

Volume : 1

Issue : 2



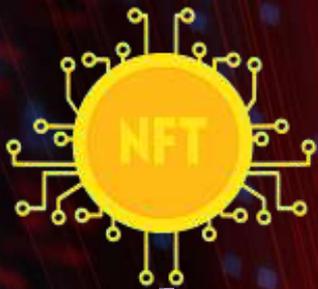
**LOYOLA COLLEGE**  
(AUTONOMOUS)  
COLLEGE OF EXCELLENCE  
CHENNAI -34



**PG & Research Department of Commerce**

# **PULSE**

LCA'S BUSINESS NEWSLETTER



# **ECONOMY**



# DECENTRALISED ECONOMY – A NEW NORMAL

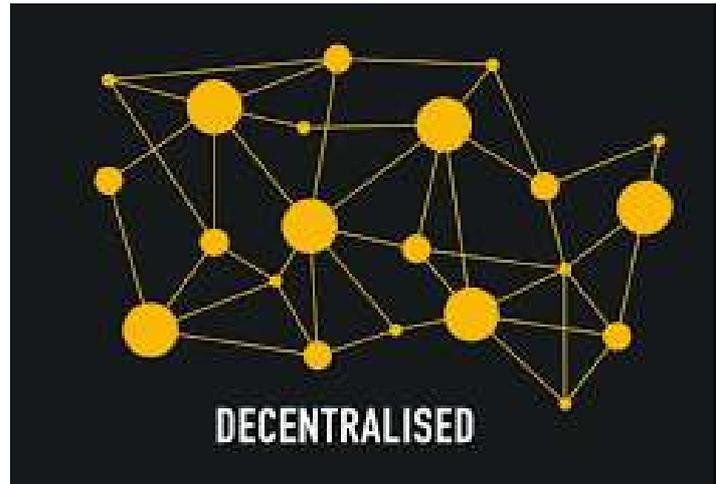
Dr. A. Marcus



## FROM THE HOD'S DESK

### Concept of Decentralisation

The concept of decentralization is not an old phenomenon. It is catching faster than ever before, despite it dates back to 1910, when Henry Cabot Lodge, American Republican Politician referred to this concept in his book “History of Nations”. Way back in 1863, French bureaucrat Maurice Block in his article “Decentralisation” reviewed the dynamics of government and bureaucratic centralization and the efforts taken by France to decentralize its governmental functions. In one of his books, Pierre-Joseph Proudhon (1809-1865), a French Socialist, indicated “all my economic ideas and political ideas boil down to a similar formula – political federation or decentralization”. Stephen Cummings in his book on ‘Recreating Strategy’ mentioned that decentralization became a ‘revolutionary megatrend’ in the 1980s. As per the 1999 United Nations Development Programme Report, it is quoted that a large number of developing and transitional countries have embarked on some form of decentralized programs.



### Dynamics of Decentralisation

In general, government decentralization has both political and administrative aspects. Its decentralization may be territorial, which moves power from the center to the state; it may be functional, which moves decision-making from the top administrator to lower-level officials; or divesting the public functions to private hands. In a decentralized market, technology empowers the investors to correspond directly instead of enrooting through a centralized exchange. Virtualization of markets, decentralized currency, and seamless transactions would take the front seat in every place using advanced technology. A decentralized market uses varied digital devices to communicate and exhibit prices in real-time to make the transactions between buyer and seller, hassle-free. Digital technology will allow the dealers of the commodities and securities directly, cutting the logistics costs, drastically.

## **New Normal of Decentralisation**

The advent of blockchain technology and cryptocurrency has created more openings in which decentralized markets may operate. The seamless market affords investors a sense of security and trust in their dealings and augments the growth of banking-finance insurance in a big way. New regulations and policies would be drafted universally to standardize the global transaction to make the big business houses, more focussed. Decentralization will lead the management towards results on definite objectives to enhance their profitability and market share. Governmental programs are said to increase efficiency and effectiveness due to the reduction of congestion in communications, and quicker reaction to unexpected issues. It also tends to improvise the ability to deliver services, improved information about internal affairs, and extend support to the beneficiaries of programs. Decentralization ensures competency in inter-governmental competitions, fiscal discipline, and assigning of tax and expenditure to reach out to the lowest level of government possible.

## **Benefits of Decentralisation**

1. Enhances transparency
2. Improves confidentiality
3. Universally regulated
4. Absence of intermediary

## **Concerns**

- No direct governing authority
- Faces more challenges, universally
- Inbuilt handicap of technology
- The dearth of strong infrastructure.

## **Decentralization in the Indian context**

Given India's size and diversity, decentralization is very vital for the country's strategy for the alleviation of poverty. Despite the fastest growing economy chasing to become a trillion-dollar economy, the rate had gone up to 12.3 percent in the financial year 2021. From the first central initiative to establish local governments in 1957 to the 73rd and 74th Constitutional Amendments in 1992 and 1993, the country has moved towards decentralization. The country is initiating ambitious efforts to decentralize government to improve the performance and accountability of local government institutions. The policymakers have passed a series of constitutional reforms, designed to democratize, and empower the local governments to make, the country viable to achieve the ambition of our Hon. Prime Minister Narendra Modi envisions India as a USD 5 trillion economy and a global economic powerhouse by 2024-25 and to make India the third-largest economy in the world.

# UNICORNS

## THE NEW DEVELOPMENT INDEX

-GUNJAN KUMAR PANDEY S

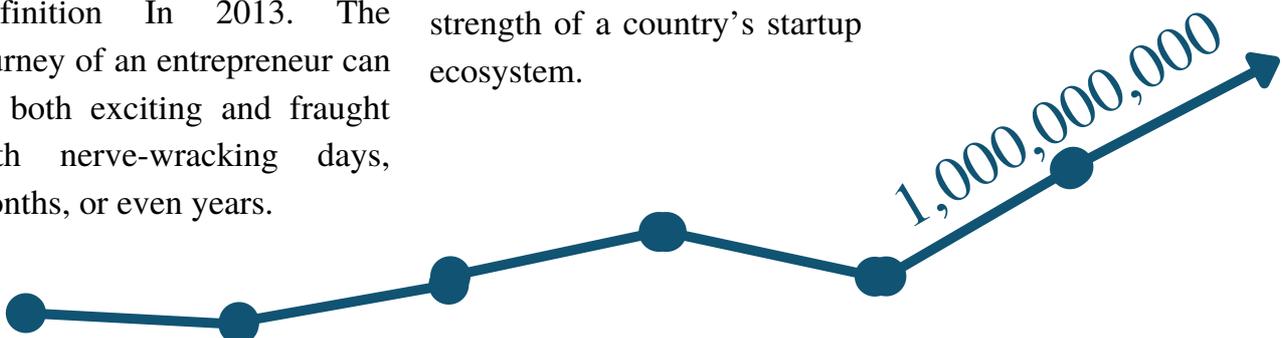


Yes, Unicorns are no more limited to being and imagination. It's now the dream of all new start-ups. Unicorns are trying to go out for internationalization and to gain a scalable model. The renowned US seed funder for software entrepreneurs and founder of Cowboy Ventures, Aileen Lee is credited with coming up with the Unicorn Definition In 2013. The journey of an entrepreneur can be both exciting and fraught with nerve-wracking days, months, or even years.

The epithet of a unicorn is as much about the amount of capital a startup receives as it is about this sense of achievement. A company becoming a unicorn deserves the applause of the ecosystem as it is a robust signal of success. This is why the repeatable generation of this elusive outcome is an important indicator of the strength of a country's startup ecosystem.



Funding in the early stages is the biggest hurdle an entrepreneur's faces and once crossed, rings in the greatest validation for the fledgling business.



## Development Index - How?

Countries' development can be simply portrayed through various indexes such as life expectancy, education, and the per capita income. They are used to rank countries into variable tiers. A major addition to the list has been made and that is "UNICORNS" when a country reports more number of unicorns it resembles the tremendous growth of the nation's economy and the standard of living. Flipkart, Droom, CRED, Meesho, and Upgrade are some of the Indian unicorns. As the unicorns grow it also bags various benefits such as Industrial development, employment opportunities, and balanced demand and supply and this is majorly enough for the country to achieve the 17 sustainable development targets. Considering Unicorn's growth as a Development index is justifiable, they hold the power to count more foreign exchange and can support the country's move along with the New Economic Policy. ROI is very rapid and it attracts the global parties to invest and acquire, which leads to international trade and relations.



## India's Development as Unicorn Grows:

The rise of Indian unicorns — start-ups that reach \$1 billion in valuation — has raised hopes of innovation and entrepreneurship-driven growth in the country. It is difficult to anticipate aggregate outcomes of disruptive forces as impacts are observed over time. The growth pivot expected from the technology-driven transformations is exceptional, although the combined market valuation of unicorns is presently a minuscule share of the total despite robust future assessments by their venture capital investor. The unicorns are primarily located in consumer, technology, finance, hospitality, retail, and communications —

domestic market-oriented services, although some look abroad as discerned from the foreign acquisitions. This contrasts with the emergence of India's information technology sector nearly three decades ago. That was solely geared toward foreign demand, lifted the global share of India's services exports, and stabilized external balances with receipts that partly offset a secular expansion of the goods' trade deficit. It also triggered IT-enabled, business process outsourcing and related services, created high- and medium-skilled jobs tapping into a vast engineering pool, language, and low-wage advantages, and established an ecosystem in Bangalore, the crucible of present-day unicorns

## Its Mobility:

The milestone of \$1 billion in funding came into vogue at the turn of the millennium, after the dot-com bubble burst, even though they were uncertain times for tech start-ups. The past actions have proven, how the Unicorns can change the front of the economy. Peeping years back this collection of companies is now worth more than the public market tech titans such as Google, Microsoft, Amazon, Facebook, and Apple emerged as the top-list market leader. All these companies were once unicorn start-ups and were invested by venture capitalists and other outside investors. They had a positive impact on the American Economy without any vein. In 2021, it is a different picture with more than 600 unicorns thriving around the world, according to CB insights. With China and the USA leading the pack with 400+ unicorns among themselves, India still has a long way to go in unicorn count. However, the number of unicorns is the third-highest in the world. India reached its century of unicorn start-ups with a valuation of \$333 billion. It is the third-largest count of unicorns. Flipkart & Byju with a valuation of \$37.6 Billion & \$21 billion, has taken the top spot in the list of start-ups in India,



followed by the fintech start-up One97 Communications' brand Paytm & Nykaa with valuations of \$16 billion & \$14 billion respectively. The line between success and failure is a very thin one. unicorns are very young companies that value talents and creativity. India being the powerhouse of the eligible labor force can bring out the best by providing a greater ambiance. Unicorns being the new development index can also stand the stagflation. These types of businesses are well aware, they can handle the rough with the smooth move, developing a special resilience.

# HOW CBDC CAN REDEFINE THE INDIAN MONETARY SYSTEM

-Anjana Sojan

Many countries around the world are developing CBDCs and some have even implemented them. China aims to launch e-CNY digital currency during the 2022 Beijing Winter Olympics. UK, Canada, and France are also investigating blockchain technology to optimize banking processes. Because so many countries are researching ways to transition to digital currencies, it is important to understand what they are and what they mean to society. According to Deloitte, there are 60 central banks are researching CBDC adoption and effects, 36 banks considering retail and wholesale CBDCs, and 18 banks considering only retail CBDCs. Central bank digital currencies (CBDC) are digital tokens that are similar to cryptocurrency. The difference is that the central bank of a country issues it. They are pegged to the value of that country's fiat currency. CBDC depends on a value or a token-oriented approach. Tokenization releases a new format for currencies, securities, and other assets as digital bearer instruments. They allow the transferability of value similar to sending a text and also comprehensive programmability. Digitizing the sovereign currency is sure to redress a series of national economic challenges. Also, it can give an added advantage to individual citizens for solving practical problems. However, true benefits of decentralization may only be achieved when both the CBDC and private cryptocurrency are allowed to flourish. This implies the right balance of both the public and private cryptocurrencies will result in the desired outcome befitting a decentralized



global economy theoretically, CBDC tokens are stated to represent the most efficient and secure approach to managing broader access to central bank money. They are designed to accomplish additional functionalities including native instant and atomic exchanges to eliminate any open positions in foreign exchange trading. This is yet to be tested in practice. On the contrary, private cryptocurrencies like Bitcoin, Ethereum, and Litecoin have already demonstrated hard proof in settling cross-border payments. This also implies that the promoting of CBDC while suppressing the growth of private cryptocurrencies may have adverse effects on national and global economies. Suppression of private digital currencies by imposing excessive taxation and regulations may lead to 're-centralization' of the economy - taking us back to the start.

# NFT: THE NEW ERA?

-Harin Antony Mason C



There is always some news that leaves us with a significant impact, like the global pandemic, climate changes, and the growth of Bitcoin which had a huge influence on everyone. and by the time we can process it, there was another jaw-dropper, "NFT sold for \$6 million by Grimes" yes you read it right, \$6 million just for digital art. Now, you might be wondering why is it worth so much, is it useful? So to know about it, let's start with the basics.

## What is NFT?

NFT stands for 'Non Fungible token and this particular token of any digital art, cannot be replaced or substituted. NFT acts for tangible and intangible items such as Arts, GIFS, and even tweets



They are bought and sold online, frequently with cryptocurrency, and they are generally encoded with the same underlying software as many cryptos.

Although they've been around since 2014, NFTs are gaining notoriety now because they are becoming an increasingly popular way to buy and sell digital artwork. NFTs are also generally one of a kind, or at least one of a very limited run, and have unique identifying codes.

## NFT Different from Cryptocurrency?

NFT stands for non-fungible token. It's generally built using the same kind of programming as cryptocurrency, like Bitcoin or Ethereum, but that's where the similarity ends. Cryptocurrencies are "fungible," meaning they can be traded or exchanged for one another. They're also equal in value, one Bitcoin is always equal to another Bitcoin. If you take a Pokemon card in a digital form it's non-fungible because when you sell it with others, you will not get the same card, the card you get will be different from what you traded.

## How does NFT work?

NFT is specifically stored on the Ethereum blockchain. NFTs are like collection objects, rather than buying an actual painting to hang on the wall, collectors or buyers buy it digitally and file it. NFT is not only a collection object but it can store any valuable pieces of information. For instance, artists can sign their artwork by including their signature in an NFT.



## What is NFT used for?

The use of NFT depends entirely on whether you are an artist or a buyer/collector. If you are an artist, then you don't need to rely on auctions or galleries, instead, you can directly sell it to the customer as an NFT, which helps you to earn even more profit. In addition to it, artists get some extra percentage when their art is sold from one to another. And if you are a buyer then that NFT belongs to you. You exclusively enjoy ownership rights upon that art.

## Future of NFT.

NFT has recently been a massive explosion in social media among artists and collectors. Owing to its huge popularity, many are willing to pay thousands of dollars for those NFTs. With all the fuss made about NFT, is it possible to say that NFT is mainstream now? With all the above information given, I guess it is possible to say, yes, NFTs are mainstream now.

# METaverse: THE NEW REALITY

-Anjelene Antonette Bosco A

## Future Of Commerce In Metaverse



The already evolving commerce sector is going to completely transform in the future with metaverse. Metaverse proposes to transform the internet, which is largely a transfer of information from a server to a user, into a more immersive and real-feeling experience that can be shared by an unlimited number of users. Simply described, the metaverse is the parallel between the tech world and the actual world. According to recent market research, the metaverse business opportunity might be worth over \$800 billion by 2024. Therefore, let us look into the differences we are going to see in the commerce sector with the emergence of the metaverse.

## Virtual Shopping



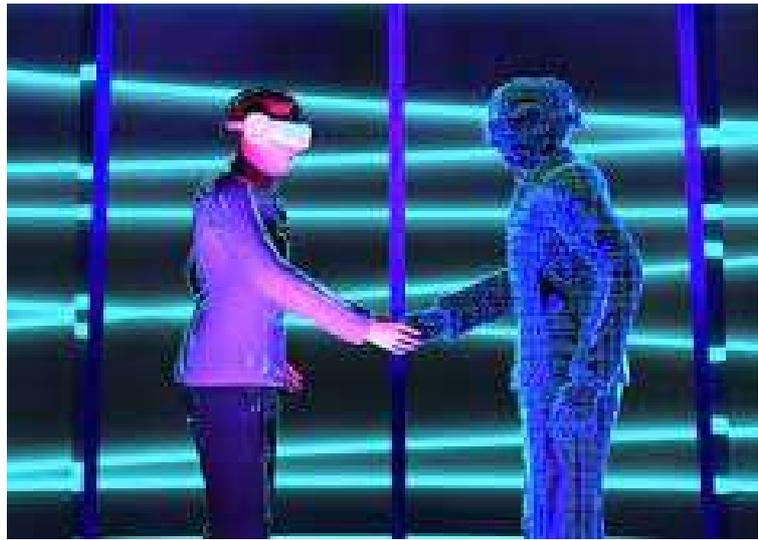
You could also look at yourself from a 360-degree angle to see how your outfits and other accessories look on your 3D avatar character. For better or worse, virtual shopping, digital avatars, and outfit generator apps are just a few of the engaging experiences that will be a part of the metaverse space, for better or worse. As a result, the metaverse is said to improve the overall consumer shopping experience, all from the comfort of your own home.

With the integration of AI technologies, virtual shopping experiences in the metaverse provide product suggestions that match the different tastes of different consumers, providing a more shopping experience. Beyond space and time, shoppers will be able to wander through virtual stores as digital Avatar characters, try on clothes, select accessories, and even buy a car online through a 3D test drive experience.

## Limitless Trading

While bitcoins, crypto, NFTs, and other traded stocks are highly popular these days, their growth is going to be tremendous in the future when people go shift to digital money and stocks and the use of physical cash will likely go extinct. It would enable enterprises from many geographical regions to engage in a single market economy with no trade restrictions. The influence of real-world borders, treaties, and penalties on the metaverse stays unchanged, but at its heart, enterprises will be able to trade freely without regard to geography. Eventually, complete trading platforms and stock exchanges might be developed in the metaverse that is accessible to a considerably bigger pool of investors than is now conceivable in the current world.

In the future, we may have a single, unified metaverse that connects the various platforms that are being developed. Businesses might anticipate acquiring land as NFTs. to put up their VR storefronts and give customers crypto-priced product catalogs. Blockchains and cryptocurrencies will become an essential component of the metaverse. Transactions will be cryptographically safeguarded via a blockchain. People in the parallel universe will be able to see the real-time increase and fall in stock price without any barriers.



## Meeting Consumer Expectations in the Future



Customers will be more readily persuaded if the visualization is of higher quality. Millions of people with VR headsets are likely to begin shopping in the near future. They will put on spectacles, test home products, try on outfits, and do virtual test drives. AR technology will be utilized to determine how a piece of furniture will fit or which shoes will look the best.

This virtual shopping 3D trial function solves the critical issue of returns for online retail firms. Metaverse will have elements that allow customers to combine their in-store and online buying experiences. Brands will be able to address customer expectations more readily if they combine tangible in-store experiences with digital aspects.

## The Retail Market will be Reshaped by the Next Generation of Consumers (Generation Alpha).

Though Gen Z was the major consumer generation for video games, social networks, and other sorts of social media, Gen Alpha will pave the road to the metaverse.

Users will participate in the economy of this ecosystem by using a virtual avatar and will be rewarded for their efforts. This will be a self-contained agent that will boost interaction in the metaverse.

## Metaverse Customer Behaviour

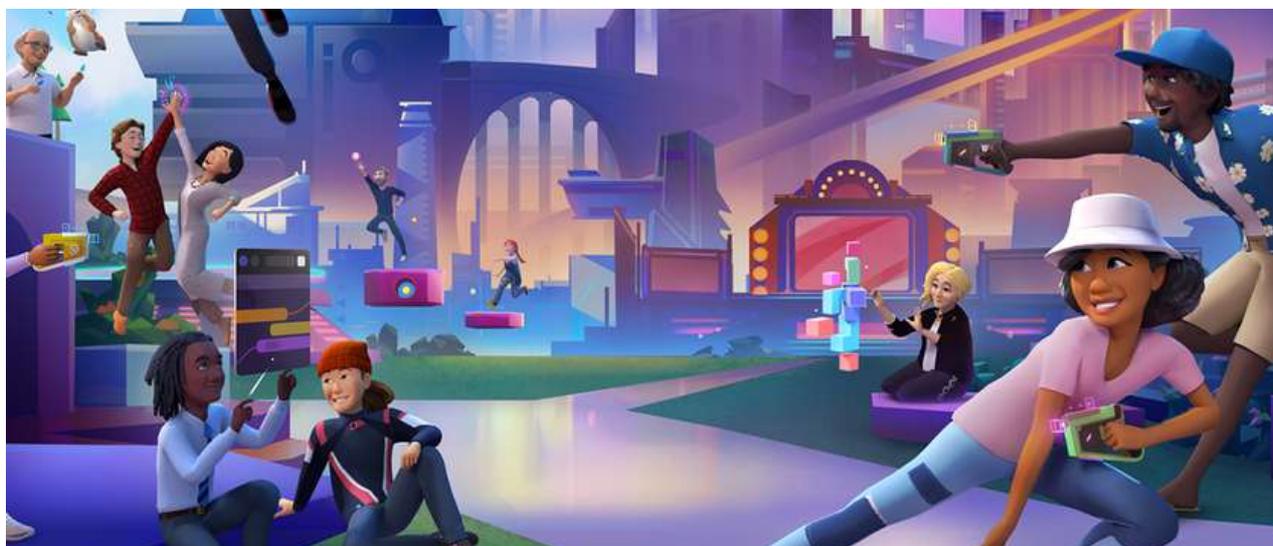
Gartner predicts that by 2026, 25% of individuals would spend at least one hour every day in the Metaverse for work, retail, education, social networking, and leisure. Microsoft announced the introduction of its own enterprise Metaverse in 2022, with users able to access business apps such as MS Excel and PowerPoint.

You'll be spending most of your time in the Metaverse as a result of this, and it's not difficult to imagine that you'll want to do your daily shopping within the same experience, maybe followed by completely immersive gaming.

## Wrap up

The notion that virtual reality will become a part of our daily life is an unavoidable fact. Looking back at how far we've come, there's little question that this Metaverse evolution will occur.

As a result, when it comes to e-commerce, Metaverse will be heavily reliant on it in the future to conduct its operations in every area.



# ROPO – A SIGNIFICANT MARKETING

## OPPORTUNITY

-J Harshini

Research online, purchase offline, is a modern trend in buying behavior where customers research relevant product information online, compare prices, and read through online reviews to qualify their buying decision before making an in-store purchase. This research can be done before stepping foot in a retail store or on smartphones while walking through the store's aisles. Most brands and

retailers agree that online search makes a significant contribution to sales in physical stores. Nevertheless, they have been struggling for years with the question of how to gain insight into this ROPO effect and leverage it to their advantage. 80% of customers are now using their mobile phones inside brick-and-mortar stores to look up customer reviews, find other locations that carry the product, and see



how your prices stack up against your competitors. And according to RetailNext, 84% of customers believe that brands should do even more to integrate their online and offline channels. But the real question is how do you take advantage of this ROPO trend

## Optimize Your Website

Whether your customers are researching your products from their couch or one of your aisles, the information they need should be readily accessible. Product pages should include accurate (and helpful) size charts and color descriptions. Online and in-store prices should be transparent. You should also include aisle information, if possible, as this will enable your customers to quickly find what they're looking for when they arrive at a physical location. Not only can offering all of this information shorten your customers' decision-making process significantly, but it can also improve your shoppers' satisfaction and perception of your brand.

## Offer Mobile Shortcuts

Since many customers will visit your website again while they're in your stores, your site must be as mobile-friendly as possible on every device. Here are some ways you can do that:

- Make your site intuitive and easy to navigate from all mobile devices
- Use product QR codes to help customers find in-store items on your website quickly
- Highlight a selected product's location on a digital store map

By combining these strategies with those listed above and below, you can elevate the research process and shopping experience for every omnichannel customer.



## Embrace Omnichannel Technology

In addition to the information already mentioned, your customers need to know how much inventory you have and where that inventory is located to decide where to shop.

Using omnichannel order management technology you can more easily deliver this information as your teams can track inventory in every warehouse, fulfillment center, and store in real-time. This information can then be used to update product pages on individual location websites, thus giving customers the most up-to-date information available.

Whether your customers shop omnichannel, online, offline, or mix and match their shopping preferences, many are going to do research before making a purchase. As a result, the better optimized your product pages are for every device and the more real-time your product availability is, the better able you will be to provide customers with the information they're after.

## Personalize Digital Touchpoints Based on In-Store Actions:

You should personalize digital touchpoints with information you gather in-store. A great example is cart abandonment campaigns. Normally, you would follow up with customers if they did not complete their purchase on-site. Software like Barilliance can recognize that customers bought the items they were researching online in-store, pause cart abandonment emails and instead initiate a post-purchase campaign.

## Create Research Aids :

ROPO demonstrates that your customers are researching online. One of the best things you can do is provide value ahead of time by creating free guides that position your products well. In short, ROPO behavior allows consumers to make quicker, more informed decisions. It also means they can fulfill their needs in the shortest timeframe possible. So naturally, the trend continues to grow.

# HOW BLOCKCHAIN WILL REVOLUTIONISE MICRO-FINANCE?

Rajesh Kanna

Microfinance is one of the most important components of financial activities in India because microfinance is the only thing that is meant to provide financial services to the most backward sections of society or to people who don't have immediate access to banks. But, microfinance is still far reachable for many people because almost 20% of the total population in India doesn't have a bank account and out of the rest 80% who have a bank account, half of them have zero balance (or remain inactive). So, this says that the current financial institutions are not quite successful in covering the backward sections of society and they seem so because they don't find profits in providing credit to people whose life will change when they get a loan to study in a good college or to people who feed the fellow humans (famously known as Farmers). Microloans play a vital role in economic development in India. So, if this is ignored, it will cost the death of farmers who will get a loan from a near lender at the exorbitant interest rates and will die due to the inability to pay a small loan with high interest or there won't be an improvement in the standard of living of people due to his/her inability to get a good education, basic goods or other amenities. It seems that it will be nice if Government administrates the microfinance sector because the motive of the Government is to improve the welfare of the people and not profits. But, they aren't successful either.



Because, if the Government announces subsidies / low-interest loans to tribal communities or farmers, only a small part of the subsidy is received by the people to whom it is intended. The rest of it is consumed by corruptive intermediaries (so-called Government Officials) or by someone with fake certificates. Companies' profit motives and Government's inefficient Bureaucracy will not help in establishing a successful Micro financial system. And that's where Blockchain kicks in. Blockchain is a distributed, immutable, and secured ledger that provides the infrastructure for transactions and recording those transactions. The reason why it is revolutionary is that it achieves the above without the presence of any intermediaries. So, the blockchain doesn't need a corruptive government intermediary or a financial institution to make the subsidy available to a farmer from the Government.



People who have a basic smartphone can create a Digital ID in the blockchain and start receiving subsidies or loans instantly without complicated paperwork or making payments through the Blockchain. And the added advantage is that when they repay the loan regularly without default, their credit score will increase and next time, they will be eligible to get more loans. This is possible because every transaction is recorded in the blockchain. So, the farmer will get loans/subsidies at the right time and he will not only eat, he will feed his fellow humans as well. A student from a remote village who couldn't get a loan to study in a good college can now get a student loan instantly and study in a good college and get a good job and his and his family's standard of living will increase. Through the above examples, we can see how having accessibility to microfinance is beneficial for the people of the country thereby enhancing economic development. Blockchain doesn't stop with merely providing micro loans, even micro-deposits can be made to get returns. This is possible today with blockchains through Decentralised Finance (Defi in short).

So, people can invest instantly because it only requires a digital ID to make deposits in the blockchain. Improving the capital efficiency of people from backward sections promotes financial inclusion and economic equality which are the most pressing problems in India. Blockchain has many applications that are waiting to be offered to the Indian people. Thanks to the underlying characteristics of the blockchain (decentralized, immutable, trustless, operable without an intermediary, secured) for making these things possible that weren't available before. We have to educate our fellow human beings about this technology to get wider adoption so that the beneficiaries will get benefitted.

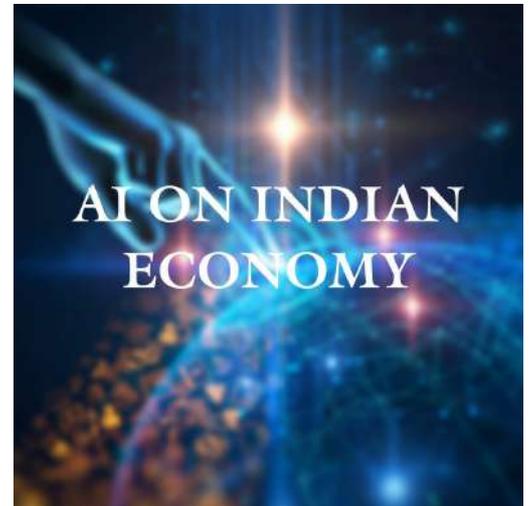


# AI IMPACT ON INDIAN ECONOMY

DEEPTHI H

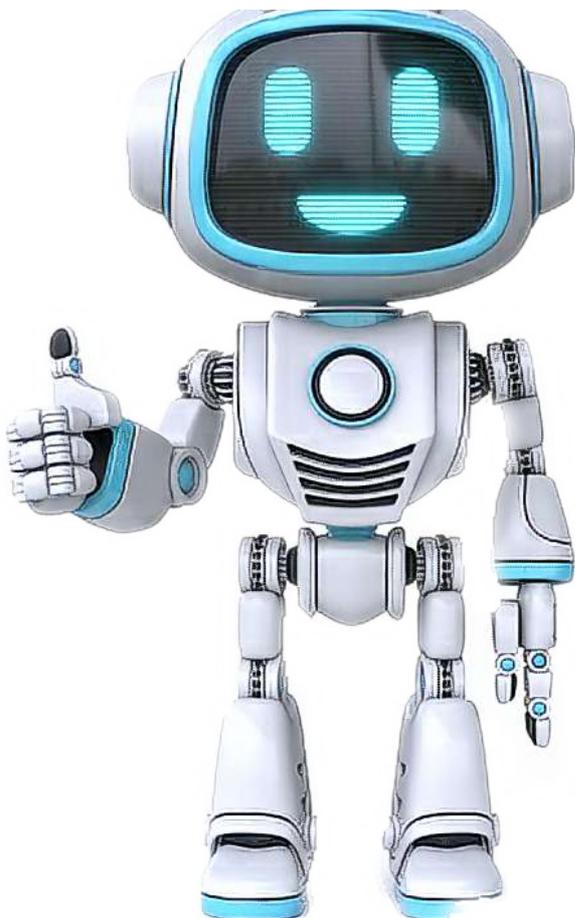
- Artificial intelligence
- Robotics
- Indian Economy

AI has become the buzzword of the day, we are now in the artificial intelligence era'. It has changed the way things are done and has been expanding its roots to almost every field possible. It is transforming the process of production, distribution, and management. Not only that, it has even created an impact in agriculture, promising innovation and creativity in addressing the issues arising in the areas of healthcare, education, banking, and finance. The Indian Policymakers are focused on tapping the potential strength of AI for economic development in the future.



## HOW DOES IT IMPACT ECONOMY?

When everything is becoming more and more dependent on advanced technologies, it raises the question of how these affect the economy as a whole. While here for our discussion let us try to understand the impact of AI. AI is expected to add around 450 to 500 billion dollars to the GDP by 2025. This contribution is expected from the agriculture, banking, and finance sectors. AI can help in providing better yield for farmers and productive handling of finance and fraud detection. We can also consider the retail sector, where there can be more personalised advertising campaigns and advanced marketing.



## HEALTHCARE

Indian healthcare is one of the largest sectors in both aspects of revenue and employment. The global pandemic has triggered the importance of adopting technology, especially AI. The country should focus on providing technology-based solutions which may include, virtual consultations, chatbots that help and support the customers, diagnosing & monitoring remotely more advanced research. Early detection of diseases through analysis.

## AI ON INDIAN ECONOMY

All of this can be addressed by AI, where healthcare organisations need companies for deploying AI-SOLUTIONS effectively. This works both ways new startups, service providers are formed. Academic institutions can be created and also the maximum potential of AI in healthcare can be tapped. This may lead to advancement in the economy of our country.



## ROLE IN BANKING

Indian healthcare is one of the largest sectors in both aspects of revenue and employment. The global pandemic has triggered the importance of adopting technology, especially AI. The country should focus on providing technology-based solutions which may include, virtual consultations, chatbots that help and support the customers, diagnosing & monitoring remotely more advanced research. Early detection of diseases through analysis.

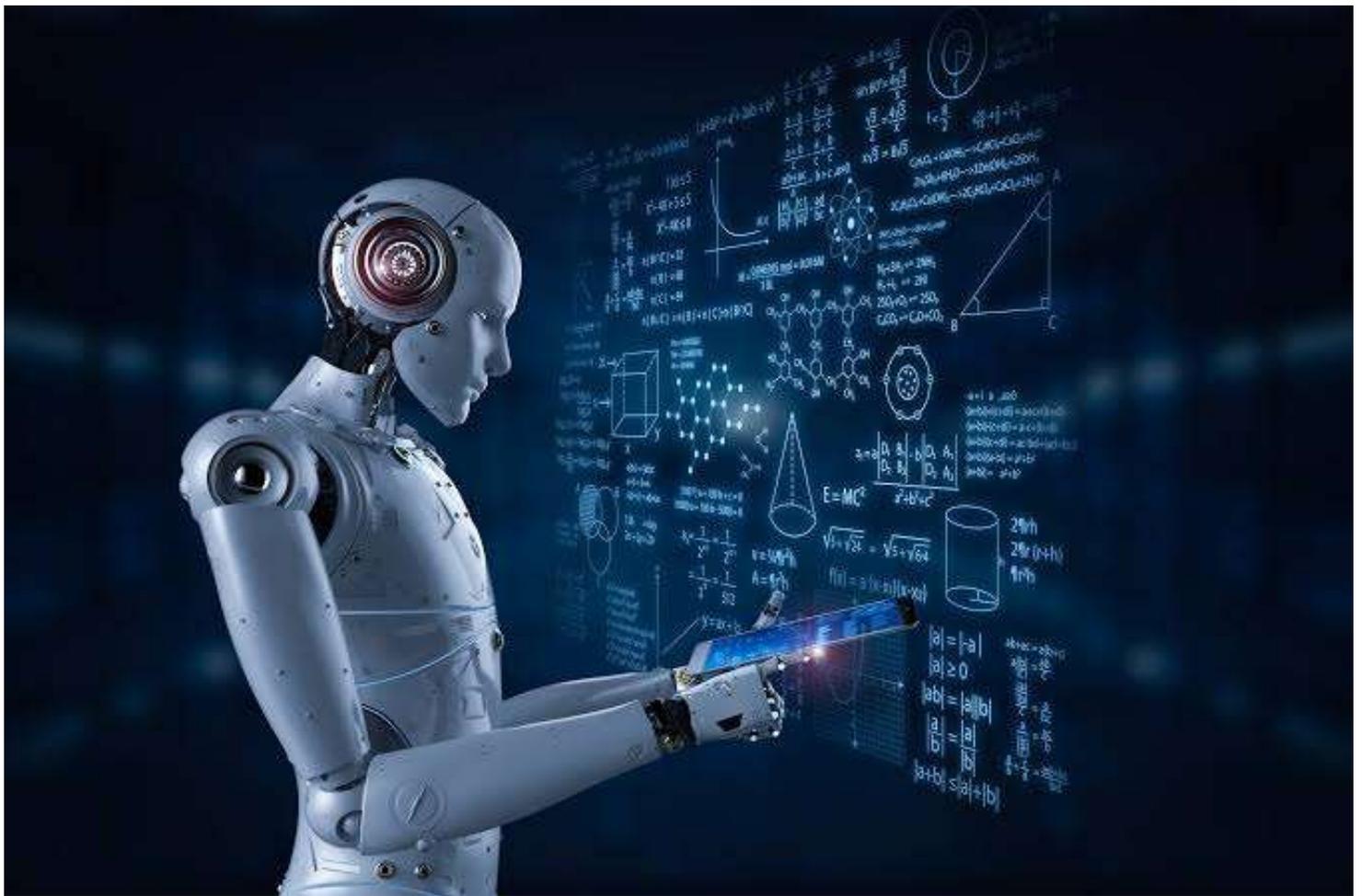
All of this can be addressed by AI, where healthcare organisations need companies for deploying AI-SOLUTIONS effectively. This works both ways new startups, service providers are formed. Academic institutions can be created and also the maximum potential of AI in healthcare can be tapped. This may lead to advancement in the economy of our country.

## MAKING GREAT DIFFERENCES IN AGRICULTURE

With agriculture being the most important sector of the economy, the use of AI in agriculture is quite interesting. The food tech start-ups have raised more than one billion dollars in the financial year 2019-2020. The export of Agri products can be further increased through proper storage and supply chain management. The growth in agriculture is enhanced through proper investments in technology. AI is undoubtedly making a difference, and the introduction of agri-tech startups providing AI-related solutions stands as proof of it. AI applications in agriculture are expected to grow to 8.38 billion dollars by 2030. The use of AI may help the farmers to get access to data, credit, and insurance. The drones and sensors used can be used in data collection in creating predictive models for making various decisions related to agriculture.

## FACILITATING ONLINE RETAILING

Gone are the days when people went from shop to shop to buy products, the after-effects of the covid-19 is changing the phase of purchasing. Today online shopping has become the need of the hour and AI has an upper hand here. Understanding the consumer's tastes and preferences through tracking their internet footprints and increasing, inducing their sense of purchase through ads is a job AI can master at. Not just that it helps in reducing broken supply chains, better demand forecast, warehouse management, and better financial planning. The imprint of AI is found abundantly in the retail sector.



## IMPLICATION OF AI

- Time-saving and reduced cost.
- Increases efficiency of the organization
- Effective - work is done much faster
- Security- AI offers security in bank operations.
- Job creation - new jobs can be created with the introduction of AI in various sectors.

In a country like India technologies like AI may be both a boon and bane. With the vast unemployment problem existing in the country these technologies may further worsen the case. Similarly, when new jobs are created through these technologies it is important to equip our people for the same. So, it is in the hands of the government to formulate policies keeping in mind the Indian human capital.

## THREATS

- ❖ High implementation cost
- ❖ Unemployment
- ❖ Replacement of workforce
- ❖ Risks associated with advanced technology



DEFI  
CRYPTOGRAPHY  
BLOCKCHAIN  
FINANCING

# DE-FI

UPSIDES  
DOWNSIDES  
PILLARS  
FEATURES

VIJAYADHARSHEEN.T



## DEFI-CENTRALISED FINANCE

**D**ecentralized Finance (DeFi) functions with cryptography, blockchain technology and smart contracts as the basis to manage financial transactions, It aims to democratize finance by replacing conventional centralized banking system and disempowers brokers, middlemen and gatekeepers.

DeFi is a collective term for **financial products and services that are accessible to anyone who can use Ethereum** – anyone with an internet connection. With DeFi, the markets are always

open and there are no centralized markets are always open and there are no centralized authorities who can block payments or deny you access to anything.

One of the earliest applications of DeFi was the **creation of cryptocurrencies with stable values, also known as stablecoins**. Stablecoins, by being much less volatile than other cryptocurrencies, are considered suitable for making ordinary purchases.

# UPSIDES

Decentralised financing is the changing the spectrum of money supply in the economy.



## **BORROWING \$ LENDING BECOMES A PLUS POINT**

De-fi makes Borrowing and lending much easier than what expected. Members and wallets owners can borrow or lend crypto investments from crypto exchanges to get better returns than the current bank rates.

## **TRANSPARENCY DETERMINATION**

All transactions on the block chain, which make up more than 90% of all De-Fi traffic, are sent and validated to other users on the network. This level of transactional data transparency allows all users to view networking activity. Anyone with a crypto currency wallet and internet connection can access the De-Fi service regardless of location. Users can also exchange and move wealth wherever they like without having to wait for a bank transfer or a pay traditional bank fees

## **READY SOURCES AVAILABLE WITH MORE FACTS AND DETAILS**

Many crypto currencies are built with open source code that anyone can view, research, and build. Developers can easily connect multiple De-Fi applications based on open source technology to create new financial products and services without asking for approval.

## **EASY PROGRAMMING OPTIONS**

Smart contracts are highly programmable and can be designed to run automatically based on an infinite number of variables. De-Fi data uses a block chain architecture, which makes it tamper-proof, secure, and auditable.



# DOWNSIDERS

DeFi is an evolving revolution in the money system of the economy with its cost.

## UNPROTECTION PLAYS A GREAT ROLE:

DeFi has prospered without rules or regulations. However, this also means that users can hardly rely on if a transaction fails.

## IMMATURITY SPEAKS:



DeFi technology is not yet mature and has not been extensively tested on a large scale over a long period of

time. Funds can be lost or endangered. For example, the DeFi platform Compound has recently been hit by a major problem, with customers mistakenly sending millions of dollars of cryptocurrencies.

## PRIVATE KEY REQUIREMENTS:

DeFi and cryptocurrencies need to protect the wallet used to store crypto assets. The wallet is protected by a private key. The private key is a long and unique code known only to the wallet owner. If you lose your private key, you will not be able to access your funds. There is no way to recover a lost private key.

## CAN BE EASILY HACKED, BESIDES ACT AS COLLATERAL:

It's almost impossible to change the blockchain but other aspects of DeFi are at high risk of being hacked, which can lead to theft and loss of funds.

Almost all DeFi lending operations require collateral of at least 100% of the loan amount. These requirements severely limit the eligibility of many types of DeFi loans.

# WILL SOCIAL COMMERCE GROW TO

**BHARATHWAJ**

## NEXT LEVEL?

Have you ever thought of buying a product after seeing it on social media and later got disappointed when you were not able to find it again? If yes, then does that still happen again? Most of us would still say yes but the frequency of not being able to buy the product has been decreasing over the years, thanks to the continuous inventions and innovations in the social business platforms. In this article, we will be seeing about the journey of social commerce from its baby steps to its current situation and the future of it.



The first-ever introduction of the term 'social commerce' was by Yahoo! in the year 2005. Later the concept of social commerce was slowly started to get adopted by startups who aspired to grow their businesses to the next levels.

## EXPERTS SAY 200M PEOPLE USE FB, FURTHER INCREASES.

After the worldwide success of Facebook, the small-scale sellers started to use this platform as an opportunity to market their products to possible consumers. Initially, they were able to only post pictures and prices about their products in a common individual account like the others but later the management team of Facebook came across the sudden rise of businesses happening and designed the option to create business accounts and enable the smooth functioning of the business.

As per the survey in 2021, an estimate of 200 million users conducts their businesses through Facebook and experts say that this number would only continue to increase.



## METaverse GOING TO RULE THE WORLD, SAYS RESEARCHERS

Currently, social commerce takes place through platforms like Facebook and Instagram, but researchers suggest that in the coming years, it will take place in the web 3.0 known as the metaverse. There is a possibility that the existing platforms may move on to the metaverse while there is also a huge opportunity for new startups to emerge and capture a dominant position in the market.

# RICH PEOPLE AND TAXES

**JEFF BEZOS AND ELON MUSK HAVE PAID \$0 income taxes, 2007, 2011, 2018.**



Many billionaires in the world pay little income tax compared to their massive income and wealth—sometimes, even nothing. Taken together it demolishes the myth of the AMERICAN TAX SYSTEM. Millionaires can pay taxes that are only tiniest of their incomes in millions.

**A ALLEN JEFF ARUL**



**In 2007, Warren Buffet paid a tax rate of 18%, while his secretary paid 33%**

## HOW RICH PEOPLE AVOID TO PAY TAXES?



In 2007, **Warren Buffet** paid a tax rate of 18%, while his secretary paid 33%.

**Jeff Bezos** and **Elon Musk** paid a grand total of \$0 in income taxes in 2007, 2011, and 2018. Every year, billionaires avoid \$160 bn+ in income taxes.

Well, billionaires don't get paid salaries like us – they prefer to hold shares in the companies they run. And in the US, there's a sneaky difference in the way shares and salaries are taxed.

The main reason the top 400 pay such a low tax rate is that a very large share of their income is in the form of unrealized capital gains—appreciation in the value of their assets, mostly stocks and other business interests.

## Highest tax rate for salaries, wages, and bonuses is 37% For shares just 20%.

**T**he highest tax rate for salaries, wages, and bonuses is 37% whereas, for shares, it's just 20%. Plus, you only pay this tax once you sell your shares. So if it's only levied when the shares are sold, what's the easiest way to avoid paying taxes?

That's right, never sell your shares.

They follow the "buy, borrow, and die" strategy. It's

simple: first, buy an asset (in this case, shares), and on't sell it. Then borrow loans from banks by using

their assets as collateral. Being rich means you're creditworthy, so the interest rates are also super low. And since loans aren't considered income, they are not taxed. Dividends from large shareholdings have the interest payments covered. As for repayment, they can do that via proceeds from divested businesses. Or they could keep borrowing - as long as their assets keep appreciating. Finally, the last step of this strategy: Die. Upon the death of the rich, their heirs inherit their assets tax-free, and the cycle continues.



# EVEN SEMESTER – PROGRAMS ORGANISED AND CONDUCTED (2021-2022)



Workshop on Publishing Articles in Journals Indexed Globally - 20<sup>th</sup> & 21<sup>st</sup> January, 2022.

20<sup>th</sup> and 21<sup>st</sup> JANUARY 2022

14<sup>th</sup> MARCH 2022

Tribute to Dr. Joseph Jayaraj

Guest Lecture on Unlock the Innovation and Creativity within you.

22<sup>nd</sup> MARCH 2022

28<sup>th</sup> and 29<sup>th</sup> MARCH 2022

Business Colloquium -Devising the Business for Global E-Commerce.

Workshop on Business Intelligence and Analytics.

31<sup>st</sup> MARCH 2022

1<sup>st</sup> APRIL 2022

96<sup>th</sup> Annual sports day.

Workshop on Publishing Research manuscripts in Globally Indexed Journals.

9<sup>th</sup> APRIL 2022

18<sup>th</sup> APRIL 2022

Tribute to Vishwa

**International Conference on Business Analytics for sustainable digital transformation.**

**21 & 22  
APRIL  
2022**

**21  
APRIL  
2022**

**Commerce E  
Newsletter "PULSE" -**

**OVATIONS 2022**

**29  
APRIL  
2022**

**6 MAY  
2022**

**One day Rural  
Exposure Visit.**

**Parent Teachers Meeting**

**7 MAY  
2022**

**11 MAY  
2022**

**Guest Lecture-Emerging  
Trends & Opportunities  
available in Insurance  
sector.**

**Orientation on  
Modalities of using  
Loyola college central  
library.**

**9-14  
MAY  
2022**

**17TH  
MAY  
2022**

**Workshop on Stock  
Market Investment  
Analysis.**

**Workshop on SPSS**

**18<sup>TH</sup> AND  
19<sup>TH</sup>  
MAY  
2022**

**19<sup>TH</sup>  
MAY  
2022**

**Webinar on Recent  
Advancements in ERP &  
Career Opportunities for  
Commerce Graduates.**

**Guest Lecture on  
Group Dynamics and  
Leadership Excellence**

**23<sup>RD</sup> MAY  
2022**

**24<sup>TH</sup> MAY  
2022**

**Concepts & Its Application  
using SPSS**

**Guest Lecture on  
Entrepreneurship &  
Innovation**

**24<sup>TH</sup> MAY  
2022**

**27<sup>TH</sup> MAY  
2022**

**Guest Lecture on  
HR- A Business  
Transformation  
Tool.**

**VALEDICTORY  
FUNCTION.**

**27<sup>TH</sup> MAY  
2022**

# MEET THE TEAM

2022



## PATRON



**Dr. A. Marcus**  
Head of the Department

## CHIEF EDITOR



**Dr. N. Maria Joseph**  
President, LCA

## EDITORIAL & DESIGN TEAM



**Ananthu Subrramanian**



**Joseph Clarin Flemin**



**Kesava Perumal**



**Harin Antony Mason C**



**Venkat Sha B**

# CONTENT TEAM

2022



**Gunjan Kumar Pandey S**

**Unicorns: The New Development  
Index**



**Harin Antony Mason C**

**NFT: The New Era**



**Anjana Sojan**

**How CBDC can Redefine the Indian  
Monetary System?**



**Anjelene Antonette Bosco.A**

**Metaverse: The New Reality**



**Harshini J**

**ROPO - A Significant Marketing  
Opportunity**



**Vijayadharsheen T**

**DeFi: Opportunities & Challenges to  
the Economy**

# CONTENT TEAM

2022



**Deepthi H**

**AI Impact on Indian Economy**



**Bharathwaj**

**Will Social Commerce Grow to the Next Level?**



**A Allen Jeff Arul**

**How Rich People Avoid Taxes?**



**Rajesh Kanna G**

**How Blockchain will Revolutionise Microfinance?**