsible for driving up the premium rates. Life insurance premiums have grown over a period of 10 years with a cumulative average growth rate of around 7 per cent. The rise in the premium may occur due to various reasons. It may happen that during the earlier years, the companies faced cases of adverse selection and had to incur losses. So, in order to take precautions the premiums were raised in the forthcoming years, it may also happen that the insurer was unable to identify whether an individual was a good risk or a bad risk and so they had to pool individuals based on an estimate of the risk which they carried, thus increasing the premium. There may be numerous cases of moral hazard or higher number of claims received which forced them to increase their fee and premiums. However, the fall in the amount later may be due to better screening techniques of the potential policyholders which helped in identifying the bad risks and pooling them separately.

Also, looking at the present day healthcare sector, to some extent it may be concluded that even the super-specialty hospitals in the Indian cities contribute to creating moral hazard. They may increase the costs of sendees and add unnecessary costs if they realize that the patient has a health insurance which will cover his medical expenditure. The exploitation of insurance is the moral hazard. In 2004, the average cost in rural areas is much less than that in urban areas which may imply that moral hazard has affected urban areas more than rural areas. Such a pattern is also present in 2014. If we compare the urban cost in 2004 with that in 2014, it has almost tripled which may indicate that unjustified costs in hospitals have also increased which may have caused moral hazard. Also, states like Delhi, Punjab, Haryana, Maharashtra have amongst the highest costs of hospitalization in India. This may be due to the lifestyles and food habits of people living in these regions that make them use hospital facilities more often.

Adverse selection and moral hazard are overwhelmingly present in the health insurance market, but when it comes to car insurance market or home insurance, cases of moral hazard are much more common. Besides this, there are cases of insurance fraud as well, where the paperwork is done in such a skillful way that it appears to be genuine to the insurer and hence they cannot deny the claim.

In case of LIC, out of 761983 claims, 7502 claims were straight away rejected and 3914 were still pending as of 2015-16. These claims may have been rejected due to improper documentation or if the premium was not paid timely or if it was a case of suicide. Few cases which are kept pending may include many instances of moral hazard, adverse selection and other kinds of fraud. Decision

making becomes tough for pending cases and sooner or later they may be rejected. Again, a high claim settlement ratio means good performance for an insurance company but it may happen that the cases approved were not real and insurance was given to a bad risk individual which might have resulted in a loss for the company. In case of Max Life, most of the claims were approved. Out of these approved cases, the percentage of frauds may be very high and as we see only 4 cases are pending, it may indicate that the company is unable to distinguish between genuine and risky policyholders. In spite of having a high claim settlement ratio, the company may still be at a loss.

Also, over the past few years, profitability of the life insurance companies has declined drastically which suggests that there may be increase in cases of adverse selection and moral hazard. Apart from LIC, profitability has declined and there are even losses for other major players in the market. In spite of having a high claim settlement ratio, Tata AIA and Reliance Life faces a huge loss. LIC not only has a high claim settlement ratio but also it had made a profit of 38% which indicates that LIC is a risk averse company and it has a control over its policyholders' behaviour.

Awareness is a major aspect of insurance and it is the agents' duty to make it very clear to their clients about the minute technicalities of the policy because all that people pay attention to is the amount of premium and the situation when the policy will be used by them. Usage of the medical policy can be divided into three parts :

- When a genuine medical condition arises
- Over-usage of hospitalization even when it is not needed
- Usage of the policy even when there was no hospitalization done

Hazard is partly education based and intention based. People do not like to disclose because they know if they disclose the true facts then there will be a loading problem or some exclusion. This is also a problem of normal psychology that people have. Like diabetes and hypertension are two general illnesses that are common and not disclosed about. So it is very important for the Insurance companies to come together and form a database on such problems so that a way out can be found. In order to prevent moral hazards, what companies might do is charge a security deposit amount which may be refunded to the customer once the tenure of the policy is over. The companies may not provide full coverage of the loss incurred if it feels that it was a case of carelessness. In that case, say, only about 75% of the loss can be covered by the company. Companies can also provide discount on premium if the buyer doesn't claim insurance till say 10 years. All this will not only save the insurance companies from operating on losses but it will also give an incentive to buyers to protect their belonging, who earlier took insurance for granted.

When it comes to agents, it is often noticed that they approach buyers whose reference they get from their old clients. They do not know them personally but yet because of the money they would get by logging one more policy makes them closer to their target as well. Medical policy is the one that is opted by most of them. Other policies depend on their needs; if they have a factory where they fear fire then they would go for Fire Insurance, or if they have an automobile business then they would do Car Insurance. Life Insurance is also opted but mostly people prefer medical protection (mediclaim) since it gives immediate returns to the insured. It is expected from the agent that he will simplify all the

terms and conditions to his potential buyer while he fills the questionnaire. There are times when the agent himself, fills the wrong information inspite of knowing the truth, not always because of money but when it comes to their family members and close ones, they also become the victim of creating moral hazard and misleading the information.

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- <http://www.nber.org/digest/apr16/w21858.html> (accessed on 26th February, 2017 at 1:15 am)
- <http://blog.gibl.in/top-5-health-insurance-companies-that-rocked-in-2015/> (accessed on 26th February, 2017 at 1:15 am)
- [https://www.irda.gov.in/ADMrNCMS/cms/frmGeneral\\_NoYearList.aspx?DF=AR& mid=1 1.1](https://www.irda.gov.in/ADMrNCMS/cms/frmGeneral_NoYearList.aspx?DF=AR& mid=1 1.1) (accessed on 26<sup>th</sup> February, 2017 at 9:56 pm).

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# SWEVEN

**Mrittika Banerjee**

*Student, Session : 2018-2021*

Your mind is like a parachute, wandering where to fly  
Just let it soar high, don't stop to question it "why".  
Do you remember when you were three,  
Halcyon days, your soul carefree,  
Nights cheerful, full of glee  
Each day brought with it a new sense of euphoria,  
It was just you, your dreams, the seven colours of the rainbow – Utopia.  
Do you remember, when you were five,  
You thought the oceans were your calling, waiting eagerly for your deepest dive ?  
Time marched on and you turned seven,  
Mumma's lullabies and your dreams were the safe haven.  
Singer, dancer, actor, astronomer,  
Teacher, preacher, Prime Minister, world leader.

As you grew older, your feet touched the ground.  
Fragile dreams, nurtured for years, shattered like pieces of glass all around  
The moment your elders said,  
"Honey, you've got to work 9 to 5 to pay the bills,  
Get married, leave work, stay at home and take care of the kids,  
Head bowed down to your husband, do the laundry, cook all day  
Being a woman in the society, you cannot have things your way."  
All enthusiasm faded, you were left jaded.  
Maybe you shouldn't have dreamt that much---- you're just a normal fellow,  
And you are expected to keep it mellow.  
Unable to take flight, you shuddered at your own plight.

But I say, your dreams are worth more than the money you make,  
For when you abandon your dreams you cause your own heartbreak.  
Not many people live their own dream, they live that of others,  
That of the society, their fathers and mothers.  
No matter how hard you try, you can't change your decisions or turn back time,  
Your dreams aren't an illusion, they're worth way more than a dime!  
You will never know how amazing you can be,  
Unless you dare to be different and set yourself free!

In your sweven, you're rather odd than even –  
Great things are done by normal people who believe in their potential,  
What the world thinks, is quite frankly, inconsequential.  
Better not be an adult who dwells upon the past and regrets about the road not taken,  
Your aspiration in life should be to be happy, your faith unshaken.

The choice will always be yours to make – would you follow the crowd, or lead it ?  
The fire in your heart, would you really extinguish it ?  
Would you prefer to live a quiet life, or choose to strive ?  
Would you do something that stirs your soul, establish in society your great role ?  
Don't be afraid to fail and make great sacrifices,  
Life is not all rosy, it does have its vices.

You will see the rainbow you dreamt about, after the heavy downpour.  
Standing out would feel as tranquil as the sound of small waves crashing on the shore.  
Some will mould themselves to fit in, and some will break the mould,  
Turn your back on what they call "normal", and they will call you "cold" !  
Break free from society's mediocrity, fuelled by your passion and sincerity.  
Remember that you dreamt in your sweven a beautiful life based on your own creativity.  
Don't let them tell you how you should be,  
Don't deprive the world of your glory.  
Keep your calm, keep your poise,  
Don't let anyone make you feel like background noise,  
You're born to be the melody at the Opera, the sweet harmony of the orchestra!

---

Mrittika Banerjee was declared the winner of the Poetry Writing Contest organised by Rotaract Club of Calcutta, Victoria in October, 2020. She chose to write this poetry on the theme :

"IF YOU'RE ALWAYS TRYING TO BE NORMAL,  
YOU WILL NEVER KNOW HOW AMAZING YOU CAN BE."

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## OUR STUDENTS

The department fondly remembers all the students and wishes them all the best in life ahead...

### **Session : 2000-2003**

Shahrinaaz Rashid, Neha Kedia, Devika Tripathy, Rama Sharma, Gunjan Tahalramani, Aparna Mahajan, Nidhi Dalmia, Joyeeta Sond, Monica Maheshwari.

### **Session : 2001-2004**

Mandovi Roy, Luna Jha, Ruchi Saini, Nalini Hoon, Punam Nevatia, Tanushree Mukherjee, Rikparna Sarkar, Reshmi Roy Chowdhury.

### **Session : 2002-2005**

Paramita Roy, Arpita Paul, Nilanjana Ghosal, Shikha Mahawar, Shalini Lal, Medha Kedia, Shweta Agarwal, Shweta Sharma, Payal Ruia, Prachi Dhanuka, Roshni Datta, Ankita Roy Chowdhury, Madhubanti Sengupta, Shilpi Patodia, Neha Rastogi, Shagufta Parveen, Tanaya Bose.

### **Session : 2003-2006**

Neha Jalan, Ritwika Ghosh, Rashmi Mahawar, Neha Agarwal, Sofia Choudhury, Rimi Banerjee, Pausali Dutt, Priyanka Saraf, Jyotipriya Nahata.

### **Session : 2004-2007**

Priyanka Roy Chowdhury, Shrestha Gattani, Ishanee Mukherjee, Rashmi Arora, Swati Arora, Sumana Mitra, Diti Banerjee, Punam Nandigrami, Devangi R. Dave, Anupama Garodia, Anita Baheti, Khushboo Tikmani, Sweta Agarwal, Ritika Choudhary, Nidhi Harlalka, Jyoti Verma, Disha Ahuja.

### **Session : 2005-2008**

Sayani Bose, Ritika Varma, Swati Mohindra, Ruchika Shukla, Silky Agarwal, Poonam Rajuka, Dolly Chaudhury, Pushpita Dutta, Ishita Bhattacharya, Swati Agarwal, Tazeen Reaz, Priti Maroti, Deepika Grandhi, Reshma Khatoon, Debatree Roy Chowdhury, Runa Laila.

### **Session : 2006-2009**

Noor-A-Ainy, Lagnamitra Chatterjee, Chandrava Das, Shreerupa Banerjee, Madhusree Dasgupta, Soumi Bhattacharya, Snigdha Jaiswal, Anusha Venkat, Swati Gupta, Ashwini Vedula, Snehdeep Kaur, Mohkam Kaur, Diya Mazumder, Shilpa Agarwal, Shubhi Agarwal, Prachi Jhunjhunwala, Sreemoyee Pyne, Chetna Jain, Pragga Roy, Dipika Jhaveri, Pravleen Kaur Grewal, Nikita Sharma.

### **Session : 2007-2010**

Priyasha Das, Ghousia Islam, Shilpi Mazumder, Tanvi Thakker, Jayati Halder, Harpreet Kaur, Paridhi Agarwal, Sweta Bassi, Vidhi Thacker, Debmita Gupta, Ananya Bhattacharya, Sanjukta Das, Arpita Bhowmick, Sakshi Khandelwal, Ankita Banerjee, Indubala Jain, Payel Ghosh, Nidhi Chowdhary, Urvashi Singh, Abhirupa Bhattacharya, Madhu Singhania.

**Session : 2008-2011**

Sarija Agarwal, Sreyoshi Mukherjee, Tithi Roy, Rupa Nandigrami, Shreyasee Gupta, Harmandeep Kaur Gill, Tapasri Dutta, Asmita Datta, Sreenanda Ghoshal, Parinita Agarwal, Puja Garodia, Nikhi Choudhary, Ami N. Doshi, Kawalpreet Kaur Sethi, Riddhidatta Mukherjee, Mouparna Das, Heena Sonthalia, Surbhi Dugar, Neelima Rathi.

**Session : 2009-2012**

Debanita Chatterjee, Arijita Sengupta, Shruti Rampuria, Richa Gupta, Sweta Singh, Neha Syal, Anuka Roy, Baljit Kaur Dhillon, Deblina Chakraborty, Poulami Roy Chowdhury, Vandita Mishra, Supriya Newatia, Karishma Jaiswal, Anwesha Roy, Debarupa Bose, Sonal Surana, Barkha Gupta, Divya Pandey.

**Session : 2010-2013**

Debapriya Modak, Debanjana Saha, Srijita Ray Barman, Meenakshi Verma, Gunjan Agarwal, Mohana Mondal, Adrija Basu, Debalina Chatterjee, Ankita Paul, Neha Agarwal, Lucy Tripathy, Aritree Bhattacharya, Bhagyashree Gon Chowdhury, Priyanka Mishra, Janki Asher, Ankita Ghosh, Umama Nasreen Haque, Priyanka Mondal, Poulami Banerjee, Ruchika Bavishi, Sidhika Agarwal, Neelesha Dutta, Chandrima Sanyal, Sheba Nairn, Sunirmitta Chowdhury, Shweta Singh.

**Session : 2011-2014**

Ruchi Sangal, Somali Roy, Purvi Mundhra, Vandana Madan, Mohona Banerjee, Komal Jalan, Samyuktha Gopal, Rishika Chhajer, Shreya Gandhi, Piyushi Chaudhary, Pooja Khandelwal, Emeli Chatterji, Adrita Bhattacharjee, Aiman Haque, Monalisa Chakraborty, Rajasree Choudhury, Sriparna Chakrabarti, Madhurima Deb, Konika Ghosh, Dipanjana Majumdar, Asmita Guha, Komal Gupta, Sunayana Niyogi, Swati Agarwal, Khyati Baradia, Suchismita Chakravorty, Sanyogita Singh, Alisha Sen, Shreemoyee Basak.

**Session: 2012-2015**

Soumya Jain, Sakshi Chowdhary, Aparajita Ghosh, Priyanka Agarwal, Sriya Singhal, Vasudha Bajoria, Debalina Maity, Shilpa Singhanian, Meghna Gupta, Priyadarshini Ganai, Neelakshi Saha, Rajnandini Jain, DrishtiThacker, Divya Chhalani, Shruti Bhavsar, SharbaTasneem, Ruchi Mehta, Shradha Tibrewal, Aakansha Gupta, Trayi Mallick, Sukanya Mondal, Deeksha Jha, Madhurima Chakraborty, Mohona Tarafdar, Urfa Yasmin, Shruti Pathak, Mallika Bhowmick, Swaralipi Shaw, Priyanka Chandak, Sweta Agarwal, Krutika A. Gohil.

**Session : 2013-2016**

Suasha Mukherjee, Shivangi Kothari, Shagun Choraria, Unnati Saraf, Shreya Pun, Richa Kothari, Manisha Parakh, Shreyashi Jain, Manisha Bararia, Paulakh Agarwal, Prachi Tibrewal, Prachi Joshi, Ritika Agarwal, Kamini Sharma, Radhika Jalan, Sunidhi Agarwal, Neha Murarka, Sakshi Kejriwal, Ruchika Kedika, Arpita Mukherjee, Jyoti Agarwal, Ritika Salui, Tanvi Chaudhury, Megha Agarwal, Ritika Dey, Pragati Saraf, Ibtisam Ahmed, Sanjona Roy, Diksha Agarwal, Alifiya Huseni Vадnagarwala, Ayesha Fatima.

**Session : 2014-2017**

Shruti Mimani, Ilisa Goenka, Akansha Rustogi, Nidhi Khetan, Megha Shah, Priyanka Saraf, Anshu Agarwal, Trinakshi Das, Mridul Damani, Madhusree Manot, Priyanka Thaker, Ekta Shaw, Rashi Seksaria, Charmi Shah, Tanisha Bose, Shnehal Soni, Ritu Bhuvania, Surbhi Ginoria, Rashmi Kundu, Akanksha Ahuja, Megha Sharma, Nayanika Sengupta, Shradha Surana, Ashika Goenka, Rachna Singh, Sanjana Das Burman, Deepa Baid, Ritika Atal, Hansa Surana, Alka Rajpal, Himanshi Insan, Devoja Ganguly.

**Session : 2015-2018**

Divya Bhayani, Siddhi Ruparelia, Geetika Dhona, Ritika Rath, Pragya Banthia, Raksha Saraf, Rashi Singhvi, Oendril Sarkar, Rani Karmakar, Tanushree Bubna, Atrayee Majumder, Shristi Roy, Minakshi Madhogaria, Puja Agarwal, Sudeshna Paul, Nidhi Pandey, Aayushi Lunia, Prachi Agarwal, Samraggi Ghosh, Purna Singh, Suravi Roy Chowdhury, Zainab H. Saleh, Ashmita Goswami, Simran Mehra.

**Session : 2016-2019**

Nitya Jhavar, Komal Wahi, Kriti Karoria, Owendrilla Ghosh, Megha Parakh, Saakshi Rath, Akansha Khaitan, Sohini Maity, Sejuti Basak, Vedika Srivastava, Ishita Roy, Smriti Alok, Amreen Naaz, Debosmita Mukherjee, Sanjana Saboo, Shnehal Jaiswal, Priyanshi Jaiswal, Shelly Modi, Sharanya Saha, Bhawna Agarwal, Shreya Sarkar, Ariba Ahmed, Srijata Bagchi.

**Session 2017-2020 [Last Batch in The Annual System]**

Insiya Hanif, Udit Saraogi, Megha Mohata, Radhika Kejriwal, Ami Gandhi, Amisha Gupta, Grusha Matalia, Sonia Gupta, Richa Marda, Gaorima Nahata, Neha Anchalia, Shalini Ghosh, Arpita Basu, Upasana Dutta, Tiasha Majumder, Sheetal Agarwal, Anwesha Dey, Noor Fatma, Akansha Shaw, Archita Sen, Sruti Suhasaria, Aditi Jindal, Priyanka Saha, Nandini Sil, Nikita Das, Shalini Jha, Shreya Nosaria, Vanshika Agarwala, Gunjan Purohit.

**Session 2018 -2021 [First Batch in The CBCS Semester System] – Outgoing Batch**

Jaishree Taparia, Yashasvi Taparia, Lognojita Aditya, Mrittika Banerjee, Debankita Saha Bakshi, Subhradipta Saha, Prashasti Saraf, Hansa Bhawnani, Anshika Jaiswal, Ifrah Afreen, Pratyusha Saha, Divya Charan, Kasturee Chakraborty, Shreya Hazra, Srayona Ghosh, Ishita Mukherjee, Anshuja Biswas, Vishakha Agarwal, Anam Jawed, Trina Dutta, Simran Agarwal, Satarupa Talukdar, Manisha Agarwal, Neena Arora, Nidhi Agarwal, Akshita Agarwal, Ayantika Seal, Ishita Bhattacharyya, Adrija Mukherjee.

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## FIRST-CLASS RECIPIENTS

The following students received First-Class in the final Calcutta University Examination and brought in happy and proud moments for everyone in the department, and they also set good examples for their juniors... :

SESSION	NAME OF STUDENTS
2002-2005	Madhubanti Sengupta
2003-2006	Rashmi Mahawar
2004-2007	Devangi R. Dave
2005-2008	Pushpita Dutta
	Swati Agarwal
	Debatree Roy Chowdhury
	Ruchika Shukla
	Priti Maroti
	Sayani Bose
2006-2009	Shubhi Agarwal **
	Chetna Jain
	Pravleen Kaur Grewal
	Pragga Roy
	Lagnamitra Chatterjee
2007-2010	Nidhi Chowdhary**
	Arpita Bhowmick
	Harpreet Kaur
	Ghousia Islam
	Priyasha Das
2008-2011	Nikhi Choudhary**
	Sreenanda Ghoshal
	Shreyasee Gupta
2009-2012	Poulami Roy Chowdhury**
	Arijita Sengupta
	Barkha Gupta
	Divya Pandey
	Sonal Surana

SESSION	NAME OF STUDENTS
2010-2013	Neha Agarwal**
	Mohona Mondal
	Adrija Basu
	Ankita Ghosh
	Gunjan Agarwal
	Bhagyashree Gon Chowdhury
	Sidhika Agarwal
	Ruchika Bavishi
	Priyanka Mondal
2011-2014	Rishika Chhajer**
	Swati Agarwal
	Khyati Baradia
	Vandana Madan
	Sriparna Chakrabarti
	Pooja Khandelwal
	Komal Gupta
	Piyushi Chaudhary
	Shreya Gandhi
	Samyuktha Gopal
	Alisha Sen
	Somali Roy
	Ruchi Sangal
2012-2015	Soumya Jain ** (C.U. Rank : 3)
	Priyanka Agarwal
	Rajnandini Jain
	Meghna Gupta
	Trayi Mallick
	Aakansha Gupta
	Sriya Singhal
	Sradha Tibrewal
	Shilpa Singhania

SESSION	NAME OF STUDENTS
2012-2015	Shruti Pathak
	Debalina Maity
	Mallika Bhowmick
	Priyanka Chandak
2013-2016	Richa Kothari**
	Radhika Jalan
	Pragati Saraf
	Manisha Parakh
	Unnati Saraf
	Suasha Mukherjee
	Shivangi Kothari
	Jyoti Agarwal
	Megha Agarwal
	Neha Murarka
	Manisha Bararia
2014-2017	Megha Shah ** (C.U. Rank : 1)
	Shruti Mimani
	Ilisa Goenka
	Nidhi Khetan
	Priyanka Saraf
	Trinakshi Das
	Madhusree Manot
	Priyanka Thacker
	Ekta Shaw
	Charmi Shah
	Tanisha Bose
	Shnehal Soni
	Akanksha Ahuja
	Nayanika Sengupta
	Deepa Baid
	Ritika Atal

SESSION	NAME OF STUDENTS
2015-2018	Raksha Saraf ** (C.U. Rank : 5)
	Siddhi Ruparelia
	Geetika Dhona
	Pragya Banthia
	Rashi Singhvi
	Tanushree Bubna
	Prachi Agrarwal
	Ashmita Goswami
	Simran Mehra
2016-2019	Senjuti Basak
	Debosmita Mukherjee
	Megha Parakh
	Sohini Maity
	Saakshi Rathi
	Kriti Kanoria
	Owendrila Ghosh
	Akansha Khaitan
	Vedika Srivastava
	Shelly Modi
	Komal Wahi
	Priyanshi Jaiswal
	Smriti Alok
2017-2020	Radhika Kejriwal
	Insiya Hanif
	Ami Gandhi
	Amisha Gupta
	Neha Anchalia
	Archita Sen
	Grusha Matalia
	Gaorima Nahata
	Anwasha Dey
	Gunjan Purohit
	Sonia Gupta

SESSION	NAME OF STUDENTS
2017-2020	Noor Fatma
	Akansha Shaw
	Shalini Ghosh
	Aditi Jindal
	Upasana Dutta
	Sheetal Agarwal
	Arpita Basu
	Nandini Sil
	Vanshika Agarwal
	Priyanka Saha
	Sruti Suhasaria
	Tiasha Majumder
	Udita Saraogi
	Shreya Nosaria
	Richa Marda
	Shalini Jha
	Megha Mohata
	Nikita Das
	Ishita Roy [2016-19, appeared in 2020, for Hons improvement]

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**\*\* Recipient of *Purabi Mukherjee Memorial Award* for securing highest marks in Economics Honours, in College, in the C.U. B.Sc. (3rd Year) Examination.**

## VERTICAL PROGRESSION OF STUDENTS OF THE DEPARTMENT OF ECONOMICS – 2017 ONWARDS [ACADEMIC/PROFESSIONAL]

SESSION	TOTAL NO. OF STUDENTS	PURSUIING POST GRADUATE DEGREE COURSE [MSc/MA/MSQE]	PURSUIING PROFESSIONAL COURSE [MBA/CFA/CA/ ACTUARIAL SCIENCE]	PREPARING FOR PROFESSIONAL COURSE / ADMINISTRATIVE ENTRANCE EXAMINATION	SELF EMPLOYED / JOINED JOB
2017-2020	29 + 1 [1 student from previous batch appeared for improvement in Honours]	17+1 MSQE, ISI, Kolkata -1 MSc, IGIDR -2 MSc, CU-7 MA, RBU-1 MSc, SXUK-1 MSc, SXC, Kolkata-3 MA, JNU-2 MA, Univ of Hyderabad-1	2 [Actuarial science -2]	9	1
2016-2019	22 +1 [1 student from previous batch appeared for improvement in Honours]	6 MSc, Shivnadar University -2 MSc, Presidency University- 1 MA, Symbiosis School of Economics, Pune – 2 MSc, SXUK -1	9 + 1 [6-MBA/2-CFA/2-Actuarial Science] MBA- Xavier Institute of Management, Bhubaneshwar -1 NMIMS, Mumbai -1 IMI, Kolkata -1 Goa Institute of Management -1 Symbiosis Institute of Business Management, Bangalore -1 Doon Business School -1	6	1
2015-2018	24	12 MSc, CU -1 MA, JU -1 MSc, Presidency University -2 MSQE, ISI, Kolkata -1 MSc, SXUK -6 MA, IGNOU -1	7 Diploma in Culinary Arts, Le Cordon Bleu, Ottawa -1 Actuarial Science -4 Course in Data Science -1 Diploma in Fashion Designing, INIFD, Kolkata -1	2	3
2014-2017	32	16 MSc, CU-7 MA, Ashoka University -2 MSc, Presidency University -1 MA, Madras School of Economics -1 MA, BHU -1 MA, University of Hyderabad-2 MA- Stony Brook University, USA -1 MA [Global Financial Markets], BSE Institute, Mumbai -1	8 [MBA-2/ Actuarial Science-6] MBA : IIM , Indore -1 NMIMS [ PGDM ] Mumbai-1	7	1

## DEPARTMENTAL ACTIVITIES



⬅ Megha Shah receiving the award for being the College Topper, Annual Function, 2017. Megha secured the 1st rank in Economics (Hons.) in the C.U. B.Sc. Examination, 2017

Students bid farewell to Smt. Madhumita Pal on 21.12.2017 ➡



⬅ 3rd Year Farewell, Batch 2015 - 2018

3rd Year Farewell, Batch 2016-19 ➡



⬅ Teachers' Day, with the 3rd Year Students, 2017-20



Library orientation for the new batch of students of the department ➡



## DEPARTMENTAL ACTIVITIES



◀◀ Special Lecture on GST by Dr. Kausik Lahiri, Associate Professor, Surendranath College, September, 2017



Special Lecture on Labour market by Dr. Saibal Kar, Professor, Centre for Studies in Social Sciences, Kolkata, April, 2019 ▶▶



◀◀ Students taken to attend State level seminar organised by Loreto College, Kolkata, 29.1.2018.

ECOSCOPE - Wall Magazine by the students of 1st Year, Active Learning Day, 2017 ▶▶



◀◀ ECOSCOPE, Wall Magazine by students of Semester 1, Active Learning Day, 2018



ECOSCOPE, Wall Magazine by students of Semester 1, Active Learning Day, 2018 ▶▶



## DEPARTMENTAL ACTIVITIES



ECOSCOPE- Wall Magazine on the Nobel Laureates in Economics by the students of 1st Semester, Active Learning Day, 2019

ECOTALK, Paper presentation by students of 2nd Year, Active Learning Day, 2018



ECOTALK, participants of paper presentation, Active Learning Day, 2019



ECOQUEST, subject quiz being conducted by students of 3rd year, Active Learning Day, 2018



ECOTALK, participants of paper presentation, Active Learning Day, 2019



ECOTALK, participants of paper presentation, Active Learning Day, 2019

