

* FDI

There are two routes by which India gets FDI.

- * Automatic route: By this route FDI is allowed without prior approval by Government or Reserve Bank of India.
- * Government route: Prior approval by government is needed via this route. Foreign Investment Promotion Board (FIPB) is the responsible agency to oversee this route

* FDI in various sectors November 2015

Sector	FDI Limit
Agriculture & Animal Husbandry Townships, shopping complexes & business centres medical devices Civil Aviation	100% Automatic Route
Private sector banks	74%
Public Sector Banks(from 26% to 49% via FIPB), Insurance, Petroleum Refining, Pension	49%
Terrestrial Broadcasting (FM Radio), Print Media,	26%

Inflation

Operation Tayyari JEET KI

Theme

Don't stop studying until you are sleepy enough to make your study table a pillow;

Your study break should be during the power cut

By Azad

syedazadhb@gmail.com

Inflation

* Simplest definition is Inflation is “a rise in the general level of prices

Some terms

* Creeping inflation: Slow Predictable and Small 2.4%, 3%

* Stagflation: It is a combination of high inflation and low or stagnant growth (**stagnant growth + inflation = stagflation**). In such a situation, inflation and unemployment both are at higher levels.

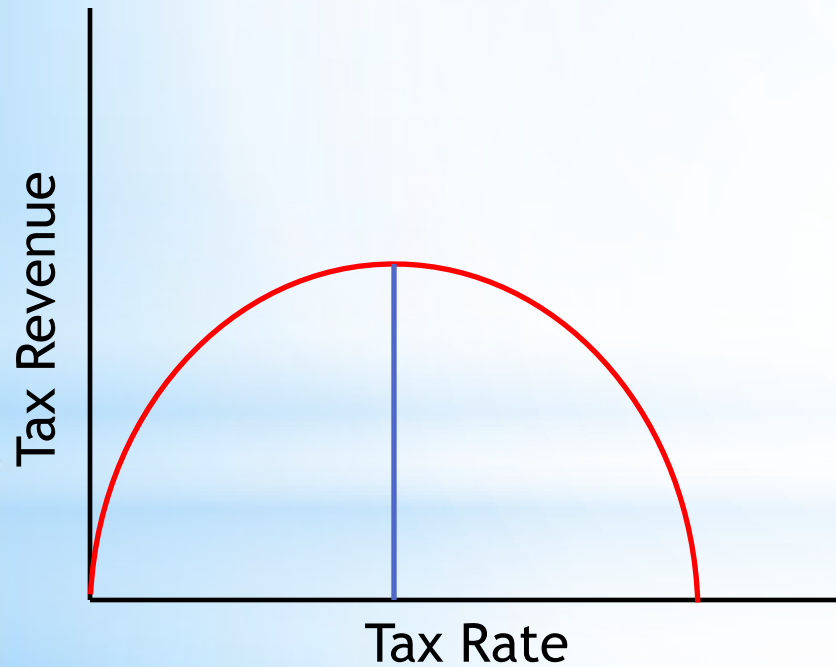
Inflation

- * **Skewflation**: Skewflation refers to skewed inflation where there is sustained price rise in a small group of commodities even though prices of other commodities remains relatively stable.
- * **Gallopning Inflation**: This is very high inflation running in double or triple digits like 20%, 100% or 200% a year.
- * **Hyper Inflation**: This form of inflation is 'large and accelerating' which might have annual rates in million or even trillion. Such rate of inflation was recently observed in Zimbabwe.

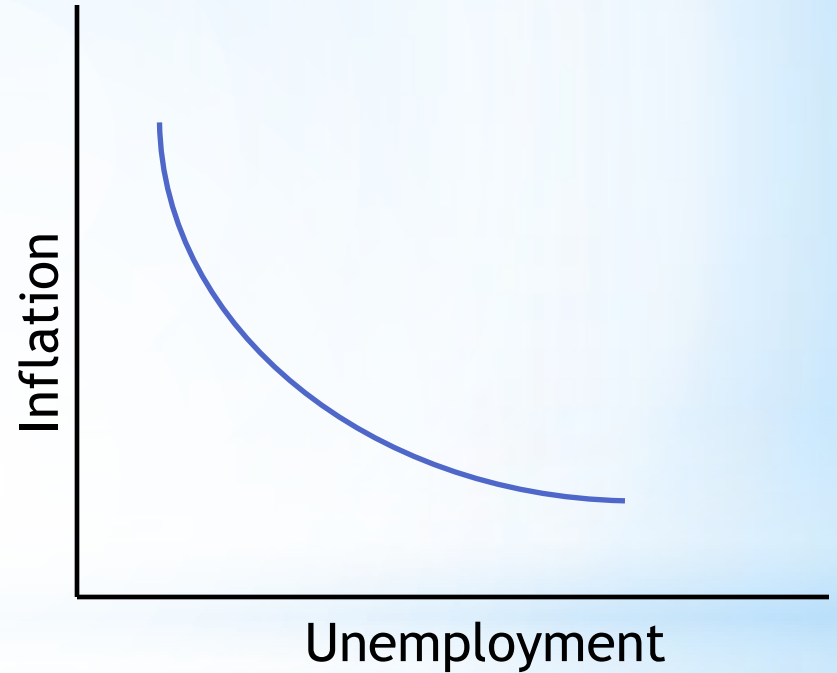
Some More Terms

- * Disinflation: Controlled Decrease in the cost of items
Reduction of inflation without affecting employment.
- * Deflation: Negative inflation: Persistent decrease in the cost of items. It affect employment.
- * Inflation Spiral: Prices pull wages up and Wages press prices up.
- * Recession: When the growth rate for 2 quarters is negative.
Persistent Recession is called **DEPRESSION**.

Laffer Curve and Philip Curve



Laffer Curve



Phillips Curve

How is Inflation Measured in India

- *Two ways: Wholesale Price Index(WPI) & Consumer Price Index(CPI)- Retail Inflation
- *In INDIA WPI is the basis for determining the inflation of the economy

Wholesale Price Index (WPI)

- * The current WPI base year is 2004-05 based on prices of 670 commodities.
- * Basket of Commodities (676)- Grouping done by Abhijeet Sen Committee
 - * Primary Articles: Food, Non-food, Mineral- 106
 - * Fuel : Electricity, Coal, Diesel, LPG- 19
 - * Manufacturing: Machines, beverages 555
- * Core inflation - Headline Inflation = Food and Fuel
- * Calculated By: Office of the Economic Adviser In DIPP
Department of Industrial Policy and Promotion
Ministry of Commerce & Industry.

Consumer Price Index

- * The current CPI base year is 2012-13 based on prices of 670 commodities.
- * Basket of Commodities (460-urban, 448- Rural)
 - * Food and beverages
 - * Housing
 - * Fuel
 - * Clothing footwear
 - * Health education recreation
- * Calculated by CSO

Match the following

1. Phillip Curve

A) BPL

2. Lafers Curve

B) Tax Revenue

3. Saxena Report

C) Inflation

1-C

2-B

3-A

Inflation is of two types

- * Cost push and Demand Pull

- * **Cost-push inflation** is a result of increased production costs, such as wages and raw materials

- * **Demand-pull inflation** is a term used to describe when prices rise because the aggregate demand in an economy is greater than the aggregate supply

Assignments:

Revolutions of India.

PMs of India.

P5 countries.

PMs and CMs of J&K.

Forts and Temples in J & K.

Books written by APJ Abdul Kalam

SAARC, ASEAN, BRICS, G20

Awards National and International (2016-17)

First Indian in international events

Sports Tournaments

National Days

Thank you