

# MAYONOMICS










“Economy is the art of making the most of life. The love of the economy is the root of all virtue.”

SPECIAL

## PRIZE GIVING EDITION

BY THE ECONOMICS AND  
COMMERCE SOCIETY

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# EDITOR'S NOTE

From the humble nib of a pencil to this carefully assembled booklet, economics casts its wide-reaching shadow over everything we encounter. It is this ubiquitous presence of the subject that has always captivated us.

For many, economics may seem like a world of black and white, confined to the formulaic dance of supply and demand and the intricate art of resource allocation. However, we firmly believe that economics is intertwined with every facet of our lives. It forms the backdrop of our past, our current reality and shapes our future. Economics is at the heart one of the world's most pressing challenges today, from the global food crisis due to the war in Ukraine to supply chain disruptions and the looming threat of recession. Despite its omnipresence, economics remains a misunderstood and underappreciated subject.

Margaret Thatcher once rightly observed that true liberty cannot exist without economic liberty.

'Mayonomics', aims to quarry the underlying economic motives that drive every action, whether by an individual, a community, or an entire nation. This is the principle that Aastha, the Co- Editor of this magazine and I kept at the forefront of our minds while curating the articles found in this newsletter.

We're thrilled to present the PG edition of Mayonomics, the school magazine dedicated to exploring the ever-changing world of economics. In this issue, we delve into crucial economic trends and their impact on our lives, work, and consumption patterns. The global economy is undergoing significant transformations, with the rise of digital currencies and blockchain technology reshaping financial landscapes. Expert insights will guide us through these uncertain economic times. We encourage you to explore these and other critical economic developments as you read through our newsletter.

We'd like to extend our heartfelt gratitude to Ma'am Bakshi for her unwavering support, the Economics and Commerce Department for their invaluable guidance, and to Kritvee and Aastha for their tireless efforts in bringing this newsletter to fruition.

As you explore Mayonomics, we sincerely hope it offers you not just a deeper insight into the world of economics but also a fresh perspective on the pressing issues of our time.

*Happy Reading!*

**Prisha Singh**  
**Editor, Mayonomics**

# PRESIDENT'S NOTE

It gives us great pleasure to welcome you to the Prize Giving edition of the "Mayonomics."

newsletter. It is more important than ever to keep aware and involved in the conversations surrounding business and economics in a world where dynamic economic forces and quickly changing company environments are driving change.

Our team has been perseveringly working to curate insightful and engaging content for the most recent version of Mayonomics, our treasured economics magazine.

Economics is not simply a field of study; it's a focal point through which we comprehend the intricacies of our steadily developing world. In this version, we're eager to offer you a rich tapestry of articles, analysis, and viewpoints that shed light on the most recent economic developments and the significant effects they have on our lives.

Mayonomics aims to be your steadfast companion on your journey of exploration and discovery. We want to take this moment to express our deepest gratitude to the dedicated team of writers, editors, and contributors who have poured their expertise and passion into the pages of this magazine. Their commitment to delivering high-quality content is truly commendable, and it's what makes Mayonomics a valuable resource.

In this edition and those to come, we hope to provoke thought, ignite curiosity, and foster discussion. Economics is a dynamic field, not limited to supply and demand but everything from global food crisis due to the war in Ukraine to supply chain disruptions and the looming threat of recession

We'd like to extend our heartfelt gratitude to Ma'am Bakshi for her unwavering support, the Economics and Commerce Department for their invaluable guidance, and to Prisha Singh, Kritvee Modi and Aastha Laddha for their tireless efforts in bringing this newsletter to fruition.

**Tamanna Jain**  
**Prisha Singhal**

**President, Economics and Commerce Society**

# ELECTIONS 2024

## BEYOND POLITICAL CHANGES

Today, India is leading the world, and politics is leading India. If there is one event that one has to talk about other than the World Cup, it is the 2024 Lok Sabha elections. The Lok Sabha elections in India, which are held every five years, are a critical event that has far-reaching implications for the nation's political landscape. These elections also significantly influence the Indian economy. As the country gears up for the Lok Sabha 2024 elections, it is crucial to understand how this political exercise can impact the economic stability and growth of India.

### Policy Changes and Economic Reforms

The outcome of the Lok Sabha elections often determines the government in power, which, in turn, shapes economic policy. Depending on the political party or coalition that comes to power, there could be a shift in the economic direction of the country. For instance, a government with a pro-business and market-oriented approach may prioritize economic reforms that promote ease of doing business, attract foreign investments, and foster economic growth. Conversely, a government with a more socialist agenda may emphasize welfare schemes and wealth redistribution.

The 2024 elections will thus determine the trajectory of economic reforms, taxation policies, and regulations that can directly impact various sectors of the economy. Businesses and investors keenly watch these elections, as the chosen government's economic policies can influence their strategies and investments.

### Foreign Investments and Trade Relations

The Indian economy is increasingly intertwined with the global economy. The government's stance on foreign investments and trade relations plays a vital role in shaping India's economic future. The 2024 elections will impact the country's foreign policy and its approach to international trade agreements and alliances.

A government that promotes foreign investments and fosters strong trade relations can attract more capital and businesses into the country, ultimately stimulating economic growth. On the other hand, a government that adopts protectionist measures can isolate India from global markets and potentially hinder economic development.

In the end, a stable and business-friendly government can lead to economic growth and prosperity, while uncertainty or poorly managed policies can have adverse consequences. As the nation approaches these elections, it is essential for all stakeholders to actively engage in the democratic process to ensure a positive and economically promising outcome.



Photo Credit: Business Standard

**Kanak Chandak**  
Class XI  
C/2135

# ICC WORLD CUP 2023

In India, cricket is more than simply a sport—it is a religion. Cricket fans nationwide are ready to cheer on their preferred teams as the 2023 Cricket World Cup approaches. Even though there's no denying the enthusiasm and excitement surrounding the competition, it's crucial to understand that big athletic events like the World Cup have a big influence on a nation's economy.

India's position as the host country for the 2023 Cricket World Cup guarantees a significant flood of overseas visitors. The hospitality and tourism industries will benefit from this inflow, bringing in more money for local companies like restaurants, lodging facilities, and airlines.

Secondly, merchandise and retail: fans want to show their support for their teams and players, and this translates into booming merchandise sales. E-commerce platforms, as well as physical retail stores, are expected to see a considerable increase in sales. Indian manufacturers, especially those in the textile and sports equipment industries, stand to benefit from this increased demand.

Another imperative effect that the World Cup would bring along is jobs that will be created as a result of the planning and implementation of the event in a number of industries, including hospitality, construction, event management, and more. Job opportunities will increase as businesses expand to meet the increased demand during the World Cup, giving many individuals and families a source of income.

India is expected to see significant economic growth as a result of the 2023 Cricket World Cup. It is said that India's economy is predicted to rise by \$1 billion. The World Cup will help a number of economic sectors, including tourism, advertising, infrastructure development, and retail sales. India's love for cricket continues to intertwine with its economic growth, making the World Cup more than just a sporting event but a major economic catalyst.



Photo Credit: ICC

# INDIA'S THRIVING IMPORT-EXPORT TRADE OF ICONIC GLOBAL BRANDS

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Due to the rapidly changing economic trends, India is undergoing significant changes as import-export trade involving well-known global brands. Brands like Apple, Samsung, Louis Vuitton, Nike, and Toyota are becoming household names across the country. This development is fueled by several factors that are changing India's position in the world market.

The spread of iconic international brands in India is driven by the country's growing middle-class population. With increasing disposable income, these consumers are looking for quality products and want to invest in well-known global brands. This increase in demand has encouraged these companies to expand their presence in the Indian market.

The 'Make in India' initiative has also played an important role in encouraging foreign brands to set up local manufacturing units. This will not only serve the growing domestic demand but will also make India a hub for exports to neighboring regions.

Moreover, favorable trade policies and government incentives have attracted these global giants to invest in India. The ease of doing business in the country and the large, untapped consumer base make it an attractive destination for international brands. As the import-export of famous brands continues to flourish, it will significantly contribute to India's economic growth. This mutually beneficial relationship strengthens India's position in the global economy, fosters job creation, and enriches the consumer experience. India's economic future seems increasingly intertwined with these global icons, creating exciting prospects for both national and international brands.

**Lavanya Sardana**  
Class XI  
S/2125

## UBIQUITY

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Economics is all around.

In every penny and every pound,

Supply and demand are all about

To keep the economy on a steady path,

From banks to markets and trade,

Economics is the game we all play.

It's about making money and spending it too.

To keep the economy growing, something we must do,

Investments, taxes, and inflation

Are we all part of this fiscal foundation?

We work hard to keep it up and running.

To keep the economy from becoming nothing,

So keep your money flowing in and out.

And all around,

And keep the economy moving.

Though economics is not a mystery,

But just a simple plan to keep our money's secret history.

**Priyali Chittlangia**  
Avni Arora  
Class VIII

# TWITTER VS ELON MUSK

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On Thursday, April 14th, Elon Musk announced an offer to buy Twitter for \$54.20 a share. On April 25th, Twitter accepted the deal. By July 8th, Musk wanted out. As of October 27th, the new owner of Twitter is Elon Musk.

Musk is ready to pay full price and buy Twitter after all. The timing of the new offer was strange, as was the fact that Musk didn't offer some big-but-not-as-big number to try and settle the deal once and for all. It did come just before Musk was scheduled to be deposed, though, and just after a slew of embarrassing texts between Musk and his billionaire friends came out. Twitter's share price immediately spiked on the news and ultimately, the judge paused the proceedings, giving Twitter and Elon Musk until 5 p.m. ET on October 28, 2022, to work out a deal based on their original agreement. This deal got messy when the texts between Musk, Jack Dorsey, Larry Ellison, and Jason Calacanis were leaked. Things got particularly messy, it appears, when current Twitter CEO Parag Agrawal asked Musk to stop tweeting damaging things about the company. That's when Musk immediately decided not to join the board and launched his plan to take it private. Dorsey loved the idea; Calacanis had a lot of weird ideas about it; everybody was falling over themselves to give Musk money to make it happen. The texts are weird and hilarious and very much worth a read. Musk threatened to scrap the Twitter deal over a "breach" of the agreement.

After a number of cagey tweets and "just asking questions" sorts of moves, Musk's legal team made its first official threat to back out of the acquisition. In a legal filing, they claimed that Twitter failed to provide Musk with information on the service's spam bot problem and that he's entitled to receive that information under the deal agreement. Twitter, they wrote, was actively preventing him from getting the information he needed. After all the hassle that Elon Musk had to go through, Linda Yaccarino succeeded Musk as CEO on June 5, 2023, with Musk remaining as Chairman and CTO.



**Dor Kapoor**  
**Class XI**  
**M/2807**

Photo Credit: Business Today



# F1: THE RETURN OF THE INDIAN GP

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Formula One was introduced in 1950 on the European circuit. The sport made its debut in India in 2011 at the Indian Grand Prix held in Noida. Formula One, being the most expensive sport in the world, had a tax dispute going on with the Uttar Pradesh government. This caused the sport to exit without completing its five races in India. Over the years, Formula One has been a rising sport in India. With two Indian drivers as a part of Formula Two, the success of the MotoGP, and a new track in Pune (Nanoli Speedway), the question arises: Will F1 be returning to India?

The return of the sport to India would affect the nation's economy in numerous ways, which would contribute towards the betterment of the country's economy and living standards. Employment and permanent and temporary job security will both be offered to the workers. In a developing country such as India, employment is a need. Tourism, being one of the largest service industries in India (4.6%), will offer a greater cash flow as F1 is a highly promoted sport and tourists from all over the country will be flying down. Media Exposure: The sport receives extensive media coverage, such as documentaries on OTT platforms; the Drive to Survive series, a Netflix original, serves as a great example. This not only promotes the host country on a global scale but also opens the country up for more foreign investments and opportunities. Promotion of local businesses, especially those catering to tourists and racegoers, can benefit from increased patronage during the event (UK local businesses had a rise in their profit margin by 3.7 over Formula One weekends). Government Revenue: The government can earn revenue through taxes, licensing fees, and other charges associated with the event.

Planning a sporting event like F1 is a costly endeavor, but the economic impact also depends on the location, fan base, infrastructure, etc. Countries such as India, which have hosted the sport in the past. Let's hope this race can tempt Sebastian Vettel out of his retirement. For as Sir Lewis rightly said, "He will be back!"



Photo Credit: F1

**Riddhi Bajla**  
**Class XII**  
**S/2065**

# THE ISRAEL-PALESTINE WAR

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Costlier crude oil, higher inflation

It's a well-known fact that one of the prompt effects of this contention is the flood of oil costs. Presently, this hits India hard in light of the fact that it's the world's third-biggest shipper of crude oil. At the point when oil costs take off, it frequently prompts more exorbitant costs for everything, and that is not uplifting news for a country that depends intensely on oil imports. It can set off expansion and dial back monetary development.

Higher crude oil costs could adversely affect India, where numerous areas are now under tension because of the rising energy costs. Any further expansion in raw Petroleum costs could stir up expansion, which has been on a descending pattern yet remains essentially over the Save Bank of India's maximum restriction of 6%.

Trade complications India's cosy relationship with Israel adds a contort to the story. Israel is a critical exchange accomplice for India, positioning itself as the third-biggest in Asia and tenth universally. As per the Ministry of External Affairs, the respective exchange between the two nations has broadened into a few areas like pharmaceuticals, agriculture, water, IT, and telecom.

Significant commodities from India to Israel incorporate valuable stones and metals. Then again, significant commodities from Israel to India incorporate pearls and valuable stones, synthetic and mineral/compost items, apparatus and electrical equipment, petroleum oils, defence, apparatus, and transport gear.

Thus, any heightening in the contention among Israel and Hamas could disturb the exchange between these two countries, influencing a wide range of ventures. In FY 2022–23, Indian product commodities to Israel added up to \$7.89 billion, while Israeli products to India were \$2.13 billion. Hence, the all-out remained at more than \$10 billion.

India likewise has significant interests in Israel. As indicated by the information, the aggregate abroad direct venture from India during April 2000 to May 2023 was \$383 million. Indian firms like TCS, State Bank of India, Jain Irrigation, Sun Pharma, Infosys, Tech Mahindra, Adani, and Wipro are among the significant Indian organizations that work to some limit or have made acquisitions or interests in Israel.

In layman terms, the Israel-Hamas struggle isn't simply a provincial issue that influences the Middle East. Further heightening could radically affect a few nations across the planet, including India.



Photo Credit: Supply Chain Brain

# SWIFTONOMICS

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Call it Swiftonomics or Swift-apolis, but the fact has to be agreed upon that Taylor Swift has brought astounding changes to the graph in the US economy, especially in regions she takes her performances to. The timing also contributes to this huge kick-off of her tour: The tour is a perfect outing for thrill seekers itching for a post pandemic live music experience. It comes as no surprise that people are flocking for the Eras Tour, a huge shift from an otherwise digital environment we are a part of in today's time.

The American superstar is not only is not only smashing the music industry records, but also boosting the economy and getting involved in new labour compensation expectations. The musician has been credited with reviving the tourism industry in Illinois after the three nights she spent in Chicago, and was even mentioned in a report by the Fed, crediting her with fueling the national tourism industry.

Employment opportunities have seen a spike in the States, for instance, during Swift's Philadelphia concert, the average hourly wage jumped to \$20.57, marking a \$2 increase from the typical rates.

Although there's a lot to discuss regarding the music, outfits, and staging, the Eras Tour's influence is most evident when examining the statistics. It's estimated to generate \$2.2 billion in ticket sales in North America alone, and her music catalogue experienced a surge of nearly 80% in streaming numbers in the weeks following the tour's commencement. Money goes far deeper than just net profits. The tour is projected to generate about \$5 billion in consumer spending in the US alone. So to say, if Taylor Swift were an economy, she'd be bigger than 50 countries. Usually, for every \$100 spent on live performances, it's expected to generate approximately \$300 in additional local expenditures, encompassing expenses on accommodations, dining, and transportation. However, during the Eras Tour, Swifties are surpassing this trend by splurging an estimated \$1,300 to \$1,500 on items such as attire, merchandise, dining, and travel. This substantial spending is injecting hundreds of millions of dollars into local economies within a single weekend, which is a huge impact brought about only by one person.

Swift is earning well beyond the ticket's face value, exceeding 100%. In addition to ticket sales, the tour generates revenue through sponsorships and merchandise sales. Numerous devoted Swift fans seek a memento to cherish their Eras experience, driving them to purchase all accessible memorabilia. Every concert is filled with tens of thousands of fans wearing and exchanging beaded bracelets spelling out the names of Swift songs and colloquialisms all the way up their arms. While this bracelet economy has brought revenue to local businesses, businesses have reported bead and sequin shortages.

Not just that, Taylor's Eras Tour reveals interesting consumer behaviors with people spending thousands of dollars on such leisure activities. It becomes an important window to studying the shifts in the consumer spending's post pandemic. But it's crystal clear that it is a Taylor Swift economy, and we're all just just living in it.

# CRYPTOCURRENCY: UNLOCKING THE FUTURE

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What is cryptocurrency? Cryptocurrency is digital money, which is an alternative form of payment created using encryption algorithms that are typically decentralised and designed for use on the internet. Not much later than its launch, it grew as a digital alternative to government-issued money. Generally, people buy, sell, and trade their currencies on digital platforms for cryptocurrency trading, which is then stored in digital wallets. The quantity of cryptocurrencies that may now be "extracted" from the web is huge and continues to grow rapidly.

The American social media behemoth Facebook, run by Mark Zuckerberg, has recently been linked to a new virtual currency called Libra, which is expected to significantly alter the value of the cryptocurrency market. Yet the most widespread and well-known currency is bitcoin, which was launched in 2009. It has succeeded in creating its importance and space in the internet world and the digital market. Its value has increased rapidly over time, reaching a record figure of \$20,000 for Bitcoin in 2017. With Bitcoin, it is now possible to buy anything, make investments, play on the stock market, and unfortunately, use it for illegal products or services off the dark web. Cryptocurrency and its impact on the economy: Although cryptocurrency transaction volumes and market prices are rising, their use is still quite low, so it is difficult to assess whether they have a significant impact on monetary policies or not. Cryptocurrencies must be an alternative to the official currency in order for their value to have an impact on the financial markets. However, a country has already made cryptocurrency its official means of transactions. The first nation to permit the use of cryptocurrencies as a medium of exchange is El Salvador. In El Salvador, customers can use Bitcoin to make any purchase. However, as cryptocurrency usage differs from state to state, other nations are unable to legislate regulations on them. When making financial investments, cryptocurrency has grown in popularity. It is to make sure that transactions may be made in the financial markets using crypto without the need for clearing, intermediate, or custodial institutions, shareholder or security issuer intermediaries, or other organisations.



Photo Credit: Mint

Cryptocurrency cannot be used to purchase financial assets from conventional institutions with fiat money. Additionally, it differs from purchasing cryptocurrencies. The taxation of cryptocurrencies is beneficial since it allows for risk-free financial investments in the form of digital money with government backing. Even though the impact is minimal, we can observe the connection between cryptocurrencies and economics in many other fields. For instance, the potential use of Bitcoin technology in education is growing rapidly. Recently, some colleges in Germany, Switzerland, the United States, and Cyprus have started to accept cryptocurrencies as tuition fees. Some online education providers also accept Bitcoin as payment. The ability to purchase airline tickets, hotel rooms, rental cars, and cruises with this money speeds up the adoption of this system among travel-related firms.

One of the best instances of this activity is Project Big ORB, an online game that lets you convert your in-game currency into other assets, including cryptocurrencies, and then exchange it for real money. Some online games have already begun trading cryptocurrencies. Cryptocurrencies have the potential to fundamentally alter the way we use money in 2023 and beyond. It is a desired alternative to traditional currencies because of its decentralization, transparency, cheaper transaction fees, faster transactions and global accessibility.

**Dione Katara**  
**Class XI**  
**K/2267**

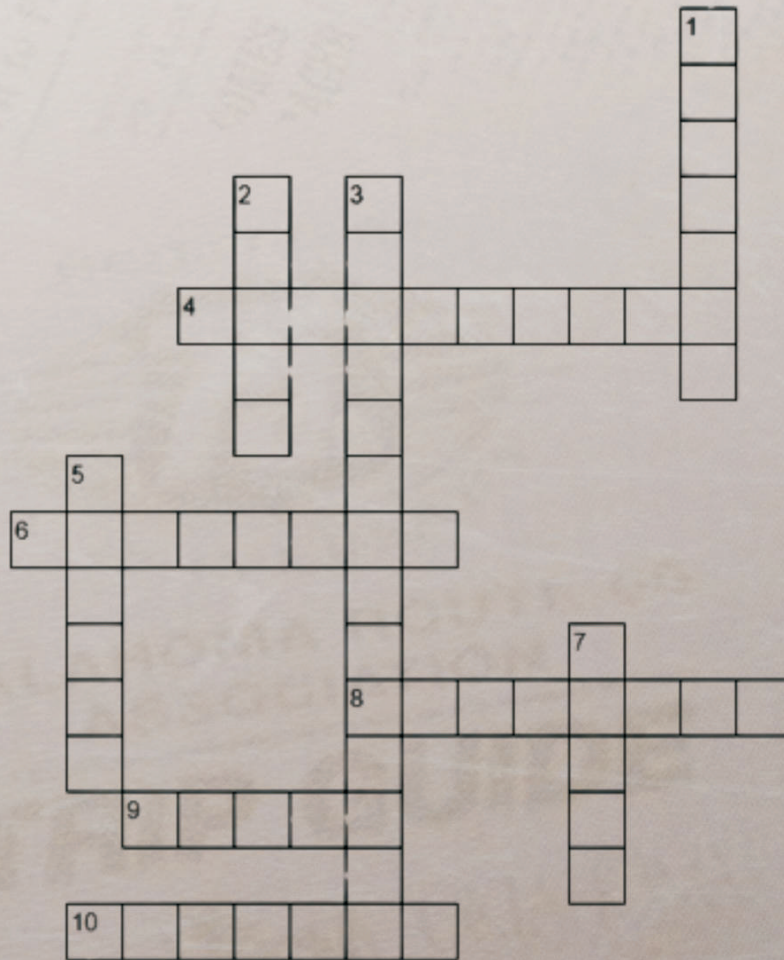
## **THE METAVERSE ECONOMY**

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The concept of the metaverse, a virtual world where people can interact, work, play and trade, has captured the imaginations of technology enthusiasts and economists alike. As we move further into the 21st century, the metaverse is evolving into an attractive economic landscape that promises to transform industries, redefine labour markets, and create new opportunities for entrepreneurs. One of the most fascinating aspects of the metaverse economy is the emergence of digital assets and cryptocurrencies within these virtual worlds. Non-fungible tokens (NFTs), unique digital assets that represent ownership of items or content, are becoming extremely popular. Virtual real estate, digital fashion, and even virtual businesses are bought and sold with real-world currency, blurring the lines between the physical and digital economies. Additionally, the metaverse has the potential to revolutionise remote work and education. Businesses are already considering virtual offices and collaboration spaces, and educational institutions are experimenting with immersive virtual classrooms. However, as the metaverse economy grows, it also raises important questions about regulation, privacy, and security. Governments and businesses must work together to create a framework that ensures fairness, transparency, and the protection of users' rights. In summary, the metaverse economy is an ongoing economic landscape with great potential for innovation. It will be interesting to see how this digital frontier evolves and eventually integrates with the physical world, creating new economic opportunities and challenges.

**Lavanya Sardana**  
**Class XI**  
**S/2125**

# CROSS-ECON



ACROSS	DOWN
<p>4: The name of the short-seller that accused Adani Group of stock manipulation in 2023?</p> <p>6: What is the term for a market structure characterized by a single seller?</p> <p>8: The South Asian country that defaulted on its foreign debt in 2023?</p> <p>9: The highest-valued currency in the world?</p> <p>10: The social media platform that Elon Musk attempted to acquire in 2022?</p>	<p>1: Which city's hotel occupancy record broke due to Taylor Swift's concert?</p> <p>2: The world's second-largest economy that experienced a contraction in Q2 2023?</p> <p>3: What is the name of the central bank of the United States?</p> <p>5: The price of what made everyone's salad more expensive in 2023? Which terrorist group attacked Israel in October, 2023?</p>

# CURRENT AFFAIRS

According to Forbes' layoff tracker, as of 2023, the United States has witnessed a significant workforce reduction, with nearly 194,000 employees affected by more than 150 instances of job cuts. These layoffs have had a widespread impact, spanning across diverse sectors including technology, media, manufacturing, and banking. The far-reaching consequences of these job reductions underscore the extensive economic difficulties confronting these industries.

The innovative machine learning startup, Inflection AI, has unveiled a new AI-driven model named the 'Pi Chatbot.' Mustafa Suleyman, the CEO of this emerging company, proudly stated that it represents one of the most expansive language models ever created globally.

Syria has assumed a prominent role in the illicit production of Captagon, a substance declared illegal on a global scale. The exposure of this operation has had dire consequences for the nation's economy, with reports indicating an annual export of 30-57 billion dollars' worth of Captagon to various parts of the world.

On October 3, 2018, Gita Gopinath, who hails from India, achieved the historic distinction of becoming the first woman to be appointed as the Chief Economist of the International Monetary Fund. Notably, she is also the second individual of Indian origin to assume this significant role, following in the footsteps of former RBI Governor Raghuram Rajan.





# Mayo College Girls' School

Printed and Published by

Mayo College Girls' School

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