From the Editor’s Desk

The Indian economy has demonstrated great strength in all trying times across all global events like 2007-08 financial crisis, South East Asian crisis, Greece crisis, Brexit, etc. Since last couple of years, the economy has shown strong growth potential which has been largely driven by domestic growth drivers. The domestic events like demonetisation policy and GST application did have some transitory adverse effects but slowly the economic growth steadily recovered to 6.3%, 7.0% and 7.7% in the second, third and fourth quarters of 2017-18, respectively. So a big applause to the growth drivers and factors that facilitated economic growth, augmented contribution towards GDP and increased the consumption levels within economy. Overall investment spree across sectors, availability of funds, huge surge in private equity and venture capital funding, increase in entrepreneurship activities especially in e-commerce business, etc have all sharply livened up the economic sentiment and boosted financial morale of the market. Even the government has shown a big appetite for consumption and investment. The job scenarios have become promising and most of the business schools have cheered the increase in hiring and job profiles along with pay package. The growth in gross fixed capital formation was as high as 14.4% in the fourth quarter of 2017-18.

However, the economy needs a caution on the investment front both from the government and the investors. Good opportunities need to be fundamentally strong. They should yield good return in long run and also enhance wealth of the investors. Both should be measurable and quantified with built-in scenarios for good and bad times. The next three years will definitely mark the potential domestic growth drivers from poor sentimental drivers. The economy needs long time bullish investments that do not create any scope for short positions. The financial market is an intelligent market which incorporates all market inefficiencies and correctly attributes relevant
fundamental information in the long run. With highly motivating vision of Indian government to embark upon the US$ 5 trillion economy in the next five years, the country requires efficient planning, judicious investments that yield wealth creation for Indian economy, in the long run.

(Signature)

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**ARTICLES**

**The ‘Shethian’ View of Marketing Theory**

By Ritesh Tiwari, Assistant Professor, Department of Marketing & Strategy, IBS Hyderabad.

**Abstract**

What marketing is and what the dominant perspective of it is today is a pertinent question to consider. Given academic efforts to relate it to society and its need ensure that the domain of marketing and its scope is no more the same as earlier. This piece provides the perspectives of Sheth et al. (1988) from their landmark book on marketing theory. Referring to this as the ‘Shethian’ view, it is articulated by classification of marketing thought into various schools. Further, the authors outline the evolution of marketing across and with these schools and evaluate these intellectual contributions on criteria identified by them.

**Keywords:** Marketing theory, marketing thought, Shethian view, theory evolution

**A Time Series Analysis on Exchange Rate and Stock Market Performance for the Indian Economy for the Six-Month Period from January 2017 to July 2017**

By Kanupriya, Ph.D. student in the area of Economics at the Indian Institute of Foreign Trade, New Delhi.

**Abstract**

The paper seeks to conduct an empirical time series-based analysis of the relationship between exchange rate and stock market performance for the Indian economy. In the era of global financial integration, the study of different facets of the relationship between the stock markets and the exchange rates requires all the more attention. In a typical ‘globalized’ context, the above query of the relationship between stock market performance and exchange rate movements assumes all the more significance such that it has a bearing on international investor returns. This is based on the assumption that investors holding foreign equity are exposed to exchange rate fluctuations, which could have an important bearing on their wealth. The time series regression analysis reveals that there is no causal linkage between stock market and exchange rate performance for the six-month period under study, viz. from 12 January 2017 to 10 July 2017. A probable reason for this result could be the informational efficiency with respect to variables such as the exchange rates. The Efficient Market Hypothesis (EMH) of Fama could offer a reason for the same. The results might change on modifying the time period of the study, say, on elongating its duration from the current six months. Caution must, therefore, be exercised with regard to drawing out definitive conclusions as far as the reasons for the non-causality between the two variables of exchange rate and stock market performance are concerned.

**Key Words:** exchange rate performance, stock market performance and time series regression analysis.

**JEL Code(s):** C58, G12, G17
US Crude Oil Import: Onset of New Era of Oil Industry in India

By Rakesh K. Mishra, General Manager (Director Secretariat), Indian Oil Corporation, New Delhi. and
Sudhanshu Wadhwa, Manager (Management Services), Indian Oil Corporation, New Delhi.

Abstract
India is one of the fastest growing economies of the world and with this growth comes the rising demand of energy. It is anticipated that India’s energy needs are set to grow 4.2 per cent per year till 2035. The most crucial source to meet this rising energy demand of nation is from Oil & Gas which is highly dependent on imports. Till recently majority of crude oil imports of India came from OPEC (Organization of Petroleum Exporting Countries) nations, which made our economy highly dependent on OPEC policies to source the crude. A major turnaround happened in this monopolistic crude market with change in US policies which made it a potential supplier of crude oil. The changing equation in international crude market with US coming as a player is definitely an event to keep an eye upon. This article deliberates about US emerging as source of crude supply in international market and what it means for energy hungry nation – India.

Food Security Issue in Perspectives

By Rohit Mehtani, Professor of International Business Strategy at IIFT, New Delhi. He has been a British Chevening Scholar of Global Political Economy at the University of Hull and a Research Scholar of Political Economy of International Trade Diplomacy at the Academy of Third World Studies. He is a Certified Corporate Director and Management Consultant.

Abstract
WTO’s concern for removing distortions in international trade of agriculture and the resolve of UN agencies to end hunger and malnourishment have amalgamated to a strong voice for issues pertaining to food security. Both of these forums believe that they are addressing the same concern in their own ways. Yet the commitment to reduce domestic support in one forum and the commitment to end hunger and malnutrition at the other does create contradictions and dilemmas. The talks on agriculture in the multilateral forum of trade have been through a long evolutionary process, journeying from special treatment to agriculture at the time of inception of GATT to an attempt to reach comprehensive agreement on agriculture at WTO. The journey is riddled with various twists and turns on the stand taken by different countries at different times.

Shareholder Value Maximization vis-à-vis Stakeholder Value Maximization: A Literature Review

By Rishi Dwesar, Assistant Professor, Department of Marketing & Strategy, ICFAI Business School (IBS), Hyderabad.

Abstract
In it both explicitly stated and implicitly assumed that the key role of corporate governance is to maximizing shareholder value. However, the principle of maximizing shareholder value has been challenged as being “Short-Termed”, “Speculation-Oriented” and “Downsizing and Distribution oriented”. The paper discusses the origin of shareholder value maximization, some of its
shortcomings which have gained more significance after the 2000 stock market crash, the transformation of share value maximization approach into non Anglo-Saxon countries (Germany) and how stakeholder value maximization may be a better approach. This has been done by presenting a literature review of research papers published between 2000 and 2001 in leading international journals under the corporate governance framework. This period has been chosen specifically as to see how the principle of shareholder value maximization was perceived by researchers and academicians before the 2000 stock market crash, after which the consequences of this approach have been somewhat clearer.

ABSTRACTS OF DOCTORAL DISSERTATIONS

Building A Three Waves Post - Adoption Use Model for Predicting Continue Use Behaviour of An Innovation: A Longitudinal Study of Digital Natives and Digital Immigrants
By Ankit Kesharwani, Assistant Professor, Indian Institute of Foreign Trade, New Delhi.

Keywords: Integrated framework of technology use, Digital natives, Digital immigrants, Multi-group analysis, Technology adoption, and Continued use.

Corporate Governance and Firm Performance in Indian Context
By Rakesh K. Mishra, General Manager (Director Secretariat), Indian Oil Corporation, New Delhi.

BOOK REVIEW

30 Second Thrillers
Tales that tell the stories behind the Ads we love!
K.V. Sridhar (Pops), ₹499, Pages: 334, Bloomsbury India
By Prateek Maheshwari, Assistant Professor, Indian Institute of Foreign Trade, New Delhi.

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MONTHLY SEMINAR SERIES

Keynes, Macroeconomics and the Global Economy: Why Emerging Countries Matter
(24 August 2018)
By Prof. Manoj Pant, Director, Indian Institute of Foreign Trade, New Delhi

Impact of Oil Price Risk on Sectoral Equity Markets: Implications on Portfolio Management
(27 September 2018)
By Dr. Amarnath Mitra, Assistant Professor, IMI, New Delhi