

ECONOMY SURVEY TERMS 2018



Synergy
Study Point

Synergy Study Point, Pune

www.upscmantra.com | www.synergypsc.com

Big Data

- Big data refers to, data sets that are so voluminous and complex that traditional data processing application software are inadequate to deal with them.
- Analysis of data sets can find new correlations to "spot business trends, prevent diseases, combat crimes and even buying and other behaviour patterns.

EPFO -Employees' Provident Fund Organisation

- An Organization tasked to assist the Central Board of Trustees, a statutory body formed by the Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- It is under the administrative control of the Ministry of Labour and Employment, Government of India.
- Assists the Central Board in administering a compulsory contributory Provident Fund Scheme, a Pension Scheme and an Insurance Scheme for the workforce engaged in the organized sector in India.
- The nodal agency for implementing Bilateral Social Security Agreements with other countries on a reciprocal basis. The schemes cover Indian workers as well as International workers (for countries with which bilateral agreements have been signed).
- 1 Oct '14, Govt. launched Universal Account Number for Employees covered by EPFO to enable PF number portability

ESIC -Employees' state Insurance Corporation of India

- A social system which provide socio-economic protection to worker population and immediate dependent or family covered under the scheme.
- Besides full medical care for self and dependents, the insured persons are entitled to benefits in times of physical distress due to sickness, temporary or permanent disablement etc. resulting in loss of earning capacity, the confinement in respect of insured women, dependents of insured persons who die in industrial accidents or because of employment injury or occupational hazard are entitled to a monthly pension called the dependents benefit.
- Since, 1 Jan '17 for all employees earning Rs 21,000 or less per month as wages, the employer contributes 4.75% & employee contributes 1.75%, total share 6.5 %. This fund is managed by ESIC.

FRDI Bill 2017 -Financial Resolution and Deposit Insurance Bill

- The Bill provides for the setting up of a Resolution Corporation, to replace the existing Deposit Insurance and Credit Guarantee Corporation,
- It will be tasked with monitoring financial firms, anticipating their risk of failure, taking corrective action and resolving them in case of failure.
- Concerns -the Bill empowers the new Corporation to bail-in the company. While a bail-out is the use of public funds to inject capital into an ailing company, a bail-in involves the use of depositors' funds to achieve those ends. This can be done either by cancelling the bank's liabilities, or converting them into other forms, such as equity

7th Pay Commission

- July, 2016, Commission submitted its report, headed by AK Mathur; suggesting a 23.55% hike in pay and allowances of government employees.
- If the 7th pay commission is implemented, government employees will benefit from a pay hike and other benefits.
- The government had constituted the National Anomaly Committee (NAC) in September 2016 to resolve all matters related to the implementation of the 7th Pay Commission's recommendations

Economy Survey Terms 2018

- Recommendations are set to benefit over 1 crore employees. This includes a total of 48 lakh central government employees and 53 lakh pensioners, of which 14 lakh employees and 18 lakh pensioners are from the defence forces.

Qualified Institutional Placement

- A capital-raising tool, primarily used in India and other parts of southern Asia, whereby a listed company can issue equity shares, fully and partly convertible debentures, or any securities other than warrants which are convertible to equity shares to a qualified institutional buyer (QIB).
- Apart from preferential allotment, this is the only other speedy method of private placement whereby a listed company can issue shares or convertible securities to a select group of persons.
- QIP scores over other methods because the issuing firm does not have to undergo elaborate procedural requirements to raise this capital.
- SEBI introduced the QIP process in 2006, to prevent listed companies in India from developing an excessive dependence on foreign capital.
- Prior to the innovation of the Qualified Institutional Placement, there was concern from Indian market regulators and authorities that Indian companies were accessing international funding via issuing securities, such as American depository receipts (ADRs), in outside markets.
- The complications associated with raising capital in the domestic markets had led many companies to look at tapping the overseas markets.
- This was seen as an undesirable export of the domestic equity market, so the QIP guidelines were introduced to encourage Indian companies to raise funds domestically instead of tapping overseas markets

Preferential Issue

- A preferential issue is an issue of shares or of convertible securities by listed companies to a select group of persons under the Companies Act, 1956 (which is neither a rights issue nor a public issue)
- This is a faster way for a company to raise equity capital as the issuer company has to comply with the Companies Act and other requirements SEBI guidelines which inter-alia include pricing, disclosures in notice etc.
- Securities are issued to an identified set of investors which may include promoters, strategic investors, employees and such groups

Follow-On Public Offer

- FPO is a stock issue of additional shares made by a company that is already publicly listed and has gone through the IPO process

Institutional Placement Program

- IPP is one of the methods available to Indian listed companies for the purpose of complying with minimum public shareholding requirements under the Securities Contracts Regulation (Rules), 1957 (SCRR), apart from the following methods prescribed under the equity listing agreement:
 - issuance of shares to public through prospectus; or
 - offer for sale of shares held by promoters to public through prospectus; or
 - offer for sale by promoters through the secondary market [stock exchange]
- It was part of the two new share-sale methods announced by the Sebi the institutional placement programme (IPP) and the offer for sale through stock exchanges in 2012.
- These were expected to ease the process of increasing public shareholding for Indian companies.

Bond Yield

- Bond yield is the amount of return an investor realizes or gets on a bond.
- Several types of bond yields exist, including nominal yield which is the interest paid divided by the face value of the bond, and current yield which equals annual earnings of the bond divided by its current market price

Tax Buoyancy

- Tax buoyancy is an indicator to measure efficiency and responsiveness of revenue mobilization in response to growth in the GDP or National income.
- A tax is said to be buoyant if the tax revenues increase more than proportionately in response to a rise in national income or output.
- When a tax is buoyant, its revenue increases without increasing the tax rate.
- Example: In 2007-08, everything was fine for the economy. GDP growth rate was nearly 9 per cent. Tax revenue of the government, especially, that of direct taxes registered a growth rate of 45 per cent in 2007-08. We can say that the tax buoyancy was five ($45/9 = 5$).

NSSF - National Small Savings Fund

- All small savings collections are credited to this Fund. Similarly, all withdrawals under small savings schemes by the depositors are made out of the accumulations in this Fund. The balance in the Fund is invested in Central and State Government Securities

ISSUE:

- The Fourteenth Finance Commission (FFC) recommended that State Governments be excluded from the investment operations of the NSSF.
- The NSSF loans come at an extra cost to the State Government as the market rates are considerably lower.
- The Union Cabinet has accepted that this recommendation will be examined in due course in consultation with various stake holders. Barring Arunachal Pradesh, Delhi, Kerala and Madhya Pradesh, the other State Governments/UTs expressed a desire to be excluded from NSSF investments.

Effect

- the investible funds of NSSF with Gol will increase and may reduce the Gol's market borrowings

Equity Risk Premium

- Refers to the excess return that investing in the stock market provides over a risk-free rate (rate on Govt. bonds for example).
- This excess return compensates investors for taking on the relatively higher risk of equity investing
- The risk-free rate of return, for example, can be benchmarked to longer-term government bonds assuming zero default risk by the government

E. F. Schumacher (Economist & Thinker)

- A German statistician and economist who is best known for his proposals for human-scale, decentralised and appropriate technologies.
- Published in 1973 book *Small Is Beautiful: A Study of Economics As If People Mattered*
- The ideas that Schumacher popularised helped shape modern environmentalism, development theory and the global justice movement

- **Excerpts:**

In the name of profit and technological progress, Schumacher argued, modern economic policies had created rampant inefficiency, environmental degradation and dehumanising labour conditions. *“Ever bigger machines, entailing ever bigger concentrations of economic power and exerting ever greater violence against the environment, do not represent progress: they are a denial of wisdom. Wisdom demands a new orientation of science and technology towards the organic, the gentle, the non-violent, the elegant and beautiful,”* he wrote.

The remedy he proposed - a holistic approach to human society, which stressed small scale, localised solutions - challenged economic orthodoxies of the time: *“I have no doubt that it is possible to give a new direction to technological development, a direction that shall lead it back to the real needs of man, and that also means: to the actual size of man. Man is small, and, therefore, small is beautiful.”*

Convergence

- **Meaning - the process or state of converging or meeting**
- **In economy, the idea of convergence in economics (also sometimes known as the catch-up effect) is the hypothesis that poorer economies' per capita incomes will tend to grow at faster rates than richer economies. As a result, all economies should eventually converge in terms of per capita income.**
- **One of its subtypes, also refers to; a reduction in the dispersion of levels of income across economies**

Lewisian” transformation from Farm to Factory

- **The last employment survey conducted by the NSSO showed that between 2004-05 and 2011-12, a huge section of India’s workforce, 33.3 million to be precise, left farm jobs to take up non-farm occupations, primarily in the construction sector**
- **The Trend that has happened in every developing economy - As the economy develops, the number of persons employed in agriculture drops, with people migrating to the towns to take up better jobs. Productivity improves, wages go up and the economy prospers. That’s the optimistic take on the trend.**
- **Another side to it, when farm plots become smaller and unviable as they’re subdivided among a growing population. Also, Industry is unable to absorb the surplus and destitute people crowd city slums searching for work.**
- **The “Lewisian Transformation”, the trend of underemployed labour moving out of agriculture into more productive jobs, named after economist Arthur Lewis, has in many Third World countries become the “Lewisian Trap”, with most workers stuck in precarious low-wage jobs. And has been particularly true for India and many of its cities.**

Private Final Consumption Expenditure (PFCE) + Govt’s Final Consumption Expenditure (GFCE)

- **Defined as the expenditure incurred on final consumption of goods and services by the resident households and non-profit institutions serving households (NPISH) like temples, gurdwaras etc.**
- **Government final consumption expenditure is made for collective consumption or for individual consumption in the form of social transfers in kind to households.**
- **Also non-profit institutions serving households provide individual consumption goods and services to households free of charge or at reduced prices.**
- **The share of Private Final Consumption Expenditure (PFCE) averaged 57.5 per cent in total GDP. Thus establishing that consumers play a vital role in determining the growth prospects for both the economy and for India Inc.**

Economy Survey Terms 2018

- But there have been hurdles for consumption for more than a year now. The impact of demonetisation towards the end of the fiscal saw overall private spending contribute 55.8 per cent to the GDP in 2016-17 – about 1.7 percentage points lower

Engel's law (+Income elasticity) by Ernst Engel

- Engel's law is an observation in economics stating that as income rises, the proportion of income spent on food falls, even if absolute expenditure on food rises. In other words, the income elasticity of demand of food is between 0 and 1.
- It does not imply that food spending remains unchanged as income increases: It suggests that consumers increase their expenditures for food products in percentage terms less than their increases in income
- One application of this statistic is treating it as a reflection of the living standard of a country. As this proportion – or "Engel coefficient" – increases, the country is by nature poorer; conversely a low Engel coefficient indicates a higher standard of living.
- The interaction between Engel's law, technological progress, and the process of structural change is crucial for explaining long term economic growth

Gross Capital Formation+ Gross National Savings or Gross Domestic Savings or Gross Savings

- In simple words Gross Capital Formation is Investment. When people save, they tend to invest.
- The percentage of the investment made each year out of the total GDP is called Gross Capital Formation.
- The percentage of the Savings made each year out of the total GDP is called Gross Domestic Savings.
- Includes personal saving, plus business saving, plus government saving, but excludes foreign savings
- Gross capital formation is a function gross domestic savings

Controller General of Accounts (CGA)

- The Principal Advisor on Accounting matters to the Union Government
- Responsible for establishing and managing a technically sound Management Accounting System
- Responsible for preparation and submission of the accounts of the Union Government
- Responsible for exchequer control and internal audits

Strategic disinvestment

- Strategic disinvestment has been re-started after a gap of 12 years and it involved learning and inputs from the past experiences and transactions.
- Term 'Disinvestment' means withdrawal of investment. If you purchased 100 shares of a company, now when you sell these shares to someone, you have basically made a disinvestment.
- If suppose any company started a new business and now are unable to manage this new business and consequently: is also running in losses. So when the company sells this business to other company, they have basically disinvested.
- In Strategic Disinvestment, Govt. brings down investment below 50% or controlling stake by selling it to private player.

Specified Undertaking of the Unit Trust of India (SUUTI)

- SUUTI was formed by the restructuring of the erstwhile Unit Trust of India (UTI). It came into being in February, 2003.

Economy Survey Terms 2018

- In 2012, Central Govt., had approved winding up of SUUTI and creation of National Asset Management Company (NAMC).
- CCEA had decided to create another fund called National Asset Management Company (NAMC) to buy government stakes in some PSUs.
- As per the proposal, the government will first transfer its stakes in companies like L&T, ITC and Axis Bank, held through SUUTI, to NAMC. The AMC will then take loan from banks to buy government stakes in public sector companies. Part of Govt's disinvestment strategy.

UDAY or Ujwal Discom Assurance Yojna

- UDAY or Ujwal Discom Assurance Yojna was launched in November 2015 to rescue the country's ailing state power distribution utilities (discoms)
- Under the scheme,
 - States will take over three-fourths of the debt of their respective discoms.
 - The governments will then issue 'UDAY bonds' to banks and other financial institutions to raise money to pay off the banks.
 - The remaining 25 per cent of the discom debt will be dealt within one of the two ways – conversion into lower interest rate loans by the lending banks or be funded by money raised through discom bonds backed by State guarantee.
- In return for the bailout, the discoms have been given target dates (2017 to 2019) by which they will have to meet efficiency parameters such as reduction in power lost through transmission, theft and faulty metering, installing smart meters and implementing GIS (geographic information system) mapping of loss making areas

MAT (Minimum Alternative Tax) + AMT (Alternative Minimum Tax)

- A tax payable under Income tax Act. The concept of MAT was introduced to target those companies that make huge profits and pay dividend to their shareholders but pay no/minimal tax
- This was done by taking advantage of the various deductions, and exemptions allowed under income tax act.
- As per the current tax provision of the income tax act 1961, Minimum Alternate tax (MAT) are levied only on companies and Alternate Minimum Tax (AMT) on limited liability partnerships (LLPs). No such tax is levied on other form of businesses such as partnership firms, sole proprietorship, association of person etc.
- It gets triggered when taxpayers make a certain level income. It eliminates many deductions for those in higher brackets to make sure they pay at least some taxes.

Section 80G and 80GGA

- Contributions made to certain relief funds and charitable institutions can be claimed as a deduction under Section 80G of the Income Tax Act.
- Section 80GGA allows deductions for donations made towards scientific research or rural development

Foreign Tax Credit

- A tax credit is an amount of money that taxpayers are permitted to subtract from taxes owed to their government.
- A Foreign tax credit (FTC) is generally offered by income tax systems that tax residents on worldwide income (income earned from abroad), to mitigate the potential for double taxation.

EBITDA

Economy Survey Terms 2018

- EBITDA is basically Earnings Before Interest, Taxes, Depreciation and Amortization calculations.
- It is essentially net income with interest, taxes, depreciation and amortization added back to it.
- Can be used to analyse and compare profitability among companies and industries as it eliminates the effects of financing and accounting decisions.

NDTL - Net Demand and Time Liability

- It is the sum of demand and time liabilities (deposits) of banks with public and other banks wherein assets with other banks is subtracted to get net liability of other banks.
- Demand Liabilities of a bank are liabilities which are payable on demand.
 - Example: current deposits; demand liabilities portion of savings bank deposits; margins held against letters of credit / guarantees; balances in overdue fixed deposits; cash certificates and cumulative/recurring deposits; outstanding Telegraphic Transfers (TTs); Mail Transfer (MTs); Demand Drafts (DDs); unclaimed deposits; credit balances in the Cash Credit account; and deposits held as security for advances which are payable on demand
- Time Liabilities of a bank are those liabilities that are payable + have time factor to it
 - Example: fixed deposits; cash certificates; cumulative and recurring deposits; time liabilities portion of savings bank deposits; staff security deposits; margin held against letters of credit, if not payable on demand; deposits held as securities for advances which are not payable on demand; and gold deposits.

Demand Deposit and Time Deposit

- Demand Deposit - If the funds deposited can be withdrawn by the customer (depositor / account holder) at any time without any advanced notice to banks; it is called demand deposit. One can withdraw the funds from these accounts any time by issuing cheque, using ATM or withdrawal forms at the bank
- Time Deposit: a deposit in a bank account that cannot be withdrawn before a set date or for which notice of withdrawal is required.

Money Aggregates - M_0 , M_1 and M_3

- Narrow Money (M_1) = Currency with the public + Demand Deposits of public in Banks
- Narrow money is the most liquid part of the money supply because the demand deposits can be withdrawn anytime during the banking hours. Time deposits on the other hand have a fixed maturity period and hence cannot be withdrawn before expiry of this period. When we add the time deposits into the narrow money, we get the broad money, which is denoted by M_3 .
- Broad Money (M_3) = Narrow money + Time Deposits of public with banks
- Reserve Money acts as a base for creating Broad money supply
- Reserve Money (M_0) = Currency in Circulation + Bankers' Deposits with RBI + 'Other' Deposits with RBI

Weighted Average Call Rate

- Call money rate is the rate at which short term funds are borrowed and lent in the money market.
- The duration of the call money loan is 1 day. Banks resort to these type of loans to fill the asset liability mismatch, comply with the statutory CRR and SLR requirements and to meet the sudden demand of funds.
- RBI, banks, primary dealers etc are the participants of the call money market. Demand and supply of liquidity affect the call money rate. A tight liquidity condition leads to a rise in call money rate and vice versa.
- The unsecured segment of the money market, or the inter-bank call money market, sets the Weighted Average Call Rate (WACR) on a daily basis, which is the operating target of monetary policy in India.

Economy Survey Terms 2018

- It is called so, since it has to be averaged across all the wild swings (ups & downs) that it witnesses even in the course of any single trading day

CRAR

- **Capital Adequacy Ratio (CAR)** is also known as **Capital to Risk (Weighted) Assets Ratio (CRAR)**, is the ratio of a bank's capital to its risk.
- National regulators like RBI track a bank's CAR to ensure that it can absorb a reasonable amount of loss and complies with statutory Capital requirements

Peer 2 Peer Lending

- **Peer-to-peer lending**, also abbreviated as **P2P lending**, is the practice of lending money to individuals or businesses through online services that match lenders with borrowers.
- Since peer-to-peer lending companies offering these services generally operate online, they can run with lower overhead and provide the service more cheaply than traditional financial institutions
- This concept helps borrowers in need of money connect with lenders from across India to crowdfund their loans. The returns are attractive enough for lenders to invest small amounts of money across multiple borrowers. Borrower details are thoroughly checked by the P2P lending platform and a credit analysis presented to the lenders.
- P2P lending through online platforms started off as an idea in the US a decade back and is now gaining popularity in India.

Account Aggregators

- **Account aggregators** are companies that will collect and provide information on a customer's financial assets, in a consolidated, organized and retrievable manner to the customer or any other person as per the instructions of the customer.
- Only NBFCs that have registered with RBI will be allowed to undertake account aggregation.

Emerging market

- An emerging market is a country that has some characteristics of a developed market, but does not meet standards to be a developed market.
- Includes countries that may become developed markets in the future or were in the past.
- The term "frontier market" is used for developing countries with slower economies than "emerging".
- The economies of China and India are considered to be the largest emerging markets

Brent Crude Oil

- **Brent Crude** is a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide.
- This grade is described as light because of its relatively low density, and sweet because of its low sulphur content. Brent Crude is extracted from the North Sea

Errors & Omissions

- An accounting error that is non-fraudulent discrepancy in financial documentation. The term is used in financial reporting.
- **Error of omission** = a transaction that is not recorded.
- **Error of commission** = a transaction that is calculated incorrectly.

Economy Survey Terms 2018

Domestic Tariff Areas

- **Domestic Tariff Area (DTA) or Domestic Tariff Zone (DTZ)** means an area within India that is outside the Special Economic Zones and EOU/EHTP/STP/BTP.
- The units operating under certain specific schemes such as EPZ/SEZ/EOU are expected to carry out their activities within a customs bonded area.
- Any area which is not under the jurisdiction of a custom bonded area is called a Domestic Tariff Area.

Anti-Dumping Duty

- An anti-dumping duty is a protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value
- Typically anti-dumping action means charging extra import duty on the particular product from the particular exporting country in order to bring its price closer to domestic prices

REER & NEER

- NEER is the Nominal Effective Exchange Rate, and REER is the Real Effective Exchange Rate.
- Unlike nominal and real exchange rates, NEER and REER are not determined for each foreign currency separately.
- Rather, each is a single number (usually expressed as an index) that expresses what is happening to the value of the domestic currency against a whole basket of currencies.
- REER = The real effective exchange rate (REER) is the weighted average of a country's currency relative to an index or basket of other major currencies, adjusted (deflated) for the effects of inflation
- REER is calculated on the basis of NEER.
- REER takes into account any changes in relative prices and shows what can actually be purchased with a currency
- In India, REER is computed using inflation differential based on the WPI for India and CPI for partner countries. (RBI)
- NEER = a measure of the value of a currency against a weighted average of several foreign currencies.
- An increase in NEER indicates an appreciation of the local currency against the weighted basket of currencies of its trading partners.
- Both are commonly used as indicators of external competitiveness

Debt to Service Ratio

- In economics and government finance, debt service ratio is the ratio of debt service payments (principal + interest) of a country to that of a country's export earnings.
- A country's international finances are healthier when this ratio is low. The ratio is between 0 and 20% for most countries.

Commercial Paper

- It refers to short-term unsecured promissory notes issued by companies.
- Commercial paper is a money-market security issued (sold) by large corporations to obtain funds to meet short-term debt obligations (for example, payroll), and is backed only by an issuing bank or company promise to pay the face amount on the maturity date specified on the note

Economy Survey Terms 2018

External Commercial Borrowings

- External commercial borrowing (ECBs) are loans in India made (given) by non-resident lenders in foreign currency to Indian borrowers. They are used widely in India to facilitate access to foreign money by Indian corporations and PSUs (public sector undertakings)
- The Government of India permits ECBs as a source of finance for Indian Corporates for expansion of existing capacity as well as for fresh investment.

FCCB

- A foreign currency convertible bond (FCCB) is a type of convertible bond issued in a currency different than the issuer's domestic currency. Simply, a bond issued in the currency other than home currency.
- A convertible bond is generally a mix between a debt and equity instrument.
- Corporates issue FCCBs to raise money in foreign currencies.

Countervailing Duty

- An import tax imposed on certain goods in order to prevent dumping or counter export subsidies
- Also known as anti-subsidy duties, are trade import duties imposed under World Trade Organization (WTO) rules to neutralize the negative effects of subsidies

MSME

- The MSME Act, 2006 Act categorises the enterprises Micro, Small and Medium based on some parameters
- Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:
 - A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh;
 - A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore;
 - A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs.5 crore but does not exceed Rs.10 crore.
- Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSME Act, 2006 are specified below.
 - A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10 lakh;
 - A small enterprise is an enterprise where the investment in equipment is more than Rs.10 lakh but does not exceed Rs. 2 crore;
 - A medium enterprise is an enterprise where the investment in equipment is more than Rs. 2 crore but does not exceed Rs. 5 crore.

Baltic Dry Index

- The Baltic Dry Index (BDI) is a shipping and trade index created by the London-based Baltic Exchange that measures change in the cost of transporting various raw materials
- The Baltic Dry Index is a composite of three sub-indices that measure different sizes of dry bulk carriers

NASSCOM

- The National Association of Software and Services Companies (NASSCOM) is a trade association of Indian Information Technology (IT) and Business Process Outsourcing (BPO) industry.
- Established in 1988, NASSCOM is a non-profit organisation.
- NASSCOM is a global trade body with over 2000 members, of which over 250 are companies from China, EU, Japan, the U.S. and the UK.
- NASSCOM's member companies are in the business of software development, software services, software products, IT-enabled/BPO services and E-commerce.
- NASSCOM facilitates business and trade in software and services and encourages the advancement of research in software technology. It is registered under the Indian Societies Act, 1860.
- NASSCOM is headquartered in New Delhi, India, with regional offices in the cities of Bengaluru, Chennai, Hyderabad, Kochi, Kolkata, Mumbai, Pune and Thiruvananthapuram.

REITs

- A REIT (Real estate investments funds) is an investment tool that owns and operates real estate assets and even allows individual investors to invest in and earn income through partial/equity level ownership of commercial real estate without actually having to buy those assets.
- REITs are modelled after mutual funds, and provide their investors with all types of income streams - as well as the benefits of long-term capital appreciation.
- A REIT also trades on major stock exchanges and provides investors with a highly liquid stake in real assets typically offering high yields.
- Real estate investment trusts are intended to enable more people to invest in the Indian property market and boost funding in the sector.

Global Innovation Index

- The Global Innovation Index (GII) is an annual ranking of countries by their capacity for, and success in, innovation. It is published by Cornell University, INSEAD, and the World Intellectual Property Organization, in partnership with other organisations and institutions,
- It is based on both subjective and objective data derived from several sources, including the International Telecommunication Union, the World Bank and the World Economic Forum.
- The index was started in 2007 by INSEAD and World Business, a British magazine.
- The GII is commonly used by corporate and government officials to compare countries by their level of innovation.
- The core of the GII Report consists of a ranking of world economies' innovation capabilities and results.

SOCIAL ISSUES

- **Personal agency**
 - It is the capacity of individuals to act independently and to make their own free choices. Societal structures such as social class, religion, gender, ethnicity, ability, customs, etc. influence personal agency of a person. In case of India with respect to women customs, norms, patriarchal attitude restricts personal agency of a woman.
- **Development time Vs. Chronological time**
 - Chronological means arranging events in their order of occurrence in time. Only time is taken into consideration while comparing and assessment.
 - But Development time considers the development level in this time while calculating gender indices. So the countries' level of development is taken into account.
- **Child Sex Ratio**
 - It is defined as the number of females per thousand males in the age group 0–6 years in a human population.
- **Sex Ratio at Birth**
 - It is the ratio of number of resident male live births for a country for a specified time period, usually a calendar year divided by the number of resident female live births for same country and time period. The biologically determined natural sex ratio at birth is 1.05 males for every female.
- **Son Preference, reasons: From Survey**
- **Son Meta Preference, reasons: From Survey**
- **Convergence Effect:**
 - Means gender related indicators show improvements with increase in wealth. Demographic and Health Survey is based on this convergence effect.
- **Missing Women: From Survey**
- **Unwanted Girls: From Survey**
- **Social Infrastructure**
 - A subset of the infrastructure sector and typically includes assets that accommodate social services. Examples of Social Infrastructure Assets include schools, universities, hospitals, prisons and community housing. Social Infrastructure does not typically extend to the provision of social services, such as the provision of teachers at a school or custodial services at a prison.
 - In contrast, economic infrastructure supports economic activity and is often characterized by demand-based revenue streams.
- **Quantitative and qualitative indicators of development:**
 - Quantitative Indicator indicates a quantity which can be pure number, an index, ratio or percentage. Quantitative indicators are very widely used in development projects as they give a very clear measure of things and are numerically comparable.

Economy Survey Terms 2018

- Qualitative Indicators do not show numeric measures as such. Rather, they depict the status of something in more of qualitative terms.
- Details about education are given in economic survey...
- **Student Classroom Ratio**
 - Pupil Teacher Ratio or Student Teacher Ratio is the number of students who attend a school or university divided by the number of teachers in the institution. For example, a student-teacher ratio of 10:1 indicates that there are 10 students for every one teacher.
 - Right of Children to Free and Compulsory Education (RTE) Act, 2009 lays down Pupil Teacher Ratio (PTR) for both primary and upper primary schools. At primary level the PTR should be 30:1 and at the upper primary level it should be 35:1.
 - Rashtriya Madhyamik Shiksha Abhiyan (RMSA) framework stipulates that the PTR at secondary level should be 30:1.
- **Gender Parity Index (GPI) in Education**
 - IT is a socioeconomic index designed to measure the relative access to education of males and females. This index is released by UNESCO.
- **Burden of Diseases**
 - It is impact of a health problem as measured by financial cost, mortality, morbidity, or other indicators. Overall disease burden can be thought of as a measure of the gap between current health status and the ideal health status.
 - It is often quantified in terms of quality-adjusted life years (QALYs) or disability-adjusted life years (DALYs), both of which quantify the number of years lost due to disease (YLDs).
 - Disability-adjusted life year is a societal measure of the disease or disability burden in populations.

Students need to cover details about:

- Global Gender Gap Index by WEF
- Gender Inequality Index by UNDP
- Demographic and Health Survey of USAID(DHS)
- India National Family Health Survey (NFHS)
- Pre Natal Diagnostic Technique (PNDT) Act, 94
- Beti Bachao and Beti PAdhao
- Sukanya Samridhi Yojana
- Sustainable Development Goals in general, SDG-4 for education, SDG-3 for health
- Sarva Shiksha Abhiyan
- Rashtiya Madhyamik Shikha Abhiyan
- Codes on Wages Bill2017
- Shram Suvidha Portal
- Ease of Compliance
- Universal Account Number
- National Career Service Portal
- Employee's State Insurance Act
- Labour Force Participation Rate
- MGNREGA
- Maternity Benefit Act 2017

Economy Survey Terms 2018

- **Mahila Shakti Kendra Scheme**
- **District Level Centers for Women**
- **Nai Roshni**
- **National Health Mission, National Health Policy 2017**
- **Umbrella Integrated Child Development Services**
- **Fortification of food items with micro nutrients**
- **Pradhan Mantri Matru Vandana Yojana**
- **National Nutrition Mission**
- **Pradhan Mantri Ujjwala Yojana**
- **Swachha Bharat Mission**

SCIENCE & TECHNOLOGY

Innovation

- The action or process of innovating.
- It can also mean a new method, idea or product
- However, innovation is often also viewed as the application of better solutions that meet new requirements, unarticulated needs, or existing market needs

STI Policy 2013

Key features of the STI policy 2013

- Promoting the spread of scientific temper amongst all sections of society.
- Enhancing skills for applications of science among the young from all social sectors.
- Making careers in science, research and innovation attractive enough for talented and bright minds.
- Establishing world class infrastructure for R&D for gaining global leadership in some select frontier areas of science.
- Positioning India among the top five global scientific powers by 2020 (by increasing the share of global scientific publications from 3.5% to over 7% and quadrupling the number of papers in top 1% journals from the current levels).
- Linking contributions of Science Research and innovation system with the inclusive economic growth agenda and combining priorities of excellence and relevance.
- Creating an environment for enhanced private sector participation in R &D.
- Enabling conversion of R & D output with societal and commercial applications by replicating hitherto successful models, as well as establishing of new PPP structures.
- Seeking S&T based high risk innovation through new mechanisms.
- Fostering resource optimized cost-effective innovation across size and technology domains.
- Triggering in the mindset & value systems to recognize respect and reward performances which create wealth from S&T derived knowledge.
- Creating a robust national innovation system.

Cyber Warfare

- It is computer- or network-based conflict involving politically motivated attacks by a nation-state on another nation-state.
- In these types of attacks, nation-state actors attempt to disrupt the activities of organizations or nation-states, especially for strategic or military purposes and cyber-espionage

Autonomous Military Systems - Drones

- System -a set of things working together as parts of a mechanism or an interconnecting network; a complex whole, mainly by an organized scheme or method
- When added the term 'Autonomous' it is still precisely what we stated above but mainly in a predetermined manner or method. Sometimes even capable of taking its own decisions.
- Such systems are in Test, Development and can be used by militaries around the world.
- Drones - An unmanned aerial vehicle (UAVs), commonly known as a drone, is an aircraft without a human pilot aboard.
- As the technology improves and drones get smaller possibilities are endless – both offensive and defensive

Dark Matter and Dark Energy

Dark Matter

- Dark matter is a hypothetical type of matter distinct from ordinary matter such as protons, neutrons, electrons, and neutrinos but makes up 80% of the mass of Universe.
- Dark matter has never been directly observed; however, its existence would explain a number of otherwise puzzling astronomical observations.
- The name refers to the fact that it does not emit or interact with observable electromagnetic radiation, such as light, and is thus invisible to the entire electromagnetic spectrum.

Dark Energy

- A theoretical form of energy postulated (claimed) to act in opposition to gravity and to occupy the entire universe, accounting for most of the energy in it and causing its expansion to accelerate.
- It was earlier thought, that the Universe would stop or slow-up expanding once effect of Gravity gets reduced. Similar to a ball when thrown up, eventually slows after reaching a certain point under the effect of Gravity (acts like brakes).
- But, studies have shown exactly opposite is taking place and universe is expanding – so there must be some of energy, pushing the Universe farther away – calling it Dark Energy since we can see it but believed to be causing this acceleration (speeding up)
- Again taking example of the ball, if you throw up the ball up – after reaching a point instead of slowing down and start coming down; goes further up and now at even higher speed. (which is bizarre)

Off - Grid Renewable Energy System

- Off-the-grid is a system and lifestyle designed to help people function without the support from a remote infrastructure, such as an electrical grid. Grid means, a network for delivering electricity.
- In electricity, off-grid can be stand-alone power system or mini-grids typically to provide a smaller community with electricity.
- When this is done using renewable energy sources (1 or may be a combination of them) typically become an Off - Grid Renewable Energy System

Cyber Physical Systems

- Cyber-Physical Systems (CPS) are integrations of computation, networking, and physical processes. Embedded computers and networks monitor and control the physical processes, with feedback loops where physical processes affect computations and vice versa.
- CPS integrates the dynamics (changing aspects) of the physical processes with those of the software and networking, providing abstractions and modeling, design, and analysis techniques for the integrated whole.
- Example, many wireless sensor networks monitor some aspect of the environment and relay the processed information to a central node. Other types of CPS include smart grid, smart Street-light, autonomous automotive systems, medical monitoring, industrial process control systems, distributed robotics, and automatic pilot avionics.

BUDGET

APMC

- An Agricultural Produce Market Committee (APMC) is a marketing board established by a state government in India.
Main Principles:
- Ensures that farmers are not exploited by intermediaries (or money lenders) who compel farmers to sell their produce at the farm gate for an extremely low price.
- All food produce should first be brought to a market yard and then sold through auction.

Kisan Credit Card

- A Kisan Credit Card (KCC) is a credit delivery mechanism that is aimed at enabling farmers to have quick and timely access to affordable credit. It was launched in 1998 by the Reserve Bank of India and NABARD.
- The scheme aims to reduce farmer dependence on the informal banking sector for credit – which can be very expensive and suck them into a debt spiral.
- The card is offered by cooperative banks, regional rural banks and public sector banks.
- Based on a review of the working of the KCC, the government has advised banks to convert the KCC into a smart card cum debit card