

Ppt 1 ...

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GDP

Angus Maddison

GDP = growth rate

Hoos F20

0.1% Armenia

① China

② India India 24.5

1800 1830 1860

20

17

18

6%

in 1900

Download bfr  
Ask question - prep  
answer

Good morning  
"MIKE"  
Don't repeat  
unnecessarily  
But talk fast.

Asia to West

China

32.

Subrahmanyam

Sources X

UK 3 - 41

Quora Wikipedia ✓

Blog sites ✓

22/01/19

Xavier's clip

Sergey Bubka

Developed Countries GDP

→ Ageing popn

US → Highly developed

✓

→ technologically advanced service sectors

→ Social & political factors

only

dominate

→ technological development

?

→ dominated by service oriented.

UK ↓

→ grow by 2.5% only  
less investment

Brexit referendum - withdrawal of

UK from EU; isolated

Japan almost → 0%

grow 1.4% in 2018, 1.5% in 2019

China → 6.5%

India → 7%

World GDP growth rate → 3% ~~decreased~~

G7, E7

5 global Megatrends

Emerging Countries

BRICs ↗

Brazil Russia India China

China → overheating avoidance now

Kapwing video - Sourabh Jain  
Ans.: Swedish Doctor TED talk

(Thank You font small)

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Punch above our way,

Delivering our potential or not?

India →

Catched Up Growth

Our role → entrepreneurship, Jobs, Made in India, Digital India

72 rule. US 42.5 India 7.5 ) diff is 5  
72 = 14 yrs  
S to catchup

Russia is 5 times bigger than India.

↓ ↓  
7% land 52% land  
fertile only in agriculture

Dependency Ratio  
(in %) "not working age popl"  
no of " ppl

India's fall → 79% → 52%

Median age → summarizes distrib' of age of a country

Monaco (highest)

Japan	47 aging popl	USA 38 }	UK 40	Germany 47
India	27	China 37 }	Rus 39	Brazil 32

Dif'nt age gaps

One child policy

In different purpose

We have 10 yrs adv over China & US

in economy.

Is our young popl productive?

Literacy Rate :

Green & Riddell (2003)  
Sum (1999)

children

adult

[The Economist] Red moon rising  
magazine

## Brazil

8<sup>th</sup> largest nominal GDP  
mixed economy

\$ 2.056 trillion Nominal '12  
\$ 3.3888 trillion PPP '18

growth rate -3.5% '15  
-3.5% '16  
+1% '17  
2.4% '18

GDP by → capita  
→ capita rank  
→ sector

Main industries

Gini coefficient

# BRICS

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- I Eco & Social Indicators comparison
- II Population
- III Labour force - agriculture, industry, services & Unemployment
- National Accounts
- Price Indices
- IV Living Standard
- V Resource & Environment
- VI Industry
- Energy
- VII Agriculture, Forestry, Animal Husbandry, Fishery
- Transport
- ICT
- Finance
- VIII External Economic Relations [China, India]
- Tourism
- I GDP, growth rate
  - per capita { nominal & PPP }
  - by sectors . agriculture, industry, services
- IX Age dependency ratio
- Import / export pattern
- X Contribution to BRICS
- XI Future predictions

{ we heard abt UN }  
{ Didn't know BRIC until today's class }

↓  
What is BRICS?

SA's role

C small country  
(political)

why BRICS?

BRICS Today?

(New Develop. Bank)

\* China

US, EU

BRIC

China  
India

Comparison of "BRIC"

→ population ↗  
area ↗

unemployment

→ GDP ↗

Living std

→ median age ↗

→ future

2030/40/50

GDP forecast

Russia specifically → Ruble Crisis 1998 || 2008

→ bfr & after Soviet Union fell

→ effect on population

minor

Brazil vs Russia : Similarities & Differences

Commodity  
exporters.

Oil  
minerals

Union (EU)

former  
political  
integration  
Contiguous states

Exporters  
large countries  
forex Bia.  
lager currency

How ec. power n

Russia  
150 million  
million  
200, ↓  
Takeaway  
B, SA shop

## Pointers || Takeaways.

NR  
HR  
TR

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24/01/19

Area → Russia

Resources Iran

Green Jobs

1 hr solar energy = 1 yr Earth's energy need

US world wars, GDP, peopl' Immigration Unknown land unexplored resources

Natural Resources

"Russia - pos. with rivals" land coastline farm H<sub>2</sub>O illegal  
mining grants

"weaving resources" - diag.

Brand

Memos.

Brand "US"

EU

Resources freedom of movement across countries.

Germany history.

31/01/19 Missed

Hinduism

5/02/19 Brexit, mess in Europe

Globalisation (trade war)

2 separate economies

Bharat

Hole in the ball experiment

India vs Bharat

First Indian satellite → named Apple from Sri Harikota.

→ carried by bullocks, wooden cart

→ ISRO explained sm magnetic field issue :)

Anything U say for India, opp. also true. [cart + satellite]

Bharat growing faster than India.

education S/S approaches

Talent same - India & Bharat

India - better organised than Bharat  
(execution) ← difference in

Bharat - need somet to connect the dots. to fire up their potential.

Large workforce - competition - cheaper prices

Adopt ~~as~~, Adapt ~~&~~ & innovate

Dinya

Bharat → repr of entire world's rural popl<sup>n</sup> (Africa, Latin America etc)  
charity govn

Popl<sup>n</sup> growth - overrated issue. India & China: popl<sup>n</sup> growth at same pace  
as otrs. Larger no. to begin with.

~~on the~~

Popl<sup>n</sup> growth avg coming down. India & China on the avg.

We R breaking myths. Popl<sup>n</sup> is bad. No! work force Prcy.

Korea, etc R chckng. No popl to sell goods.

India is to rest of the world

Bharat is to India

More children per family bcoz of fear of death of child due to disease.

Improve healthcare, ↓ children per family ↓.

Industry shoted GDP - US

Singapore  
Taiwan

Tiger  
Economies

Industry stagnant - India

Agric - balancing no. (steady no) - India

India - Elephant  
big, slothful,  
clumsy,

intelligent,  
sharp memory,  
versatile,  
vegetarian

China - Dragon  
organise rural area ~~forcefully~~ (forcefully)

Rural India was not in commercial interest of urban India.

Thanks to unintended technology

Leap frog.

Half the world's veg. popl<sup>n</sup> from India

Pegged elephant in circus

as a baby he was tied & could not move.  
(all in the mind)

Flying elephant video.7/02/19

Steel cement ←

Mining &amp; Oil and Gas

Core

Infrastructure

- roads connectivity

Manufacturing

Transport

automobile companies

Role of Industry to Economy

stable form of foreign investment

Toyota: we will set up a plant in India  
can't sell that overseas & go.FDI Foreign Direct Investment→ FI" Institutional Investment

not adding great value

- invest only shares of the company

- sell shares

- mobile money, volatile

Stock mkt

which is the FDI destination now, 10 yrs ago, 50 yrs ago...

{ Japan China } not India yet  
↑ later ↑Ease of doing business (5 states)

Amazon, quicksand

Underperformers. - India not Indians

Indian in Silicon valley performs well.

Role of Service Sector to EconomyBreak myth

Senior most ←

juniormost - sees soln faster than

12/02/19

Centripetal & centrifugal forces.  
We - our own also & family also  
org.

Earth / Moon - spin themselves + revolve in a pattern around Sun.

Delhi Beijing - worst hit, environmental issues

Ec. development very well. But creating ec. inequality.

Damage to physical environment - learn lesson from it. 20-30 yrs ago only scientists worried abt env. etc. Now all.

Now to human environment. (disparity). See everyday, so we R numb abt it now.

~~Ex: ppl.~~ - smile on their face. Switzerland - ppl R ~~as~~ unhappy; discontent.  
even though poor.

### Economic Inequality

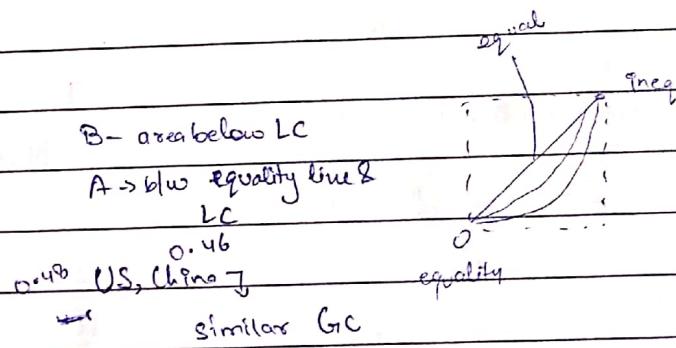
For sustainable & ec. development, absolute equality X. But no inequality also.

Measures :

→ Lorenz Curve (LC)

→ Gini Coefficient (GC) =  $A/(A+B)$

→ Palma Ratio



Poverty → based on income only X

→ deprivation of basic capabilities  
(opportunity lack)

India - lower end (0.37) - inc' all the time

lower - Scandinavian countries

B1 hunger

### Intrahousehold Disparity

World 30% rich

70% poor

30% men  
70% women

Peopl" →  $\frac{1}{4}$  of Jaipur

Alaska

India's half size

2.9 trillion

women could add to Indian economy.

14/02/19

## GDP Twins & other Important Concepts

Ted Talks →

Economics

→ wealth vs income | income - what we make out of wealth

(PI) talent - potential

performance - what do we do out of it.

→ capital vs profits

(PI) [PI : potential vs performance]

wealth is to income as

capital is to profit

→ non-financial capital

"human capital labour"

"inteligencia in country"

movers makes things happen

TI Technical IQ

necessary cond<sup>h</sup> for life

necessary doesn't mean sufficient cond<sup>h</sup>.

Tunnel Vision

Peripheral Vision - HSS comes in, BI



Natural Resources Capital - resources, buildings, land etc.

Business Intelligence

↓  
(Technical intelligence into action)

financial capital

↓  
in circulation

Under deliver in only tunnel vision.

XII (coolate)  
(sun)

PI - centrifugal

TI, BI - centripetal  
(reduces)  
(resilient)

non-financial capital

BI, PI woven into.

real estate - gold - artworks etc

3 strands of course we R to reap

(antique cars, gold etc).

(PI TI BI)

Static active

talent → pros

Capital	Income
foot	fast hotels

Money Cycle

→ Savers & users

Create startup: Idea, plan ppl ready. No fuel in tank but. Family etc → have static money, no idea. Mkt place → bring user & saver lgdr.

User uses saver's capital to produce A. Make the money churn.

More savers, more users, more mkt. Growth comes from - efficient deployment/employment of capital.

Open economies, free trade encouraged.

→ 3 types of rpt in sys

households

corporates

govt

Everything in life  
has a lifecycle.

80% of savers  
biggest savers  
[only lenders]

h/s saving

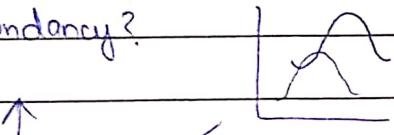
Use it for themselves

Not freely in the mkt

A profits - bulk itself,  
some to savers

Not come to net much freely.

How do comp. cope with  
redundancy?



Ride the higher wave.

- ↓
- doesn't save anything
- h/s so much to spend
- put money where no put sector is going
- picks up all dirt and
- gov. always runs deficit
- can't raise enough taxes
- debt keeps incr
- only borrowers

→ Savings → Interest rate ← borrowings  
Determines supply demand

Inflation

→ Price of growth (Inflation: running)

cannot h/s growth w/o inflation. How do U manage it?

(Push as much possl until breakdown)

U cannot run w/o perspiration

→ Inflation & interest rate

the 2% phenomenon.

Bank gives me 5%. I put money in bank.

Someone comes to borrow from bank. Bank gives it + 5%.

Value degrades due to inflation if kept at home.

Repo rate

Interest rate goes up if inflation goes up.

2% phenomenon

Savings rate 5%

Loan: yes 12% (long term)

Loan: 6 months 7% (short term)

Why not 5% & 15% by bank? No user will borrow (no buyer) Back to equilibrium.

Very fluid equilibrium pt.

Lend Only at 5%. No one will go to bank at 3%.

[2% higher than inflation - interest rate  $\gamma_{ideal}$ ]

"real interest rate" = nominal interest - inflation rate

RBI controls interest rates.

GDP Twins

(Ppp)

GDP = \$ value

@ mkt exchange rate (MER)

Consistency value

PPP

public put partnership

→ @ Purchasing Power Parity

Rupee value of Value added at Dec '18 rate.

Coke in US = \$ 1.25 = Rs 80

U give him \$1. what can he dollar. (Rs 70 here).

PP of 1\$ vs Rs 70.

higher

Not just GDP to know real ec. power.

\$ value of 'a basket of goods & services'

basket in India

y dollars

x rupees now compare.

{ food  
clothing  
shelter  
education  
household needs }

More dollars to spent Rs 70.  
↓

Exchange rate much lower.  
( $\frac{1}{70}$  by lower value) Higher dollar value.

PP greater in value as we R undeveloped.

Fallacy with GDP, how we calculate it.

### GDP 'cousins'

→ GNP gross national product  
domestic (within territory of India)  
value add by Indian nationals world over - foreign in India

GDP = foreign nationals + Indian nationals

GDP vs GNP

→ GDP per capita denominator: pop<sup>n</sup> US 50,000  
It is far far low than Western standards.

→ GDP growth rate  
western Europe 50,000  
China 7,8000  
[India ~ 7%]

Every 10 yrs → it will double.

$$\frac{70}{7}$$

"the rule of 70"

every 7 yrs it will double if 10% growth rate.

(Workforce) one child policy - China dramatically came down.  
labour ↑

## Presentations

debate, do early, discussion

Start early.

Slck ppt. Crisp clear confident. Clothes.

B Formals / Smart Casuals

Take ownership of what U say. Eye contact. Not just point. Confidence.

Connect with audience. Hold audience's attention.

Earn listener's interest. Create Curiosity. MK it Logical. Simplify.

Tickle person's imagination.

Worth of what I say.

## Bullets

One line at a time.

Team introduction

Sutradhaar (tk names)

Conclusion, Takeaways.

Time

19/2/19

Making Breakthrough Innovation Happen

Cassell Dweck talks abt mindset

REACTIVE

all elements of ~~creativity~~ creativity in reactivity.

Key to business is strong & reliable relationships.

## Gairikose

Ranganathan → bahanehaar | compete with all product

(excuse to do smthing)

Unilever } > 100 yrs bfr came  
Hindustan Unilever }

Revolutionized the way U think abt mkt.

Armaan, profit

Aravind Eye Care

orbit-shifters - help bring change in other ppl's life

Vijay Govindarajan reverse innovation - TEDx Talk

aspirations > resources  
Prof. at Michigan

rich ppl wanting poor ppl's product.

Optical illusions

Obstacle illusions → retire at age 50 m.

Thinkers50 website

top 50 ppl in world (breakthrough thinkers)

Nirmal Kumar (Prof at London Business School)

Invisible innovation

Y2K

2/2/19

Link. everything. Objective + Subjective

Content Rich Answers

Short & crisp

3-D image

TI + BI + (PI)

[BI (PI) answers]

Technical Business Personal  
IQ IQ IQ

Address question specifically (explicitly) then see anything else inside it.

{111, 2+2=5}

logic in seq. of intiations.

Pain Pts - Missing Women Perspective : economic perspective  
(male ↓)

India 6.5 growth rate, Bharat 10% - avg 7%

ET more perform than GT as they R far behind.

Men Women

economic activity mostly by men. Women not tapped.

## International facts:

Women in board room > US, Japan  
(India)

Help them thru tech no.logy.

Men think women R not competent. Glass Ceiling does exist.  
" " Subjectivity women can't.

India is an oxymoron. whatever U say abt India is true. Opp. also true.

First women head of state / PM of world - India name?  
1<sup>st</sup> & 2<sup>nd</sup> - South Asia  
3<sup>rd</sup> Israel

Amartya Sen didn't get Nobel prize for peace. Got for economics.

Thatcher  
Mrs Thatcher | Indira Gandhi |

Glass ceiling

Not yet in US

GDP → flaws in GDP : PPP

Goods & Services produced in entry

not explain per capita

In 3<sup>rd</sup> world countries, it is understated

→ from reported data

## Unaccounted

## unorganized sector,

undisclosed [money operating  
in HK market]

data not reported for tax evasion (blk money)

Monotisation — (now in surface)

GDP of India does not include undisclosed elements.

High corruption, tax evasion in country, GDP will be understated.

Unaccounted housing activities : domestic work (Coca Cola & Rs 70ej)

(wash clothes - bai, service done, not paid in cash, income not reported)

US - washing machine, soap, water } sm er. value.

Small scale fruit shops, panvalas, etc.

small children at home, grandchildren, no income reported.

Day Care Centre - In US for sun work ↑

All of us with significantly modest income R happier than Us.

World avg longevity : 74-79

men women

69 - 72  
India

79-84  
Japan

African entries - 50s

Kirana vales R now giving GST bills. A lot done in unaccounted & undisclosed sector.

Demonetisation analysis → huge exercise, even if scrape up 50%, worth it.

Venezuela - some time bfr India, they had to tk back (shops looted etc).

India - went thru the process.

Govt. had data where money had suddenly popped up. Follow-up was there.  
(Pursue or not? Corruption)

GST: by what yardstick C we compare

HDFC Bank : housing loans }  
ICICI Bank : industrial loans }

name know Retail  
banking

PSBs | being gouv. banks resisted computers.

decided to hv 100% technology bank, work with fewer ppl [thin margin, can't go  
high salaries]

PSB didn't hv ATMs bfr. instead of branches.

↳ Public Sector Banks

In the feasible world, MNCs are drooling to set up manufacture in India  
(lowest cost manufacture). China already exhausted. Govt. has stopped  
them for our industrialists to grow & compete.

Angus Madisson

Hans R

Factors determining GDP TR HR ..

Solar energy

US Europe Japan Korea

BRIC

India 90% ? Some prep. for BRIC world.  
Brazil 70%

GDP pie charts: agri, Indus, services  
prim. sec. tertiary sector

Inequality wealth, income, gender  
2 case studies

(feet footedness  
no rocket science soln)

CavinKare - shampoo + perfumery  
how to approach customer base  
larger no of players, more

product, process revolution

### Around Eye Care

Cataract operation - blind (economic redundant, no work)

Reverse Innovation

Invisible Innovation

ability attitude

Alphabet

EEE

Engineer

Emagineer  
(creativity cells)

Emagineer

not expecting from government.

FFF - 2nd half of course

GrGrG

Give > Get >

As an employee, U R a cost to the company.

→ Give ✓ \*Ghamand

{ pride  
proud }

self confidence, self respect, self drive

don't spill into fire that begins to burn

→ Gratitude (be grateful for something, response creates our brand)

$H_2 \rightarrow He$

Finding spark within me to keep myself charged <sup>Q4</sup> <sub>sustaining</sub>.

Humour

Humility

When chips R down, adversity hits U.

Pressure - key element of our personality & env. we R going to thrive in that env.

Come out thru humour.

Helping to head - probm.

I I I T

I the mover.

India - on a role. Lucky to be part of India's role.

IT

## Mid Term

GDP - monetary value of all finished goods & services.

Simon Kuznets for US Congress report in 1934

Angus Maddison

1970s Japan rise to economic power

1750 China 32.8% share in global GDP

India 25%

UK 1.8%

America 0.1%

24.5% in 1750 to 20% in 1800

17% in 1830 to 8% in 1880

1.7% in 1900.

Structure of world economy in 1750

In 150 yrs Indian society civilization economy polity crashed.

China [ 32.8% 1750  
6% 1900 ]

UK, US [ 2% 1750  
41% 1900 ]

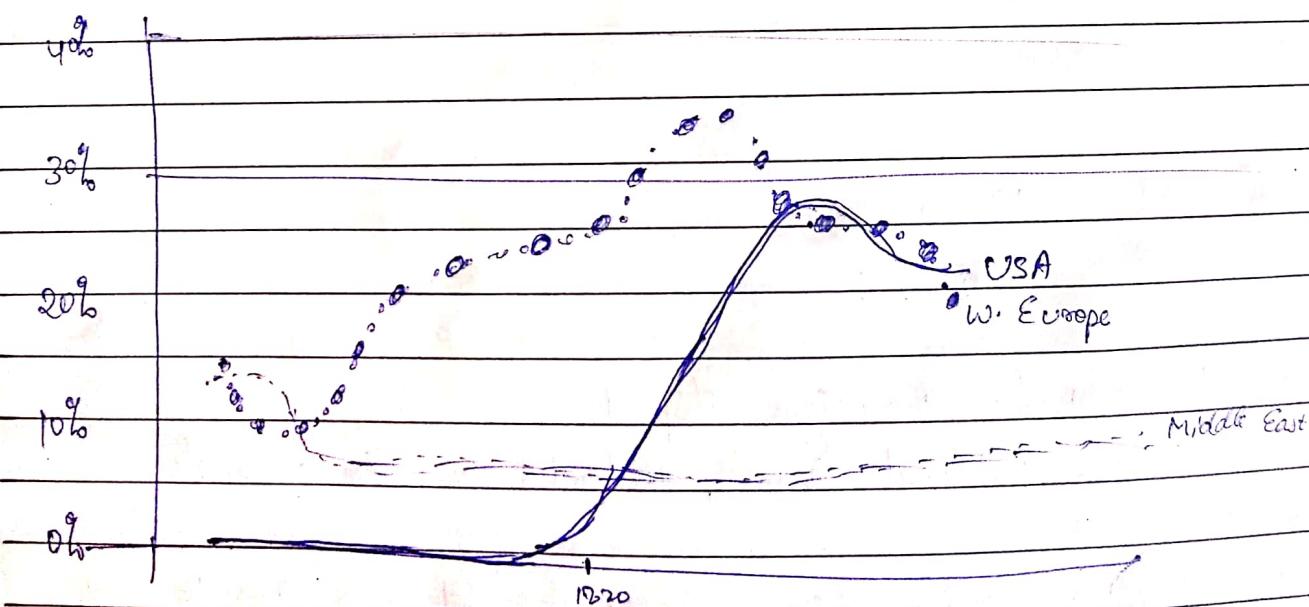
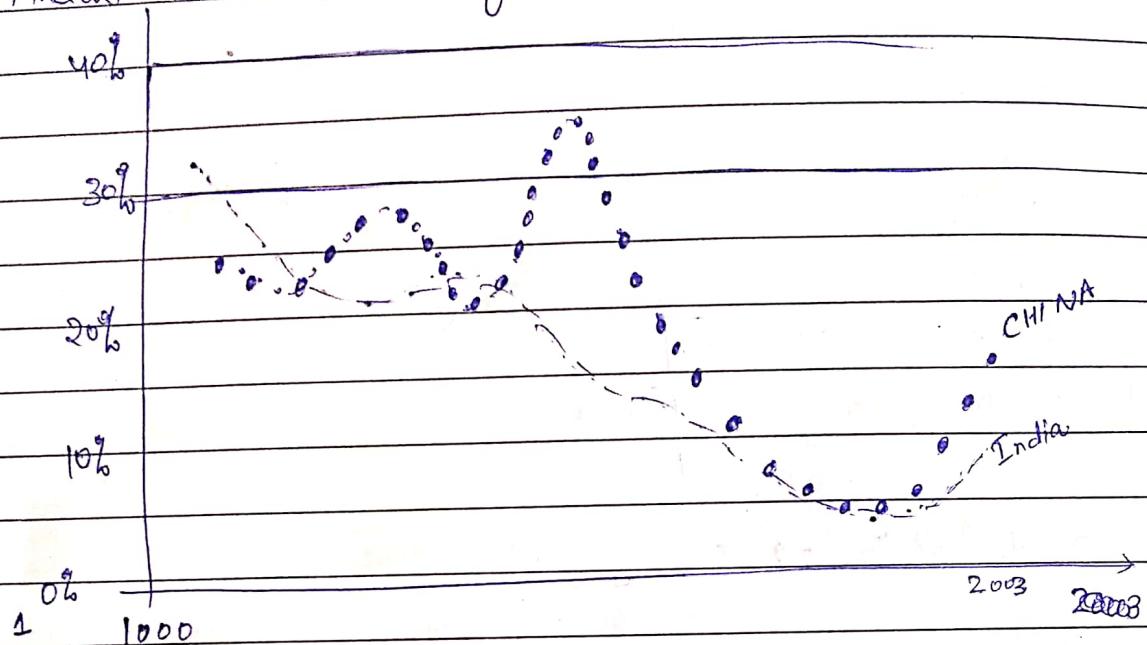
completely transformed; paradigm shifted

Transfer of economic, political power, cultural, civilization power from Asia to the West.

In mid 19<sup>th</sup> century, avg std of living in Europe was bit lower than the std of living of rest of the ppl in the world.

AD 1 to 1000 - India largest economy with GDP (33.8 million \$)  
 1500 AD - " 24.5% share (2nd largest after China)

Ancient India was a global trade hub.



1-1000 AD

India & China global leaders

1500-1600 AD

I & C continue to dominate WE landscape

Europe continued to grow

India's triumph under Mughal Empire

1800 AD

Industrial Revn'

Western Europe gain superiority in economical +  
colonial ventures

USA started to exist around this time.

1900 AD

World War era began

Indian economy perished under colonialism

China restrict trade & ec. ventures

Downfall of Asian mega giants

US economy started to take the shape of economic superpower  
as we know today

1970-2000 AD

Downfall of W. Europe after World Wars

US economy gaining traction as world superpower

Chinese " started to grow rapidly!

Following liberalisation, FDI & IT policies India started  
exposing its econ. to world + started to dominate as the  
world leader in IT services.

Developing countries vs Emerging countries  
 struggling growing rapidly  
 need help from trade partners becoming more imp. in world economics  
 around the world

agriculture impressive gains in industrial & economic  
 low ~~capita~~ income per capita growth;

-----

G7

US Japan

Germany UK

France, Italy, ~~Col~~ Canada

→ China India  
 → Brazil Russia  
 → Indonesia  
 → Mexico, Turkey

E7