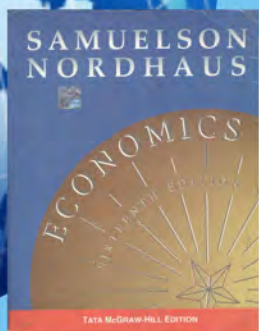




Course Case Mapping for
**Macro Economics and
Business Environment**

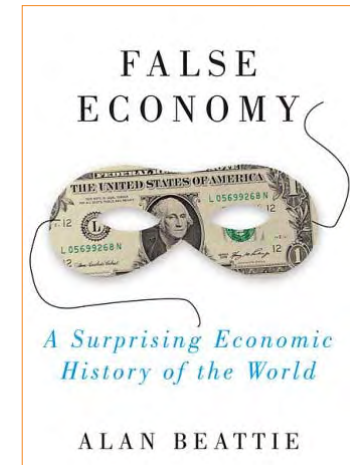
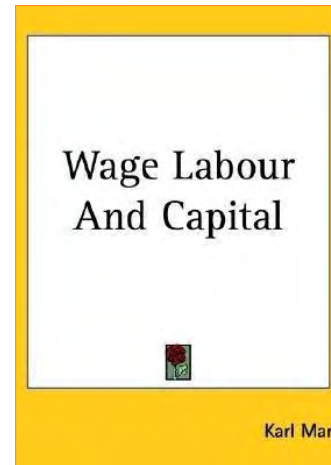
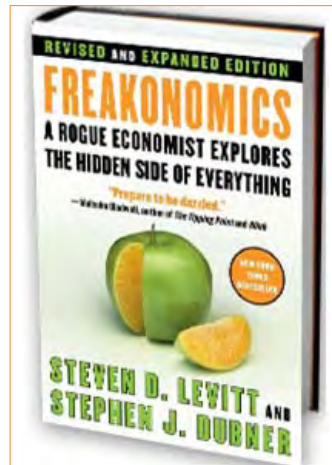
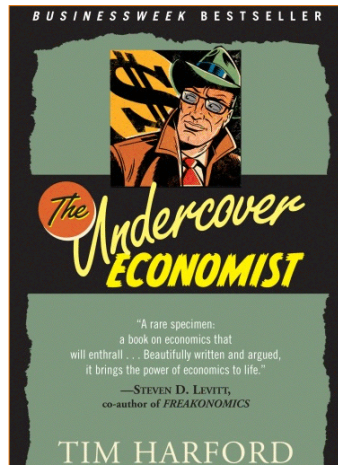
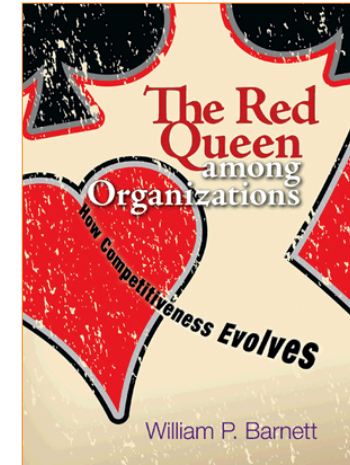
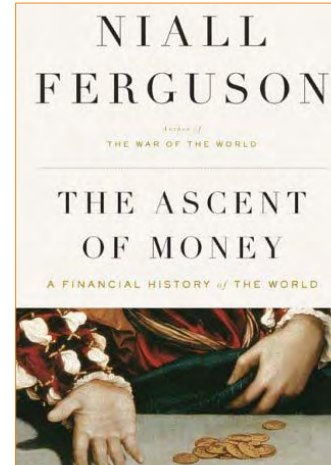
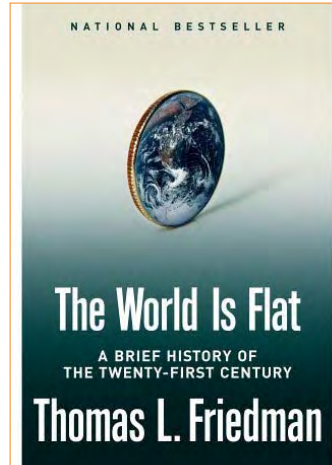
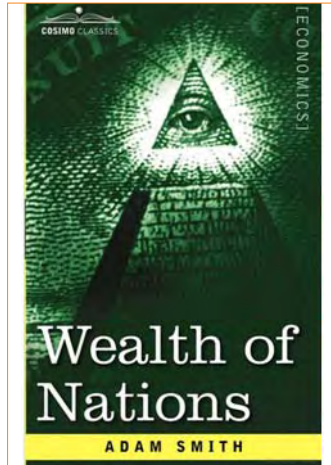
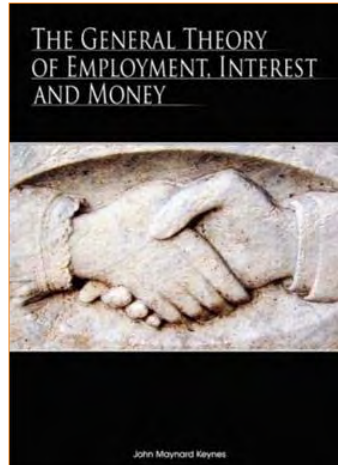


Mapped for
**Macro Economics and
Business Environment**
Samuelson Nordhaus

Suggested Background Reading Material

1. "The Globalization of Markets", *Harvard Business Review*, May–June 1983
2. "The Competitive Advantage of Nations", *Harvard Business Review*, March–April 1990
3. "Who Supplied The Supply Side", *Harvard Business Review*, May–June 1990
4. "Is The Deficit A Friendly Giant, After All?", *Harvard Business Review*, July–August 1993
5. "Sense and Nonsense About Budget Deficits", *Harvard Business Review*, May–June 1993
6. "A Country Is Not A Company", *Harvard Business Review*, January–February 1996
7. "How Do Economies Grow", *Harvard Business Review*, May–June 1997
8. "What Drives The Wealth of Nations", *Harvard Business Review*, July–August 1998
9. "The Balance of Payments and the Exchange Rate" (Note), IESE, 0-398-087, ASEN 207-E
10. "The Bretton Woods System of Exchange Rates" (Note), Harvard Business School, 0-797-093
11. "An Overview of Macro Economics for Business People" (Note), Kellogg Graduate School of Management (JIBE2 – 1LA2)
12. "Exchange Rates: Definitions and the Real Exchange Rate" (Note), Darden Business Publishing, UVA – BP -0457
13. "Fiscal Policy – Managing Aggregate Demand", (Note), Harvard Business School, 9-797 – 076
14. "Fiscal and Monetary Policy" (Note) , Darden Business Publishing, UVA – BP – 0453
15. "Monetary Policy and the Money Multiplier" (Note), Darden Business Publishing, UVA – BP – 0455
16. "Money – How it is created and controlled", (Note), IESE, 0-398-092, ASEN 209-E
17. "Money and Inflation", (Note), IESE, 0-398-086, ASEN 206 – E
18. "Note on Money and Monetary Policy" (Note), Harvard Business School, 9-797 – 094
19. "The Economic Gains From Trade: Theories of Strategic Trade" (Note), Harvard Business School, 9-796-184
20. "The Macro Economics of An Open Economy" (Note), IESE, 0-398-088, ASEN 208-E
21. "Unemployment and Inflation" (Note), IESE, 0-398-085, ASEN 205-E
22. "Aggregate Demand and Aggregate Supply" (Note), IESE, 0-398-084, ASEN 204-E
23. "Monetary Policy and the Money Multiplier" (Note), Darden Business Publishing, UVA – BP – 0455
24. "The Income Multiplier" (Note), Darden Business Publishing, UVA – BP – 0454

Widely Used Books for
Macro Economics and Business Environment



Macro Economics and Business Course Case Mapping

Chapter	Detailed Syllabus	Session	Key Concepts	Case Study	Abstract	Background Reading/ Additional Reading
Introduction to Economic Analysis	Microeconomics vs Macroeconomics, Goals of Macroeconomic policy, Objectives and Instruments of Macroeconomics	1	Meaning of Macroeconomics, Difference between Micro and Macroeconomics, Key Concepts of Macroeconomics	1. Irish Economy: A Model of Success	In 1988, <i>The Economist</i> described Ireland as 'The poorest of the rich', while comparing the island republic with its European counterparts. Barely a decade later, the magazine called it 'Europe's shining light'. Ireland changed the global perception about its economy when, in 1999, its per capita GDP of €23,410 surpassed that of Britain's €22,760. Ireland also ranked 9 th in per capita output, among the industrial nations, up from 22 nd in 1993. Ireland's success was largely due to the new fiscal and monetary policies which it adopted in 1987. The case study analyses the macroeconomic policy objectives of an economy like economic growth, full employment and price stability in the context of Ireland's economy. The case study also facilitates in understanding the instruments of macroeconomic policies namely fiscal and monetary polices to achieve the above objectives.	<ul style="list-style-type: none"> Chapter 20, "Overview of Macroeconomics", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition "Measure for measure", http://www.nber.org/~rosenbla/econ110/lecture/ireland.pdf, October 14th 2004 Power Jim, "Obituary For The Irish Pound", http://www.ibf.ie/pdfs/ibrs99.pdf
				2. Entrepreneurship in Ghana: Government Initiatives	Ghana, a nation that remained for long as one of the poorest economies of the world, had become an emerging economy in Africa by 2005. Its gross domestic product growth rate, at 4%, between 1990 and 2004, has surpassed that of the other sub-Saharan nations (2%) and rest of the world (3%). Structural transformation of the economy from state controls to free market under the	<ul style="list-style-type: none"> "Macroeconomic Stability, Growth and Poverty Reduction in Ghana", http://www.arts.cornell.edu/poverty/kanbur/GhanallFullDocument.pdf, October 2001

Contd...

				<p>leadership of Jerry Rawlings, who ruled the country from 1981 to 2000 has ushered in a new economic standing. This transformation has encouraged many non-resident Ghanaians to set up their own business in the country and has thereby given a boost to the development process. The reforms were continued by the government that succeeded Rawlings, ensuring stability and continuance of pro-market economic policies.</p>	<ul style="list-style-type: none"> • “Investment Policy Review Ghana”, http://www.unctad.org/en/docs/iteipcmisc14rev1_en.pdf, 2003
			3. Chinese State-owned Enterprises – Redefining the Role of Government in Business	<p>China’s economy, since the start of the reform era in 1978, has seen stupendous growth aggregating over 10% for five successive years till 2007. Where economies of the world over are advocating capitalism, China has embarked on becoming a ‘socialist market economy’, with the State continuing to play an important role in the development of the economy. Chinese State-owned Enterprises (SOEs) are making news with a number of them appearing on the global lists of the world’s top companies. Domestically too, despite a thriving private sector, some of the most profitable companies continue to be state-owned. China may have undertaken liberalisation but politically the state continues to dominate major areas of economic activity. The case has been written with a view to understand government’s role in business. Giving the facts that contributed to the growth of China’s economy in general and the restructuring and development of its SOEs in particular, this case leads to an argument on – does state control on enterprises and protectionism hinder growth and is state-ownership a dead-hand? Are China’s SOEs well-equipped to compete in the cut-throat global environment without the government sops?</p>	<ul style="list-style-type: none"> • Beebe Allan, “Going Global: Prospects and Challenges for Chinese Companies on the World Stage”, http://www-935.ibm.com/services/us/imc/pdf/g510-6269-going-global.pdf, 2006 • Xiaolian Hu, “China’s Approach to Reform”, http://www.imf.org/external/pubs/ft/fandd/2007/09/xiaolian.htm, September 2007

Contd...

Measuring National output/ Income	Concept of national product, Variants of national product, Methods of measuring national Income and problems of measuring, Real Vs Nominal, Price indices and its applications	2	Gross Domestic Product, Gross National Product and its Measures, Real GDP, Nominal GDP	4. National Income Accounting: A Case Study of China	This case study was written primarily to illustrate and to know the calculation of GDP, GNP, Nominal GDP, Real GDP and the related concepts in the backdrop of China's economy. After three decades of central planning it was time for China to emerge from isolation and become an important player in the world economy. Economic reforms since 1978 have taken China to a new trajectory of growth. Evolving into a controlled-open economy has synchronised the movement of macroeconomic variables like growth rate, inflation and exchange rate, with the rest of the world. Any policy change in China now has its impact on the world economy.	<ul style="list-style-type: none"> • Chapter 2, "National Income: Basic Concepts and Related Aggregates", <i>Introductory macroeconomics</i>, Reddy K.S. and Poonam Mathur. • Chapter 1, "The Nature of Regression Analysis"; Chapter 2, "Two Variable Regression Analysis: Some Basic Ideas" and Chapter 3, "Two Variable Regression The Problem of Estimation", <i>Basic Econometrics</i>, Gujarati Damodar, 4th edition. • Chapter 2, "How markets Determine Incomes", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition
				5. Bhutan's Gross National Happiness: An Economic Reality or Wishful Thinking?	In the 18 th century, British philosopher and economist Jeremy Bentham advocated that the ultimate goal of state policy ought to be maximisation of happiness of its citizens. But measurement of happiness has remained elusive for the welfare economists and government establishments alike. The shortcomings of Marshallian cardinal measure of well-being and the illegitimacy of interpersonal comparison of well-being led to surrogate measurement of a country's development in terms of GDP which was	<ul style="list-style-type: none"> • Kringelbach Morten L., "Searching the Brain for Happiness", http://news.bbc.co.uk/2/hi/programmes/happiness_formula/4880272.stm, May 2nd 2006 • Rudin M., "The Science of Happiness", http://

Contd...

					<p>believed to be the obvious means of happiness. When disconnect between GDP and happiness became manifest in available data of various countries across space and time, it was realised that GDP is merely one among the many means and lost its relevance in happiness matrix after a certain threshold level. This is because GDP addresses mere physical or material needs of human beings while people do have other important needs as well, such as spiritual and emotional. Confronted with this outward experience and conditioned by its own Buddhist impulse, Bhutan has embarked upon designing a new measure of development, called Gross National Happiness (GNH). Aided and encouraged by the recent progress in happiness research, Bhutan attempts to track happiness directly instead of sticking to the imperfect proxy route of GDP. In the process, the Bhutanese experiment sparks debates on the issue involving various concepts pertaining to National Income Accounting and Welfare Economics. This case helps analyse the shortcomings of conventional measures such as GNP, GDP, NNP, NDP and other relevant variants. The case also helps in understanding the difficulties in measuring happiness and also appreciating the relevance of concepts such as Easterlin's Paradox, MEW, HDI, externalities, Pareto optimality, aspiration treadmill and relative income hypothesis.</p>	<p>news.bbc.co.uk/2/hi/programmes/4783836.stm, April 30th 2006</p>
Aggregate Demand and Aggregate Supply	Meaning of AD and AS curves, Demand function for labour, supply	3	Aggregate Demand and Supply, Classical and	6.Lecture Note: Framework of Aggregate	This note is primarily developed with the objective of providing basic explanation to AS-AD model, for tyros of macroeconomics. Aggregate supply and aggregate demand establishes the relationship between price level	<ul style="list-style-type: none"> Chapter 3, "Determination of Income and Employment", <i>Introductory macroeconomics</i>, Reddy K S and Poonam Mathur

Contd...

	function of labour, Labour market equilibrium under classical and Keynesian models		Keynesian Models	Demand and Aggregate Supply	and real production that is used to understand business cycles, gross domestic product, unemployment and inflation. The AS-AD model, motivated by standard market model, captures interaction between aggregate demand (the buyers) and short-run and long-run aggregate supply (the sellers). This model includes macroeconomic aggregates which keeps the students focused on relationship between employment level and output level, providing the aggregate supply equation – a relationship between price level and production level firms. The model was first proposed by John Maynard Keynes in <i>The General Theory of Employment, Interest, and Money</i> and has since become the foundation for the modern macroeconomics. As a rare consensus, economists from monetarist supporters of <i>Laissez-faire</i> , such as Milton Friedman to socialist supporters, such as Joan Robinson have accepted the model as the base for managing macroeconomic aggregates.	<ul style="list-style-type: none"> Chapter 3, “Basic Elements of Supply and Demand”, <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition
				7. Is Keynes still Relevant?	When the US citizens were rollicking in the soaring optimism of the roaring twenties of the last century, suddenly their economy was caught off-guard in a scary crash at the penultimate year that decade. As it lingered on long, the distilled essence of the reigning classical economics made no sense in that spooky scenario. It stood to ridicule as stark actuality stared to gobble the theory. But no credible alternative framework was in place to lean upon. During those darkening days, in came J.M. Keynes with the bombshell of a book <i>The General Theory of Employment, Interest and Money</i> . It not only demolished many a classical	<ul style="list-style-type: none"> Krugman Paul, “Introduction to The General Theory of Employment, Interest, and Money, by John Maynard Keynes”, www.pkarchive.org/economy/GeneralTheoryKeynesIntro.html Samuelson Paul A. and Nordhaus William D., “Monetarism and the Demand for Money”, <i>Economics</i>,

Contd...

				<p>myths such as paradox of thrift, supply creates its own demand, wage cut expands employment and so on, but also presented a cogent doctrine to lift the economy from slump. Keynes' brilliant insight could detect that instability is the name of the game and to fight it, the artillery is government intervention – but not to the extent that the Marxists recommended for. The case runs a whole hog of logic and reality as regards efficacy of Keynesian medication when countries are afflicted with economic downturn. As the US Financial Crisis of 2008 – traced to the housing bubble – cries out for solution and the bailout plan put in place in the name of Keynesianism seems at best half-cock in success, the relevance of Keynes – who guns for direct government intervention – resonates in the powerhouse of policymakers. Whether Keynesian economics is a real remedy for the downside or whether it is worse than the malady is a stimulating question that the case poses and ponders over. Whether Keynesianism suffers from the 'Broken Window Fallacy' or it breaks free the economies of the world from the shackles of slump; whether it masks a debt-driven festering bubble in the underbelly of yet another bigger bubble propped up by yet higher leverage or it truly re-stirs the resources that have gone into forced idleness are the aspects discussed and dissected. In doing so, the case revives the debate apropos the relevance of the great economist even six decades after his demise. The counterfoil provided by monetarism, supply-side economics and the Austrian school of thought only sharpens the issue.</p>	<p>(ISBN 0-07-0546851), Mc Graw-Hill, Inc., 1985 Chapter 16, page 325.</p> <ul style="list-style-type: none"> • John Maynard Keynes, "The Principle of Effective Demand", <i>The General Theory of Employment, Interest and Money</i>, http://search.yahoo.com/search?ei=utf-8&fr=slv8-acer&p=General%20Theory%2c%20Interest%20and%20Money%20by%20John%20Maynard%20Keynes, Chapter 3, page 17
--	--	--	--	---	---

Contd...



Determination of Equilibrium Income	Components of aggregate Demand, Consumption function, Marginal propensity to Consume, Determinants of Consumption, Saving function, Investment function, Determinants of Investment, Government spending, Net exports, determination of equilibrium output (income)	4	Aggregate Demand, Consumption, Savings and Investment functions, Marginal Propensity to Consume and Save, Net Exports.	8. Economics of Savings	In any economy, savings provide not only required capital for economic growth but also ensure further demand in the economy. Adam Smith said, ‘...at portion which he annually saves, as for the sake of the profit it is immediately employed as a capital, is consumed in the same manner...but by a different set of people’. But some economists argue that spending will create its own demand and therefore savings are not that important. In the last quarter of the 20 th century, western countries, Anglo-Saxon nations in particular, have embraced this notion and encouraged their populace to spend more. By the turn of the 20 th century, these nations were saddled with low saving rates, some even with negative, New Zealand, for example. And this has set some economists to rethink the savings philosophy.	<ul style="list-style-type: none"> Chapter 22, “Consumption and Investment”, <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th Edition “The coming Demographic Deficit: How Aging Populations Will Reduce Global Savings”, www.mckinsey.com/mgi/reports/pdfs/MGI_DemographicDeficit.pdf
				9. Business Confidence? Very High; Consumer Spending? Very Low: How to get the German Consumer to Spend More?	The world’s third-largest economy, Germany, witnessed a CAGR of just 1% during the period 1999–2004, which was one of the lowest in the G8 countries. Low consumer spending was cited as the main reason for the dismal economic performance, which had resulted in low domestic demand and high unemployment rates. However, in 2006, Germany’s business confidence index reached a 15-year high, invigorating the economy. Meanwhile, analysts projected it to be a temporary phenomenon, which was the result of the frenzied infrastructure development and business activities in preparation for hosting the 2006 FIFA World Cup.	<ul style="list-style-type: none"> Weilrich Heinz, “Analyzing Competitive advantages and disadvantages of Germany with the TOWS Matrix-an alternative to Porter’s Model”, <i>European Business Review</i>, November 6th1999, Volume99, pages 9–22 Atkins Ralph and Milne Richard, “German business climate at 15-year high”, www.ft.com/cms/s/8d30e792-05b8-11db-9dde-0000779e2340.html, June 28th 2006

Contd...

Product market	Shifts in spending/ Aggregate Expenditure, Concept of multiplier – simple multiplier, investment multiplier, multiplier in the presence of taxes and balanced budget, foreign trade multiplier.	5	Concept of Multiplier	10. The Burgeoning Indian Economy: Signs of Overheating?	The Indian economy, for most of its independent history, was under the strangles of the <i>Licence Raj</i> . But it opened up in 1991. Subsequently, its economic activity was integrated with the global economy and record growth ensued. However, by mid-2000s, Indian economy is rattled as most economic variables – such as stock indices, interest rates and fiscal deficit – were displaying negative signs. Moreover, its economic growth mostly rode on the success of liberalising several sectors, at the cost of others sectors. Policymakers would have a tough time tackling these economic imbalances. Effects of economic reforms on various sectors and their effectiveness can be thoroughly discussed through this case. Economic impact of monetary and fiscal policies needn't be neglected.	<ul style="list-style-type: none"> • Chapter 27, "The Process of Economic Growth"; Chapter 28, "The Challenge of Economic Development", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Mitra Pritha, "Has Government Investment Crowded Out Private Investment in India?", www.aeaweb.org/annual_mtg_papers/2006/0108_1015_0102.pdf • Shirai Sayuri, "Assessment of India's banking sector Reforms from the perspective of the Governance of the banking system", www.unescap.org/drpad/publication/fin_2206/part4.pdf
Money market	Functions of money, Demand for money and supply of money- Determination of interest rates, Real vs nominal interest rateHicks – Hansen Model: IS – LM	6	Demand and Supply of Money, Interest Rates, Investment and Savings, Liquidity of Money and Money Supply, Real and	11. Demand for and Supply of Money: A Case of India	This case study primarily helps in understanding the estimation/calculation of money supply in an economy. This case also helps in analysing the determinants of money supply and the interrelations between those determinants, apart from understanding various theories relating to money demand and supply along with theories on monetary policies. In economics, money is a broad term that refers to any financial instrument that can fulfil the functions of money – a medium of exchange, a unit of account, a standard of deferred payment and a store of value. Money supply is	

Contd...

			Nominal Interest Rates	usually measured as three escalating categories: M1 (most liquid financial instruments), M2 (equals to M1 + and savings account deposits), and M3 (M2 plus time deposits). It helps in understanding the theories relating to supply for and demand of money in the light of changes in money supply in India during 1990–2008. The case also helps in analysing income velocity of money with the data provided.	
			12. IS and LM Functions: General Equilibrium of Product Market and Money Market	The note is prepared with the objective of explaining the IS-LM model – also referred to as Hicks and Hansen IS-LM model, which establishes interrelations between various macroeconomic variables that determine investments in an economy – to beginners in macroeconomics. The IS-LM approach has a long history behind it. Roy Harrod, James Meade and Oskar Lange attempted to establish relationships in Keynesians theory of employment, interest and money as equations. The attempt was to explain how the theory of effective demand and the theory of liquidity preference depend on and affect each other. In a similar effort, John Hicks, in his famous <i>Econometrica</i> article, “ <i>Mr Keynes and the Classics: A suggested interpretation</i> ”, illustrated these relationships through two curves, SI-LL, which have become famously known as the IS-LM model. Though, proposed by Hicks, the curves were popularised by Alvin Hansen and thus, the name Hicks and Hansen IS-LM model. IS-LM model focuses on the demand side of an economy – the relationship between national income and the aggregate demand. Thus, it takes money supply as the exogenous variable and keeps the student’s focus on	<ul style="list-style-type: none"> • Mohan Rakesh, “Growth Record of the Indian Economy, 1950-2008: A Story of Sustained Savings and Investment”, http://www.bis.org/review/r080218c.pdf

Contd...

					the important connections between the money supply, interest rates and economic activity. The model has been hailed as one of the most intriguing pedagogical tool and as one of the most efficient tools devised in economics. It is not, however, without shortcomings, both as a self-sufficient model or as a representation of Keynes's theory.	
Business Cycles	Features of business cycle, Business cycle theories	7	Business Cycle and Foundations of Aggregate Demand	13. US Financial Crisis: Is Great Depression II in the Making?	This case study is written primarily to answer one simple, yet inconclusive question: Should US Financial Crisis (2008) be termed Great Depression II? The Great Depression of the 1930s is such a traumatic economic experience that whenever there is any slump in economic activity, a spontaneous spooky sense occupies people's mindscape. The case study relates the US Financial Crisis of 2008 to the Great Depression of 1929 by taking into consideration the key magnitudes of the economic decline in those days and at present. The benefits of hindsight, the state of global integration, the availability of policy options – then and now – have also been touched upon. In the process, the case analyses an array of concepts like economic slowdown, recession, depression, various gauges to judge the severity of the economic downturn, various indicators of recession, Baltic freight index, subprime mortgage, housing bubble, CDO, CDS, Minsky moment, monetary policy, fiscal policy, Phillips curve, stagflation, etc. It also goes on an exploration of the causes of the Great Depression as pointed out by Keynesians, Monetarists, Marxists and neo-classical Misesians; the cures prescribed by them; the measures actually implemented; and the degree of success achieved. Whether – in the realm of an economy – history repeats itself or merely rhymes, come off as the main focus as the case uncovers.	<ul style="list-style-type: none"> Chapter 23, "Business Cycles and the Theory of Aggregate Demand", <i>Economics</i>, Paul A. amuelson and William D. Nordhaus, 16th edition

Contd...

				14. Japan: Employing the Unemployed	After World War II, Japan focused all its efforts on its economy. The country's gross domestic product grew by stunning rates during the 1950s, 1960s, and 1970s and continued as the world's second-largest economy through the 1980s. In the 'lost decade' that followed, it seemed as though the 'Japanese miracle' was being dismantled by the long-lasting recession in the economy. As downturns in the economy reflected surges in the unemployment rates, measures to create employment had become a key issue in government policy, especially in the wake of increasing corporate restructuring.	<ul style="list-style-type: none"> • Khan Hussain, "Japan: the rising specter of unemployment", http://www.atimes.com/atimes/Japan/EK01Dh01.html, November 1st 2003 • French Howard W., "In Unemployment itself, a hint of hope for Japan", http://research.yale.edu/wwkelly/restricted/Japan_journalism/NYT_010909.htm, September 9th 2001
Unemployment	Types of unemployment: Okun's Law, Impact of unemployment	8	Unemployment, Measuring Unemployment, Impact of Unemployment, Okun's Law, Different Types of Un-Employment	15. The French 35-hour workweek	In 1997, the French government passed a legislation bringing down the official workweek from 39 to 35 hours. The legislation was driven by the government's belief that reduced work time and a cap on overtime would allow them to distribute jobs over the populace and thereby reduce unemployment levels. Though the initial results were encouraging, there were certain industries that started to feel that the legislation was against their interests. Voices of dissent began to escalate when unemployment levels shot up between 2002 and 2003. Intense debates over the usefulness of the 35-hour workweek raised doubts about its continuation.	<ul style="list-style-type: none"> • Chapter 29, "Unemployment and the Foundation of Aggregate Supply", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Shields J.G., "Europe's other landslide: the French national assembly elections of May-June 1997", <i>The Political Quarterly</i>, October-December 1997, Volume 68, Issue 4, page 412

Contd...

Monetary policy and the role of banking system	Deposit creation, Balance sheet of a central bank, Measures of monetary and liquidity aggregates, Money multiplier, Instruments of money supply control, Determination of money supply	9	Money Multiplier, Monetary Policy, Monetary Mechanisms	16. Monetary Policy: Hungary vs Poland	Hungary and Poland, two of the fastest growing economies in central Europe, are to join the European Union in May 2004. Since the 1980s, both countries had experienced unfavourable political and economic conditions. Both had a history of hyperinflation, high levels of foreign debt and a poor institutional and economic framework. During the 1990s, these countries went through a transitional phase and intensified their efforts for economic revival. By January 2004, with an efficient monetary policy, Poland had been successful in curbing the inflation and achieving price stability. In contrast, Hungary was struggling with high interest rates, though its macroeconomic policies were similar to that Poland embraced.	<ul style="list-style-type: none"> • Chapter 26, "Central Banking and Monetary Policy", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Chapter 6, "Money", <i>Introductory Macroeconomics</i>, Reddy K S and Poonam Mathur
				17. Inflation Targeting as a Monetary Policy Tool: The Case of Bank of England	Since Adam Smith's time, stable price level has been a gospel. The assumption – that economic growth, when achieved at a healthy inflation level, will defuse economic turbulences – makes economists and policymakers formulate the right dosage of inflation. Many policies and mechanisms, to hit that right balance, have been professed and implemented in various economies. Their efficiency has been put to litmus test every time the respective economies felt a ruffle, notwithstanding the intensity. The latest addition to these mechanisms is inflation targeting. Though New Zealand has been the harbinger of inflation targeting, its success in the UK for a decade and half has won it large fanfare. UK adopted inflation targeting, more out of compulsion than conviction in 1992,	<ul style="list-style-type: none"> • Chapter 30, "Ensuring Price Stability", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th Edition • Mankiw Gregory and Reis Ricardo, "What Measure of Inflation should a Central Bank Target", August 2002, http://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp170.pdf

Contd...

					when it needed an anchor to induce monetary discipline and guide all other variables. From then on, the new mechanism has been delivering goods till 2007, when for the first time it strayed from its target. Doubters have not refrained from casting shadows over the efficacy of inflation targeting and are preaching new mechanisms. This case study helps discuss the effectiveness of inflation targeting as a monetary policy tool in a globalised environment and also to debate over the central bank's role in striking a balance between growth and inflation.	
				18. China's Banks and the Overheating Economy	China embarked on its 'open door policy' in 1978 under the leadership of Deng Xiaoping. The purpose was to bring about a transition in its centrally planned economy towards a market economy. The banks were supposed to play a major role in carrying out the reformist agenda of the country. Since then the country has achieved a phenomenal GDP (gross domestic product) growth rate making it the fastest growing economy of the world. This case study was primarily targeted at understanding the effect of Chinese economic reforms on the country's banking sector. The case also helps in analysing the role of banking system in implementing monetary policy and its reaction to spiraling inflation.	<ul style="list-style-type: none"> • Chapter 30, "Ensuring Price Stability", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th Edition • "Deepening Reform: The way-out for China's Banking Sector Facing the WTO Challenges", http://course.jingpinke.com/wenxue/guanliyingyu/Supplementary/Way-out%20for%20China's%20Banking%20Sector%20Facing%20the%20WTO%20Challenges.doc.
Price Instability	Types of inflation, Economic impacts of inflation, price in	10	Inflation and different types of inflation, Phillips curve	19. Inflation Measure: CPI or WPI?	Inflation has been a nagging problem plaguing the economies across the world at various times. As negative effects of inflation are enormous, adoption of various anti-inflationary policies becomes inevitable. Inflation	<ul style="list-style-type: none"> • Chapter 30, "Ensuring Price Stability", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition

Contd...

	the AD-AS framework				<p>targeting and its measurement have become the prerequisites in the macroeconomic policy matrix of the economies. Inflation being a significant economic concept affecting decision-making in business firms or other management units, there is an attempt to resolve the dilemma whether Consumer Price Index (CPI) or Wholesale Price Index (WPI) is to be adopted as a measure of inflation. Though most of the major economies of the world have opted for CPI, WPI has its own merits too. As CPI and WPI differ conceptually in terms of their purpose and use, commodity coverage, weights, associated markets and the base year, both often show difference in direction and magnitude. Consequently, the choice continues to be difficult, if not arbitrary.</p>	<ul style="list-style-type: none"> • “Basic Index Number Theory”, http://www.imf.org/external/np/sta/teggppi/ch15.pdf • Schwartz J. Anna, “Money Supply”, http://www.econlib.org/library/Enc/MoneySupply.html • Brian F. Michael, “On the Origin and Evolution of the Word Inflation”, http://www.clevelandfed.org/research/Commentary/1997/1015.pdf, October 15th 1997 • Friedman Milton, “Noble lecture: Inflation and unemployment”, http://www.hilbertcorporation.com.ar/nobellecturemf.pdf, June 1977
				<p>20. Hyperinflation in Zimbabwe: Robert Mugabe Thrives, Economy Suffers</p>	<p>During the early 1980s, Zimbabwe’s President, Robert Mugabe’s economic policies ushered in unprecedented progress. This however did not last long. By mid-1980s, Mugabe’s regime substituted economic gains for political motives in macroeconomic policy formulation. Economic mismanagement resulted in inflation, which snowballed into hyperinflation by 2007. Zimbabwe’s central bank did take measures to reduce or control the rise in inflation – all of which were futile. Economists predict that inflation may soon touch 100,000%, if it grows unarrested. The case study helps analyse the nature and causes of various kinds of</p>	<ul style="list-style-type: none"> • Chapter 30, “Ensuring Price Stability”, <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Copson Raymond W., “Zimbabwe: Current Issues”, www.fas.org/sgp/crs/row/RL32723.pdf • Meldrum Andrew, “US predicts regime change in Zimbabwe as hyperinflation destroys the

Contd...

				inflation and their impact on the economy. It also helps debate possible measures to control Zimbabwe's growing inflation. Deep analysis reveals Zimbabwean central bank to be in a fix: it has to decide what is urgent and what is important. It has to contain inflation urgently. More importantly, a growth mechanism is needed. Yet how should these two goals be balanced – an economic quandary, to be resolved by the class.	<p>economy", http://www.guardian.co.uk/zimbabwe/article/0,,2108910,00.html</p> <ul style="list-style-type: none"> • Schaefer Brett D., "The Crisis in Zimbabwe: How the U.S Should Respond", www.heritage.org/Research/Africa/upload/wm_1407.pdf • Becsi Zsolt, "Indicators of the General Price Level and Inflation", www.dallasfed.org/research/er/1994/er9404c.pdf
			21. Price Levels in Japan: A Macro-economic Conundrum	<p>Not very often is a country's macro-economic data is foxing, and still seldom is the case when the general cost of living escalates and the central bank is busy dealing with deflation. Authorities at Bank of Japan are at similar loggerheads. The official Consumer Price Index (CPI) indicates a decline, but consumers complain climbing expenses. The Bank acts by the CPI, not based on people's perceptions and so neglects consumer woes. Economists maintain that the lower income groups – with less than ¥2 million a year – will be the most affected, with increased cost of living. The case helps analyse if a central bank can depend merely on a set of standard indicators to guide monetary policy; or should the indicators be changed, based on the prevailing economic exigencies. The case also helps discuss if price level indices always reflect the actual cost of living.</p>	<ul style="list-style-type: none"> • "Core indicators of Japan's consumer price index", http://www.boj.or.jp/en/type/ronbun/rev/data/rev06e07.pdf • Ito Takatoshi, "The Japanesemonetary policy 1998-2005 and beyond", http://www.bis.org/publ/bppdf/bispap31i.pdf

Contd...

				<p>22. Global Food Crisis (A): A Silent Tsunami of New Demands?</p>	<p>First in the sequel, this case study takes the readers down the lane of economic logic and factoids covering the relationship between GDP and meat consumption; between oil prices and food prices; between bio-fuels and climatic benefits; between money growth rate and inflation; between trade liberalisation and food prices. While the case navigates through the criss-crossing debates on food crisis, the icing on the cake comes in the form of a paradox that proclaims food price inflation is not a problem but a solution to the food crisis. The global food crisis of 2008 that manifested itself in ugly riots and irrational export restrictions have threatened to destabilise both politics and economics of the world. While the unprecedented spike in food prices have the spooling potential of pushing 100 million additional people towards starvation, analysts and experts including politicians and bureaucrats have started playing the blame game of pinning down the factors accountable for this silent tsunami. In the process two catch-all leads have been recognised and powerful debates have been raised on the relative significance between the factors reducing food supply and the factors raising the demand for it. Whether the worldwide fuel crisis has its roots in the US policy of diverting land from food grains to bio-fuel production or in the shift in dietary habits of the bulging middle class of the emerging economies to animal protein-rich food, has become an epic issue.</p>	<ul style="list-style-type: none"> • Beattie Alan., "Making Hay", <i>Financial Times</i>, May 14th 2008, page 9 • Cookson C., "The Curse and Blessings of the Algae Mass", <i>Financial Times</i>, July 12th-13th 2008, page 3
--	--	--	--	---	--	---

Contd...



Fiscal policy	Fiscal instruments, Tax structure, Laffer curve, Types of deficits, Fiscal policy and stabilization, Public debt, Crowding – out effect.	11	Fiscal policy, Tax Rate and Different Types of Tax Rates, Crowding Out Effect	23. Gordon Brown’s Fiscal Management	In the UK, the Chancellor of the Exchequer is considered the driver of the economic engine. Gordon Brown was appointed as the Chancellor in 1997 and was expected to become the longest serving in office. During his 7 years in office, Brown was successful in putting an end to the ‘boom’ and ‘bust’ cycle of UK’s economy. The framework through which the government implemented fiscal policy was set out in the Code of Fiscal Stability, which became an act of law through the 1998 Finance Bill. By adhering to the two rules (golden rule and the investment rule) of the fiscal code, Brown believed that he had achieved the macroeconomic policy objectives of high employment, low inflation, growth and balance of payments/trade equilibrium. The case study helps analyse the two fiscal policy instruments of taxation and government spending. The case also helps in understanding concepts like, Laffer curve, public debt, automatic stabilisers and crowding out effect.	<ul style="list-style-type: none"> • Coyle Diane, “It’s payback time after three years of fiscal prudence”, http://www.independent.co.uk/news/business/analysis-and-features/its-payback-time-after-three-years-of-fiscal-prudence-708365.html, July 17th 2000 • “Gordon Brown’s July 1997 Budget Speech”, http://www.prnewswire.co.uk/cgi/news/release?id=54997
				24. Ireland: Turnaround by Tax Policy	In the early 1980s Ireland was termed as the ‘Sick Man of Europe’ owing to its high unemployment rates, burgeoning public debt and high levels of emigration. But since 1987 it has made significant economic progress by undertaking a series of measures, the most prominent of which was its policy of granting special tax incentives to foreign investment in the manufacturing sector and financial services. This low tax regime was always an apple of discord between Ireland and the European Union. But it helped the country attract a	<ul style="list-style-type: none"> • Chapter 16, “Government Taxation and Expenditure”, <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • “Ireland as a Business Location”, http://www.brianodonnell.com/Legal_Updates_2.html

Contd...

					<p>large number of foreign companies seeking low tax jurisdictions for their investments. The result has been a remarkable turnaround in the Irish economy, which has since been dubbed the 'Celtic Tiger'.</p>	<ul style="list-style-type: none"> • McAleese Dermot, "Ireland's economic boom: the true causes", http://www.oecdobserver.org/news/fullstory.php/aid/164/Ireland_s_economic_boom:_the_true_causes.html
				<p>25. Progressive Tax system vs Flat Tax Regime: Weighing the Options</p>	<p>While most of the nations are under the progressive tax system, in which rich people pay a proportionately greater amount of tax than the poorer sections, the Baltic nations of Estonia, Latvia and Lithuania and others like Russia and Hong Kong seem to be thriving under the flat-rate tax regime. Motivated by the successful implementation of the flat-rate tax system, many countries, like Sweden, Poland, the Czech Republic and the UK have been deliberating whether or not to experiment with the newer tax structure and whether it would be as effective in their economies as in the Baltic and other nations.</p>	<ul style="list-style-type: none"> • Chapter 16, "Government Taxation and Expenditure", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Teather Richard, "A Flat Tax for the UK – A Practical Reality", http://www.adamsmith.org/index.php/publications/details/flat_tax_for_the_uk/ • Keen Michael, et al., <i>The 'Flat Tax(es)': Principles and Evidence</i>, IMF Working Paper, October 1st 2006 (WP/06/218) • Martin David, "Is the flat tax the solution to our problems?", Centre for Policy Studies, September 15th 2005

Contd...

Open Economy Framework	International vs domestic trade, Theories of International Trade, Protectionism and WTO, Issues related to tariff, Determination of Exchange Rate, Floating exchange rate, Fixed exchanged rate, Balance of Payment, Globalization and Global imbalance.	12	Theory of Trade, Tariff, Exchange rate, Balance of Payment, Globalisation	26. Trade Deficits, Current Account Deficits and Exchange Rates in US: The Policy Implications	By 1950s, the US became an economic superpower – having trade relations with almost all countries and posted huge trade surplus with all trading partners. This soon gave US dollar universal acceptance and elevated it to the status of world’s single largest reserve currency. However, in the wake of globalisation and the emergence of low-cost manufacturers, US trade surplus took a dent and eventually turned into deficit. The introduction of Euro – single currency for 15 European nations – in 2002, challenged the dollar as the reserve currency backed by EU’s trade with rest of the world. Since then, the dollar has been weakening – even further after the US waged two costly wars, swelling its current account deficits. Aggravated by widespread uncertainty over the US economy, caused by subprime mortgage crisis, the dollar seemed to lose its long-held status as a strong reserve currency. With remote chances of improvement in the country’s balances, dollar’s recovery is far off. This case study helps analyse whether it is possible for the governments or the central banks to control all factors responsible for exchange rate fluctuations.	<ul style="list-style-type: none"> • Chapter 31, “Open-Economy Macroeconomics”, <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Scott E. Robert, “The US Trade Deficit: Are We Trading Away Our Future?”, http://www.epinet.org/content.cfm/webfeatures_viewpoints_tradetestimony
				27. Trade Blocs, Free Trade Agreements and Preferential Trade Agreements:	World War II left devastated a lot many industrialised economies. One way to recoup was to mutually trade with those closer to home. Regional Trade Agreements (RTAs) were the norm in Europe, leading the way in 1950s with the initiation of European Coal and Steel Community (ECSC). Since then, the increasing number of regional trade blocs reflected an urge to integrate economies – for the potential benefits of scale, competition and location, offered by free	<ul style="list-style-type: none"> • Chapter 31, “Open-Economy Macroeconomics”, <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Friedman Thomas L., “<i>The Lexus and the Olive Tree</i>”, Farrar, Straus and Giroux, 1999, (ISBN 0-374-19203-0)

Contd...

				<p>The New Drivers of World Trade</p>	<p>trade. Though criticised – as motivated by political intentions rather than business objectives – the RTAs helped in increasing global trade. However, as globalisation ushered in the new global trade order, which is believed to be based on business acumen, RTAs are said to have lost their relevance. This case helps debate if RTAs have outlived their purpose and to discuss the factors that guide international trade in the 21st century. The case can be used to analyse the importance of new trends in cross-border trade for Multinational Companies (MNCs) and Transnational Companies (TNCs).</p>	<ul style="list-style-type: none"> • Friedman Thomas L., <i>The Lexus and the Olive Tree</i>, Farrar, Straus and Giroux, 1999, (ISBN 0-374-19203-0) • Stiglitz Joseph E., <i>Globalization and its Discontents</i>, W.W. Norton & Company, 2005, (ISBN 0-393-05124-2) • Wolf Martin, <i>Why Globalization Works</i>, Yale University Press, 2005, (ISBN 0300107773) • Bhagwati Jagadish N., <i>In Defense of Globalisation</i>, Oxford University Press, 2005, (ISBN 0195300033)
				<p>28. The US Financial Crisis: Is it the Moment for Bretton Woods II?</p>	<p>The case is meant to invoke the reason and the origin behind the Bretton Woods system to provoke a debate as regards its proposed rerun in the context of the US Financial Crisis (2008), which has begun to engulf the whole of the globalised world and, therefore, cries out for a synchronised global response. Whether the requisite response should come from a Bretton Woods-style concord of yesteryears or from a reformatted Bretton Woods system and, whether there is any scope for the Bretton Woods II moment as such can all be known and argued upon as the case unfolds itself to the readers. The case captures the working of gold</p>	<ul style="list-style-type: none"> • Marquand Robert, "History Lessons for Financial Crisis: Act Fast, Act Globally", http://www.csmonitor.com/2008/1016/p01s02-wogn.html, October 16th 2008 • Sachs Jeffrey, "Amid the rubble of global finance, a blueprint for Bretton Woods II", http://www.guardian.co.uk/commentisfree/2008/oct/21/

Contd...

					standard, floating exchange rate, adjustable pegged Bretton Woods system, post-Bretton Woods informal system, the US housing bubble and burst, the credit crunch and finally the financial crisis spilling all over the globe.	globeconomy-g8, October 21 st 2008
				29. India's Forex Reserves	After its independence from the British in 1947, India formulated its economic policies to attain self-reliance, encourage productivity and attract foreign investment. For the first 50 years after independence, the Indian government was unable to maintain a comfortable level of foreign exchange reserves and it also faced the problem of increasing external debt. But the economic reforms of the late 1990s helped the country to accumulate forex reserves to the tune of \$100 billion.	<ul style="list-style-type: none"> • Charan Singh, "Should India Use Foreign Exchange Reserves to Finance Infrastructure", <i>Economic and Political Weekly</i>, Feb. 11th 2006, pp. 517–525 • Victor Polterovich and Vladimir Popov, "Accumulation of Foreign Exchange Reserves and Long-Term Growth", New Economic School research program, Dec. 22ND 2002 • Y.V. Reddy, "India's Foreign Exchange Reserves: Policy, Status and Issues", www.rbi.org.in, 2002 • Kapur, D. & Patel, U. R. (2003), 'Large foreign currency reserves: Insurance for domestic weaknesses and external uncertainties?', <i>Economic and Political Weekly</i> (11), 1047–1053 • Garton Phil, "Foreign reserve accumulation in Asia: Can it be sustained?", www.treasury.gov.

Contd...

					<p>au/documents/930/RTF/01_Foreign_Reserve.rtf</p> <ul style="list-style-type: none"> • Williamson John, "Why Capital Account Convertibility in India Is Premature", <i>Economic and Political Weekly</i>, May 13th 2006, pages 1848–1850. 	
				<p>30. China: Importing Commodities and Exporting Inflation?</p>	<p>Even after 25 years of economic reform, China presents an enigmatic picture of political and business environment. Unlike the developed economies, China's economic engine heavily depends on manufacturing and its inexpensive labour resources. Over the years, this reliance led to over-investment and over-capacity in certain sectors such as oil, steel and cement. While this is just one side of the coin, China's socialist banking approach has added more to the already heated economy. As a result, the country's scorching economic growth sent inflationary and deflationary reverberations across the world by rising prices of the globally traded commodities like oil, cement, steel and other metals.</p>	<ul style="list-style-type: none"> • Chapter 31, "Open-Economy Macroeconomics", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • Prasad Esvar and Thomas Rumbaugh, "China's Growth and Integration into the World Economy Prospects and Challenges", https://www.imf.org/external/pubs/ft/op/232/op232.pdf • Chow C. Gregory, "Globalization and China's Economic and Financial Development", http://www.princeton.edu/ceps/workingpapers/115chow.pdf
				<p>31. Global Food Crisis (B): A Perfect Storm of</p>	<p>This case study, sequel to Global Food Crisis (A): A Silent Tsunami of New Demands?, is an attempt to vigorously bring to the fore the deep seated malaise underneath the world wide food crisis of 2008. It shows how short-term</p>	<ul style="list-style-type: none"> • Chapter 31, "Open-Economy Macroeconomics", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition

Contd...

				Supply Crunch?	knee-jerk responses to banish food crisis get merely as temporary palliatives and long-term reliance then simply spawns boomerang effects. Various features behind food productivity have been explored and the trade offs faced in the food front discussed. The case study debates over globalisation vs food sovereignty, mechanisation of agriculture vs loss of crop land to urbanisation, GM seeds vs farmers' seed autonomy, agrochemical inputs vs soil fertility, irrigation vs environmental preservation while stressing the importance of research in food production. The case examines the cost-benefit aspects of rocket food. Whether global food crisis is to be imputed to adverse climate change coupled with rising population or it is an offshoot of purchasing powers in the lands of marginalised is the point worth one's pondering.	<ul style="list-style-type: none"> • Cookson Clive, "A Time to Sow: GM Food Could Help Keep A Lid on the Cost of Staples", <i>Financial Times</i>, July 11th 2008, page 6
				32. American BPO Backlash: The Highs and Lows	The US has increased outsourcing exponentially over the last 6 months. The corporate top brass and experts however, have staunchly defended their decision to outsource, stating that the job shifting to developing nations with well-qualified human resources is necessary for the US companies to retain their competitiveness. While the pain is real for the people who have been rendered jobless, some politicians have chosen the issue to play on the minds of the populace, accusing outsourcing as a potential source for recession and jobless growth.	<ul style="list-style-type: none"> • Baily Martin N. and Farrell Diana, "Exploding the myths of offshoring", http://www.mckinseyquarterly.com/article_page.aspx?ar=1453, July 2004 • "The Economics of Outsourcing", http://www.strassmann.com/pubs/iej/2004-06-a.pdf

Contd...

				<p>33. Comparative Cost Advantage and the American Outsourcing Backlash</p> <p>Offshoring had become a contentious issue during the US Presidential elections. The roots of the controversy sprang from the disparaging growth of jobs in the US despite economic recovery. Proponents of offshoring derived their arguments from the theory of comparative advantage. They believed that it was in America's best interest to take advantage of low cost, skilled labour in countries like India. Studies showed that the net benefit of offshoring was greater to the US and that it helped create rather than destroy jobs in the parent country. Research also pointed out that the major cause of anaemic job growth was the productivity gains by US companies and that newer and better paying jobs would soon be created, albeit with some short run friction. Detractors, however, believed that export of service jobs, or offshoring, was the major reason for job losses. They rejected the application of the theory of comparative advantage, as its assumptions of the immobility of labour and capital were not being satisfied in the case of outsourcing.</p>	<ul style="list-style-type: none"> • Chapter 35, "Comparative Advantage and Protectionism", <i>Economics</i>, Paul A. Samuelson and William D. Nordhaus, 16th edition • "Outsourcing Strategically for Sustainable Competitive Advantage", http://www.capsresearch.org/publications/pdfs-public/monczka2005es.pdf • "The Economics of Outsourcing", http://www.strassmann.com/pubs/iej/2004-06-a.pdf • "The Economics and Politics of Outsourcing", http://www.economics.harvard.edu/faculty/mankiw/papers/Outsourcing%20-20march%207%202006.pdf
				<p>34. Australia: Managing the Current Account Deficit</p> <p>The Australian economy had a consistent growth, which was supported by an increase in domestic demand. For many years, the Gross Domestic Product (GDP) growth rate was high, but the country suffered from Current Account deficit (CAD). The Australian government took measures such as floating the Australian dollar, tightening its monetary policy and cutting the tariffs to encourage trade and reduce the gap in the trade balance. The government also implemented</p>	<ul style="list-style-type: none"> • Parker Jim "Spending, trade data highlights RBA dilemma", www.afr.com, March 2nd 2004 • "Australia should push ahead with trade policy reforms to increase its overall competitiveness", http://www.wto.org/english/tratop_e/

Contd...

					structural reforms like introducing a new tax system and the superannuation guarantee scheme. Although these reforms helped to increase the public revenue and encourage savings among the people, the Australian government was unable to manage the current account deficit. The current account deficit followed a cyclical trend, as it reduced in 2001 and widened again in 2003.	tpr_e/tp76_e.htm, June 23 rd 1998
Business Environment in Indian context	Growth phase, Evolution of institutional framework – emphasis on planning, public and private sector, Recent policy measures- monetary fiscal, foreign trade and technology.	13	Five-year Plans in India, Growth Phase, Growth of Different Sectors in the Country, Open Economy	35. India as an Outsourcing Destination	Since the late 20 th century, Business Process Outsourcing (BPO) to the developing countries by the companies of the developed nations had become more a necessity than an option. Outsourcing was viewed as an effective business strategy as it offered much more than just cost advantage. By 2003, India had become a major global outsourcing destination because of its high intellectual capital, a huge population of English-speaking graduates, lower compensation costs, strong information technology infrastructure and a sustained government support. In the early 21 st century, although India witnessed a rapid growth of BPO companies, it was facing competition from other potential BPO destinations like China, Ireland, Russia and Mexico. To strengthen its competitive edge and further maintain and develop its core competencies, India was required to quickly move up the value chain and provide tailored services suited for different customer needs.	<ul style="list-style-type: none"> • James Brian Quinn and Frederick G.Hilmer, “Strategic outsourcing”, The McKinsey Quarterly 1995, Number1, pages 48–70 • Vivek Agrawal and Diana Farrell, “Who wins in offshoring”, The McKinsey Quarterly 2003, Special edition, pages 36–41 • Arie Y. Lewin and Carine Peters, “The Top-Line Allure of Offshoring”, <i>Harvard Business Review</i>, March 2006, pages 1–3 • Diana Farrell, Noshin Kaka and Sascha Stürze, “Ensuring India’s offshoring future”, The McKinsey Quarterly 2005, Special edition, pages 74–83 • Sunish Sharma, Rahul Sood and Marc Vollenweider, <i>Globalizing Services, The</i>

Contd...

						<p><i>McKinsey Quarterly 2000 Number 4, pages 9–11</i></p> <ul style="list-style-type: none"> • The McKinsey Global Survey of Business Executives: Confidence Index, April 2005 • Vivek Agrawal, Diana Farrell and Jaana K. Remes, "Offshoring and Beyond", <i>The McKinsey Quarterly 2003</i> Special edition, pages 25–35 • Diana Farrell and Adil S. Zainulbhai, "A richer future for India", <i>The McKinsey Quarterly 2004</i> Special edition, pages 50–59 • Amadeo M.Di Lodovico, William W. Lewis, Vincent Palmade and Shirish Sankhe, "India – from emerging to surging", <i>The McKinsey Quarterly 2001, Number 4</i>, pages 28–50 • Gautam Kumar and Jayant Sinha, "The Next hurdle for Indian IT", <i>The McKinsey Quarterly 2003</i> Special edition, pages 42–53 • Ravi Aron and Jitendra V.Singh, "Getting Offshoring Right",
--	--	--	--	--	--	--

Contd...

						<p><i>Harvard Business Review</i>, December 2005, pages 1–9.</p> <ul style="list-style-type: none"> • Chapter 27–33, Samuelson and Nordhaus, <i>Economics</i> • Mehra Aparna, “Competition law regime: new regulations and uncertainties”, http://www.livemint.com/2009/11/08203631/Competition-law-regime-new-re.html?h=B • Hui Li, “Chinese Competition Law: Problems and Solution”, http://www.jftc.go.jp/eacpf/05/AOTS/china_li.pdf
				<p>36. Competition Laws in China and India: Dragon’s divergence and Elephants convergence</p>	<p>More than 100 countries have adopted competition laws and policies around the world. The OECD member countries have all enacted competition law in their respective countries. Competition law and policy is the tool which OECD countries have used more and more to reduce inefficiency and waste. Some economists think of competition law act as economic growth boosters. Realising the importance of having a competition law, China on August 1st 2008 enacted its first competition law called as the Anti Monopoly Law (AML). India soon will implement its new competition act. The case study analyses the data of various countries to find out at what point of economic development they adopted a competition law and whether competition laws act as economic growth boosters or not. The case attempts to answer some interesting question like, what impact the strong anti-trust laws of India and China will have on the global deals and Mergers and Acquisitions (M&A)? Will India be able to effectively deal with the widespread cartels in its economy? Will AML be able to treat China’s widespread and intensely condemned administrative monopolies? Will China deal fairly with the foreign MNCs or will it be selectively using the AML against them? And finally do India and China have the legal infrastructure and expertise required for the effective implementation of competition laws?</p>	

Contd...

				<p>37. Indian Automobile Industry: Is it Going to be the 'Global Small Car Hub'?</p>	<p>In 1984, Government of India and Suzuki motors from Japan, formed a joint venture and launched Maruti 800 popularly known as 'Peoples Car', which went on to become one of the highest sold car and created a new segment in the automobile market. Since 1998, the South Korean carmakers – Hyundai with its Santro line up and Daewoo with its Matiz – ushered in variety and vigour to the Indian small car market segment. However, year 2009 proved to be the year of small cars in India, for, apart from the historical launch of world's cheapest car – Tata's Nano – the year also saw the launch of 40 new models of small cars.</p> <p>The year 2009 also, as many industry <i>pundits</i> argue, has been a watershed year for global automobile industry forcing many changes and thrusting quite a few strategic redirections amongst many global auto majors the prime strategic reorientation being the focus being small cars. Added to that, almost all the companies stated the intent of making India as their production base for small cars. All these developments lead to an important question: Can India be the hub for small cars?</p> <p>This case study deals with the opportunities available to the Indian automobile industry and all the enabling factors available that could transform India into a global small car hub. The case analyses in depth why the small car segment is lucrative and also discusses the interest shown by all global automobile giants in investing in Indian car industry. The case also discusses the support provided by government agencies and the challenges which need to be addressed, quickly, if India has to become the global small car hub.</p>	<ul style="list-style-type: none"> • Gary Hamel and C. K. Prahalad, "Competing for the Future", <i>Harvard Business Review</i>, July 1994 • Michael E. Porter, "Competitive Strategy: Techniques for Analyzing Industries and Competitors", <i>The Free Press Publication</i>, 1st edition 1980
--	--	--	--	--	---	--

Contd...

For Buying This Course Case Pack, Please Contact (Any of the Following)

Sl. No.	Location/City	Contact Name	Designation	Mobile No.	email ID
1	Bangalore	Mr Sudhanshu Mishra	Sr.Territory Manager	09980565906	ssmishra@iupindia.org
2	Hyderabad	Mr D Nagavender Rao	Area Manager	09885451717	dnr@iupindia.org
3	Indore	Mr Sanjay Gangil	Area Manager	09425322620	sanjaygangil@iupindia.org
4	Kochi	Mr Musthafa K.E.	Dy.Manager	09895226559	mushthafa@iupindia.org
5	Kolkata	Mr Sumit Naha	Territory Manager	09331833254	sumitn@iupindia.org
6	Mumbai	Mr Vikram Singh Sandhu	Area Manager	09867672728	vikram@iupindia.org
7	Noida	Mr Hemant P Sharma	Territory Manager	09810080520	hemantps@iupindia.org

IBSCDC, www.ibscdc.org
 IBS Hyderabad,
 Survey No.156/157, Dontanapalli Village, Shankerpalli Mandal
 Ranga Reddy District - 501504
 Phone: 08417-236672
 E-mail: info@ibscdc.org, serv@ibscdc.org



Case Studies Developed by IBSCDC

www.ibscdc.org

