

consumer rights. Concerns regarding frauds against consumers have led to the formation of consumer forums. Producers are consumers too. Therefore, they should be especially sensitive and well-informed about the duties and responsibilities they have towards the society and its beings. Furthermore, information is power in economics as it keeps businesses updated about the new variations and revolutions in the market. One such example is that of globalisation. Ever since the market was opened to the world, many companies failed to survive the competition. Few of them, however, did sail the tides and emerged with flying colours. It exposed the country to new genres and the best of ideas and technology all over the world. Economics helps organisations produce goods and services in a way that maximises profits.

Last, but not the least, economics talks about development, or more specifically, sustainable development. It is all inclusive development that propagates the need for preservation of resources by not overexploiting them indiscriminately. Economics uses an inter-disciplinary approach too. It relies on history to help it learn from past mistakes and on political science to think about how, when and where it is best to materialise business ideas. Development is measured by indicators like the Human Development Index that take into account factors such as per capita income, literacy rate, health. However, abstract values like equality, respect and sense of security, though they are not given a high economic value currently, play an important role in any society and research is going on to find ways to incorporate them.

I feel that economics as a discipline is incomprehensible to an average man. I too had to brush up my constricted knowledge of the subject to pen this down.

Come to think of it, if economics, with all its assumptions and theories, is a compulsory subject in all streams of education, then it must be greatly required for our future.

I am a Smart Consumer

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Today's Indian consumer faces a bewildering array of choices for practically any product or service. But the options are so many that it confuses us to an extent that many of us are not sure how to choose the right product. In such a scenario, what type of a consumer would an individual want to be? The answer to that would be 'a smart one'.

Being a smart consumer means deciding and spending wisely to get the most out of what is spent. It means maximizing your satisfaction at the minimum cost. A smart consumer can promote his well being by safeguarding his consumer rights.

Therefore, being a smart consumer is highly important, and indeed, I am a smart consumer.

I ask myself before every purchase, do I really need it or do I merely want it? Needs and wants are core concepts in marketing, and the producers know exactly how to blur the line between the two. But as a smart consumer, I am able to draw a clear unseen line between needs and wants. In other words, I'm able to differentiate between a luxury and a necessity. And I maintain low

prices by making demand elastic to price fluctuations and by switching over to substitutes whenever I feel the need to do so. I do not get carried away by advertisements and their misleading extravagances which do not reflect the real quality and purpose of the product.

I am well versed in all consumer protection laws. I am not an easy target in the consumer market, nor am I a naive consumer who buys everything that is for sale. I am aware of the competitive structure of consumer markets, where there cannot be any price discrimination. I am conscious of the ingredients or parts used in the products I purchase, and I carefully refer to the product information and instructions.

Finally, I have a strict upper limit on my expenditure, and a major part of my income is devoted to savings. I keep myself fully informed about the ongoing interest rates and carefully manage my portfolio decisions. My consumption today must compromise with my needs in the future and I must constantly strike a balance between the two. Having said that, I also know that a higher quality, more expensive product will last longer, saving me money in the long run, but that does not mean shelling out hundreds or thousands of rupees for any commodity.

I believe in the empowerment of consumers all over India.

Inflation

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Inflation refers to a persistent rise in the general price level of goods and services in

an economy over a period of time. Consequently, it reflects erosion in the purchasing power of money or a fall in the value of real income. A chief measure of price inflation rate would be the annualized percentage change in the general price index (normally the consumer price index) over time. Inflation's effects on an economy can be positive or negative concurrently. The negative effects of inflation include a decrease in the real value of money, bonds and other monetary stocks over time. High inflation leads to a shortage of goods as consumers begin hoarding out of concern that prices will increase in the future. Positive effects include increased ability of the central banks to adjust nominal interest rates as well as incentives for investment in non-monetary capital projects.

Since the last decade, India has been increasingly identified one of the fastest growing emerging economies. It has advanced in every field, be it industrialization or satellite launching. However, these are just appearances, and as they say, "all that glitters is not gold". In keeping with the above statement, if we really want to look at the true picture of our nation and understand what is going on in every nook and corner of our country, we need to go visit and look at the ground realities of every town, district and city which constitutes India. India is not only replete with corruption, selfishness in every soul, and illiteracy, but also with poverty. Poverty does not enter people's lives on its own; it is the rise in prices that makes them a prey to this curse. The prices of basic commodities have increased exorbitantly. Due to this, poor people find it increasingly difficult to get a loaf of bread to fill their stomach twice a day. This is not the life they dreamt of for themselves, but it is the life that they are given and forced to live in. Aren't they a part of democratic India? Why