

DEPARTMENTAL ACTIVITIES DEPARTMENT OF ECONOMICS

K C DAS COMMERCE COLLEGE YEAR: 2022-23

ECONOMIC FORUM

A meeting of the Department of Economics was held on 14th September, 2022 in the presence of all the faculty members and students of all the semesters of B.A and B.Sc. streams. In the meeting an 'Economic Forum' was formed with all the faculty members and students as its members and views were shared regarding the various activities that will be undertaken by the Forum. The first step in this regard was taken by publishing a monthly newsletter 'Econ-science' by the students of the department. Every month students of a particular semester (B.A/B.Sc.) with the help of the faculty members take the responsibility of compiling and publishing the newsletter.

ECONSCIENCE

Monthly Newsletter, Volume: 1, Issue: 1, September 2022

Economic Forum, Department of Economics.

WORLD'S MOST VALUED ED-TECH IN TROUBLE?

Decoding Byju's FY 20-21 financials:

Byju's, one of the most valued startup in India, has finally declared the audited results for the financial year ending 31 March 2021. Byju's projected revenues were worth ₹4400 crores but, it has come out to be ₹2500 crores which is in line with the previous figures posted by it. In comparison to the ₹262 crores loss in the previous financial year, in the recent results the loss escalated 17-fold to ₹4500 crores. At this juncture, one might ask "what actually went wrong with Byju's?" To start with, the main sources of revenue are 'Online courses', 'Streaming fees' and 'Offline course (including tablets with uploaded content and pen drive course).



DECODING BYJU'S

₹4,588 CRORE LOSS IN FY21

Though most part of this capitalisation of expenses depends upon the auditors, this time Deloitte (auditors for Byju's) has not let the company capitalise a major portion of expense which has had shown an impact on the results. Moreover, Byju's acquisition of 'Whitehat Jr.' has contributed 30% of the total loss. The whole picture here seems hazy as of now but it will be interesting to look at what the management does next to tackle the uncertainties.



Now all this revenue may not be real as most of the services rendered by the company is for a longer period and some of the customers may default or discontinue the course sold. This problem can bring misleading figures. As for the expenses, the company had been actively capitalising expenses in the previous filings. For instance, in March 2020 the company cut down the salary expense by more than 60% through transferring the salary expenses as an intangible asset in the balance sheet.

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RECESSION IN UK ECONOMY

UK economic activity contracted at its fastest pace in almost two years in October, suggesting the country has fallen into a recession during a period of political uncertainty and high energy and borrowing costs.



The gloomy outlook comes amid domestic political uncertainty, with Rishi Sunak on course to become prime minister after Liz Truss resigned last week.

The economy "therefore looks certain to fall in the fourth quarter after a likely third-quarter contraction, meaning the UK is in recession." In this connection it can be suggested that instead of some unnecessary tax-cuts policy the government should take some real policies that will really help the economy to recover from recession. As Rishi becomes PM we surely know of how well he has taken his policies in his tenure as Financial Minister during Boris Johnson's Governance.

During this period, the bank of England raised interest rates to 3% on Thursday from 2.25%, its biggest rate rise since 1989, but it pushed back against expectations for further steep hikes.

The pound slide briefly below \$1.12 after the decision as the central bank said "might" raise interest rates again because of a "Very challenging" economic outlook.



Further increases in Bank Rate might be required for a sustainable return on inflation to target. But looking at the current economic situation it won't be an easy task of the Government as well as the Central Bank of UK.