

THE ANALYST.

THE ECONOMICS SOCIETY, DPSI
JULY 2026



Winning entries
from Econ³ Week
2.0!

Standout essays
from our
members

Visual
interpretations of
the world through
an economic lens



WHO'S WHO

THE E-SOC LINE UP

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MS. ASHIMA AGGARWAL

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VICE PRESIDENT
RAZZA GOYAL

EDITORS
ARSH SINHA
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CREATIVE HEADS
AADYA JAIN
SHAURYA VERMA

OPERATION HEADS
ARYAMAN NIJHAWAN
KABIR ARORA

OPERATION HEADS
JAI ANAND
BHARAT ANAND

@esoc_dpsi
teamesoc@gmail.com

EDITOR'S NOTE

FROM THE PRESIDENT

There is no shortage of economics-based media in the world. So you may ask: why create The Analyst? Our goal isn't to replace, replicate, or compete. We aim to give a voice to our budding economists and kickstart their economics journey. Every illustration, essay, and even meme is a testament to that. The Analyst will never have all the answers, but it'll nudge you to ask the right questions and unveil those answers. I'm honoured to be a part of this legacy and hope you cherish this edition as much as we did. Always remember: there's a reason for everything. Why do you think your chocolate bar got smaller, but the price remained unchanged?

Pranika Bhutani

Three years ago, I read the Analyst 2023 and it changed something in me - introducing a newfound love for business, finance, geopolitics and how the world works. It is a pleasure to carry on that legacy and if through this year's analyst I can inspire even a few of you the way I was inspired, then that's all the happiness I need.

Arsh Sinha

FROM THE EDITORS

Returning as Editor for a second year is a privilege. Bringing together insightful articles, striking visuals, and original artwork, each exploring economics through a unique lens, has made this edition both thought-provoking and engaging. Through The Analyst, we hope to spark curiosity and offer a fresh perspective on the economics that shapes our world. I hope you enjoy reading this edition as much as we enjoyed creating it.

Tia Jakhanwala

ECONOTWEETS

The concepts topping the charts, picked by Grade 12.

 **Pranika & Aadya** 

Macroeconomic policies
[#letthemcook](#)

 **Tia & Razza** 

Inflation
[#girlmathleftthechat](#)

 **Kabeeir & Bharat** 

Inflation
[#nerfedmybudget](#)

 **Aanya & Shaurya** 

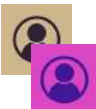
Unemployment
[#Opentowork](#)

 **Arsh** 

Liquidity trap
[#moneyleftmeonseen](#)

 **Parthivi** 

Macroeconomic policies
[#trusttheprocess](#)

 **Aryaman & Shiven** 

Forex
[#exchangestudent](#)

 **Vivaan & Kabir** 

Economic growth
[#growthspurt](#)

ECON³ WEEK 2.0



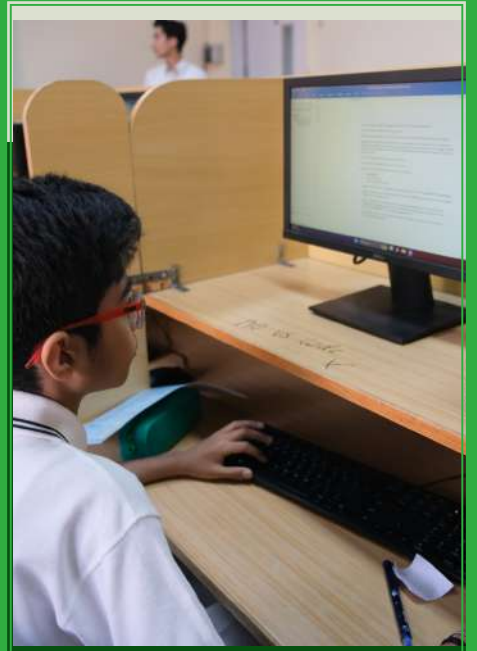
From April 20th to 23rd, ESoc hosted Econ³ Week for students from Grade 7 to A1. Aimed at fostering an appreciation for modern economics and its relevance in everyday life, the event received an overwhelmingly positive response. Here's a look at the impact by the numbers:

CREATE-ECON	41
ECONTHOLOGY	24
FINANCIAL LITERACY	75
TOTAL PARTICIPANTS	140



ECONTHOLOGY

Designed to promote engagement with economics beyond the classroom, this on-the-spot essay competition challenged participants to apply their knowledge to contemporary issues. Competitors researched a curated list of topics in advance, while the specific essay prompt was determined through a roll call conducted on the day of the event.



PROMPT: Do expensive products always mean better quality?

Do expensive products always imply better quality? No, they do not.

Why do people spend more money for an Apple product instead of buying a cheaper, probably more efficient Lenovo or Dell one? It's because the feeling of luxury often always comes with a higher price. This indicates the economic concepts of scarcity, manufacturing cost and status signaling. People are usually of the mindset that higher cost means higher quality, but this is not always true.

In 2021, a survey was conducted showing that 51% of people who bought expensive products did not get expected results. On a rough note, they expected the quality to be 90-100% but they found that the quality was no more than 30%. Companies selling products often create a psychological trap as a form of marketing, which makes customers believe that higher cost means higher quality. If I place 2 packets of chips in front of you (and I give you 70 rupees) one which costs 50 rupees and one which costs 60, you would pick the more expensive one -- that is the psychological trap. Companies also change their logos, designs and/or packaging for the same purpose.



If you have to buy a better car, you would think about spending more money. If you want to hire a more competitive (senior) employee, then you would offer them higher pay. If you want a better bag, you would pay more. These are real-life examples of the fact that more money makes you think you're getting better quality. Personally, many times my parents purchase the more expensive option, just because they think that it would have a better quality, but those things end up being not of the quality that was expected at all.



Status signaling just means making the customer think (from a company's point of view) that a higher price would provide them with higher quality results, but this is never true. Again, there are cases in which more expensive things result in better quality, things like a car or a house which are more expensive might (most probably do) have better quality. However, if you want to buy an eco-friendly car – a car which gives out the least pollution, then it is understood that the car at the lowest price, or which has the least powerful engine would fill that purpose, but when we have enough money and then see an expensive car, our minds tends to think that the expensive option is better, even if it does not fulfill the purpose.

Another example would be that a cheaper rucksack is more likely to fit the purpose than a more expensive one with a better design. In conclusion, expensive products do not always mean better quality. But still, people go for the more expensive products because of status signaling, and the psychological trap created by companies in order to lure their customers to buy the products.

Nandana Pushpendra (VIII-C) , Econthology Winner

PROMPT: The psychology of sales and spending

“Buy one, Get one free” or BOGO sales are when companies sell two similar products at the price of one. These sales are used by companies when they want to deplete their inventory or get a lot of people to their location. Sales like these are psychological tricks and manipulation structures.

The first mind trick used is the power of the word “free”. When customers see that they can get 1 item and another for free, they immediately purchase. There was a scientific test done where participants had to choose between a high quality Lindt chocolate for \$0.15 or a Hershey’s kiss for free. All participants chose the free Hershey’s kiss. Humans, when they hear the word free they don’t think rationally.



The next mind trick will be told with an example. Suppose someone goes to the shops to buy a pot, they see the pot has a BOGO sale on it. Now the customer will realize they are getting double pots for the price of one and be manipulated and think they are gaining a profit and they buy more than they need. Customers believe that gaining and getting more is more important and they forget they were only here for 1 pot.



The next mind trick is more simple. Some customers see BOGO sales in a gift-giving way. They go and buy a BOGO sale getting 2 mugs for the price of 1 but they give away one of the mugs to a friend or family member. Customers don’t need to buy 2 but they still do.

The last trick is a known one, it is called FOMO (the fear of missing out). Here customers go to the market to buy regular things but notice something they DON'T need but has a BOGO sale tag on it. Customers could feel as though they are missing out on a great deal if they don't get the BOGO item, even though they don't need it.

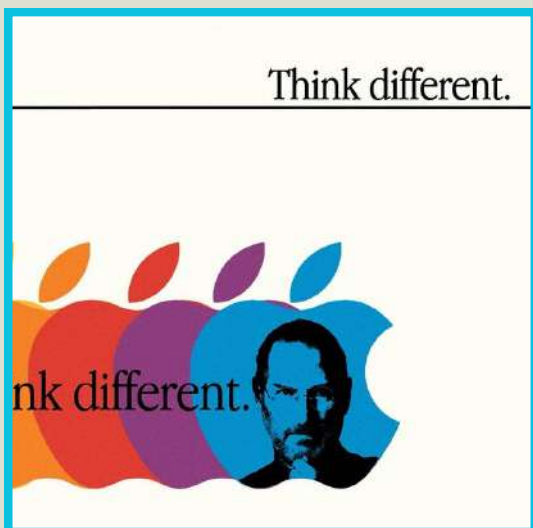
So BOGO sales are not that great. Sometimes they are useful when you do need 2 items, but usually not. BOGO sales make people buy more than they need and increase foot traffic in shopping outlets.

Katyayini Massand (VIII-B), Econthology Runner Up

PROMPT: The economics of rebranding

There are several reasons why a company or brand decides to change their company's logo, packaging etc.

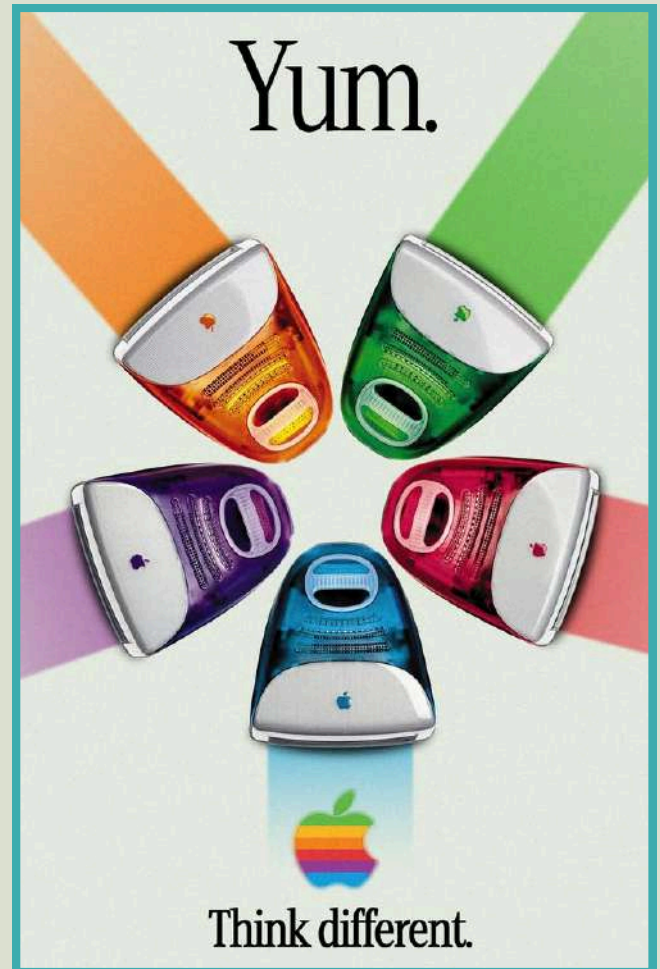
Firstly, with the world modernizing, old companies must change their logos in an attempt to make their brand modernized to better fit the changing landscape.



Other reasons may include the old logo of a specific company/brand being outdated - due to this, that company attracts less audience and hence has less sales. A logo is key for a company to attract customers and sales. Brands such as Toblerone are known for their logo and branding. Their branding includes a triangular box, which after seeing a person can instantly figure out that the box is from which company.

For a company to always have leads, rebranding is compulsory every 5-7 years, to attract more and new customers. More reasons include, as a company widens or expands their business rebranding is essential for change. The new packaging may indicate that the company rebranding is showing changes in their firm/company/brand by making the new packaging more sustainable to furthermore attract more leads who like sustainable ideas, brands.

Apple for example is famous for their half-eaten apple logo currently, earlier their logo consisted of a tree background which had "apple" written on it black and white themed. Now around 10 years later imagine if that logo was still used, if this were to happen this would lead to a large downfall of sales and apple would be on the verge of closing down. By this example we could understand that rebranding is essential for the company's own benefits. Take McDonalds for example. They rebranded and now give gifts for kids with every happy meal, which attracted more kid customers.



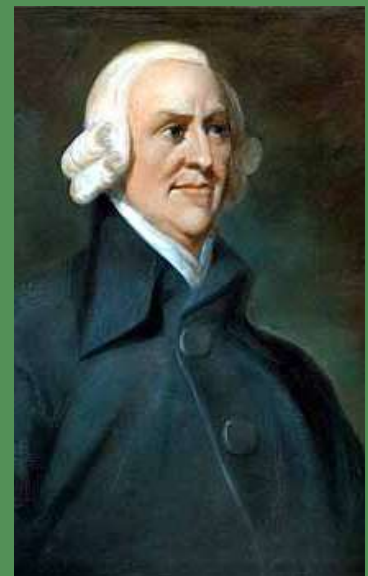
In conclusion I would like to say that companies do change their packaging logos designs for the same product to increase sales, widen their business, attract more customers and various other reasons. For some companies branding is the reason why they are famous.

Shauryaveer Talwar (VIII-B), Econthology Second Runner Up

ECONOMIST OF THE MONTH

Adam Smith (1723-1790)

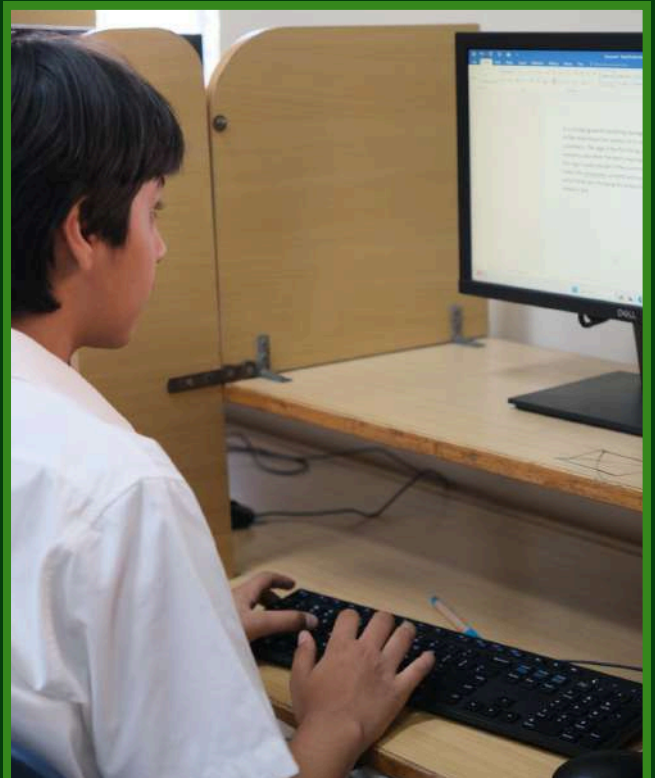
- Known as the "Father of Economics", Adam Smith laid the foundations of modern economic thought through his influential work, *The Wealth of Nations* (1776).
- He introduced the concept of the "invisible hand", arguing that individuals pursuing their own interests can unintentionally benefit society as a whole.
- Smith advocated for free markets, competition, and limited government intervention, ideas that continue to shape economic policy and debate today.



ECONOMICS THROUGH THE LENS

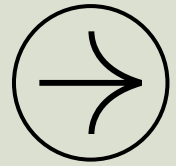


PHOTOGRAPHY BY TIA JAKHANWALA & SHAURYA VERMA



ECONTHOLOGY

JUNIOR CATEGORY



PROMPT: Why do businesses collect user data, and how does it help them make money?

In today's data-driven economy, approximately 2.5 quintillion bytes of data are collected each day, and unbelievably, this number is only going to get higher. Companies and businesses collect a range of data through different means. The main question, however, is why they collect it. Maybe to infringe privacy? No. A variety of businesses collect data to monitor consumer behaviour and understand customer insights.

This data is of two types: structured and unstructured data. Structured data involves more surveys and charts, whereas unstructured data collects the users' sentiments and emotions. Quantitative and qualitative data is another branch that sprouts from structured data. Businesses collect data to understand how consumers feel about their products and services and to track their opinions on the same. This helps them strengthen their already existing services and goods for the public.



However, it is not only the 'tracking of customers' for which data is used. Data is also used for predictive analysis. Through predictive analysis, businesses are able to closely analyse customer feedback and criticisms, and, hence, predict future outcomes. This helps these businesses to grow exponentially and rapidly, while also sticking to customer support.

Furthermore, businesses cannot always collect data through surveys. This data is huge, complex and sometimes, defined by this complexity, almost unfathomable and unreadable. So, data visualisation helps these companies to keep track of their data in a clean, but productive manner. Businesses also collect user data to cater to the consumers' personal needs and comprehend the average consumer persona. This aids these businesses to reduce costs, however, optimise their operations completely. Even though the costs are reduced, through enhanced and strategic marketing as well as predictive analysis of data, businesses can make far more money, as it is in equilibrium.



Market dynamics are significant on how businesses make money. Through analysis of supply-chains and demand factors, companies are able to focus more on profits, than losses. This helps them produce items of better quality as they are able to distribute their lucrative tokens equally, hence, focus more on the products, not only the people. Additionally, businesses also collect data in order to communicate their insights about the average consumer persona to the stake-holders, a pivotal membrane in the entirety of any business.

Through KPI monitoring or the analysis and comprehension of Key Performance Indicators, businesses are able to focus on services that users prefer, another concept known as consumer preferences.

This helps the business to concentrate on their fortes; not all their services. Unstructured data, focusing more on sentiment and emotion, aids the KPI monitoring even more.

In conclusion, businesses collect data for a range and variety of reasons and this aids them to focus more on profits. Their products and services are enhanced through the collection of data by focussing more on quality over quantity.

This data, in summary, can be collected through different means. The more structured the data, the better the quality. The more unstructured the data, better comprehension of the consumer criticisms.

Veer Sejwal (IX-A), Econthology Winner

PROMPT: Why do sales make people buy more than they need?

Dan Ariely, behavioural economics researcher, conducted an investigation at MIT wherein he found that the average consumer would opt for a sub-par treat with the “free label”. The cascading depth of a Lindt truffle, marked at a mere 0.15 cents, swept away the Hershey’s kiss (marked at only a cent) by a landslide. It was performed as follows: At these initial prices, 73 percent of consumers, upon being presented the choice, opted for the truffle.

Yet, the tables soon turned.

When both products were marked down by a cent, a remarkable 69 percent of consumers went for the Hershey’s kiss. With the establishment that the quality and luxury of the Lindt truffle is far superior to the Hershey’s kiss, 31% of consumers only compared price to product value, compared to the majority who fell into the trap that is “free”. Thus, this begs the question, does value truly play a significance in consumer behaviour? Or is it simply the psychological, “perceived value”, and smart marketing strategies employed by the company?



BOGO: Buy 1 get 1 free. BOGO is not the only tactic adopted by marketing teams. As of late, however, it seems to be the most popular.

Alternatively, the “buy 2 get 50% off” offer draws less attention, even though it may actually produce more benefit.

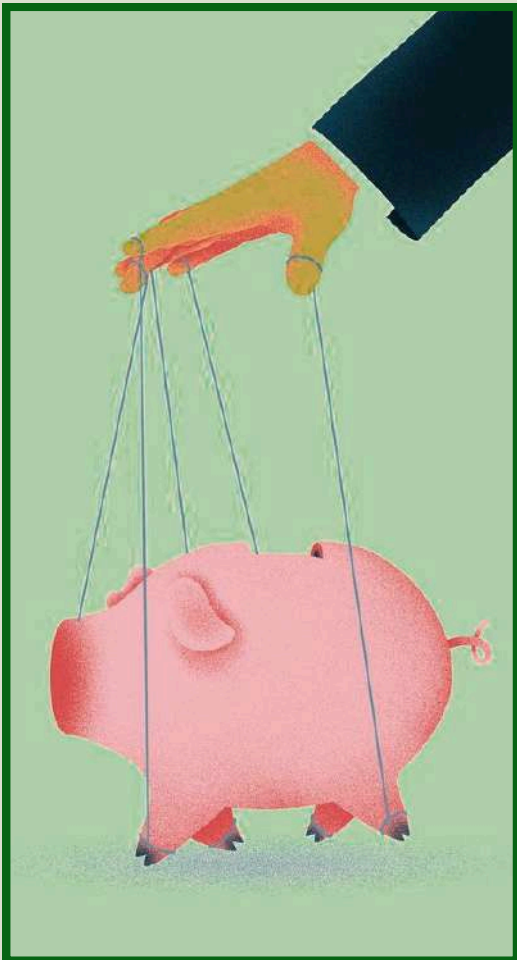
Note: under BOGO, the consumer experience would play as follows:

5000+4000: Consumer pays 5000

Under buy 2 get 50% off:

5000+4000: Consumer pays 4500

Despite this, BOGO is more effective. Besides the “free” label principle, its success is compounded by a culmination of psychological and economic factors.



Though an individual may require only one of a certain product, BOGO creates an opportunity to purchase a greater quantity with seemingly no alteration in price (the illusion of double the value for the same cost). This creates an emotional attachment or connection to the additional product. Consumers feel attracted to the prospect of perhaps gifting or passing the product to a loved one, or simply the attachment to the idea that they are receiving more. The “buy 2 get 50% off” tactic doesn’t have the same effect, because, though both involve receiving an additional product, it doesn’t have the word “free” to stand for it.

The major influencing factor is that consumers feel that they are benefitting in the short term, as well as financially in the long-term.

Moreover, another psychological player comes into the arena. That is, FOMO: The fear of missing out. BOGO creates a sense of urgency, and consumers feel desperate to claim miracle offers. They usually operate with the mindset that, if they do not jump now, they’ll end up suffering later. In turn, businesses benefit from increased sales, thereby clearing inventory in the process. Moreover, mark ups on initial values may result in their profit margin only being affected by a negligible amount.

In conclusion, the “buy 1 get 1 free” offer has been integrated everywhere in the world, and for good reason. Average shoppers walk into a store, with more in their hands than they initially planned. After all, is that not the goal of every establishment? Its efficiency can be drawn down to a combination of layered psychological components, and its success bleeds through every industry.

Maya Budhiraja (IX-A), Econthology Runner-Up

PROMPT: Why do businesses collect user data, and how does it help them make money?

Every click, search and purchase you make is valuable - but not to you. Your digital footprint has become a highly profitable commodity, used to fuel multi-billion dollar businesses and help determine their ROI. It is bought and sold every day for the benefit of these companies, and the worst thing is that this still remains unknown to many people who browse through the internet without knowing that every single move they make is tracked. But how do companies get a hold of your data anyway?

Firstly, companies track your search history, every purchase you make and every click you make while browsing. This helps them predict your next purchases. They also use surveys as a method of collecting your data, personalizing your experience on the internet. Furthermore, companies also track your transactions which are used to predict your future spending and future purchases that you may be interested in.



There are also many methods of data collection that they may use, such as qualitative and quantitative data collection. Finally, companies may buy your personal data from data brokers who compile your data as a whole. This may include your name, salary, occupation etc.

But why do these companies collect your data? How are you fuelling billion-dollar businesses?

By obtaining your user data, companies like Google and Facebook sell your data profiles to third-party advertisers who personalize the ads that are shown to you, according to what you search, what you buy or what you click on. This helps them gain an audience that is interested in the service they provide or the item that they sell. By gaining an interested audience, they may earn a larger profit.



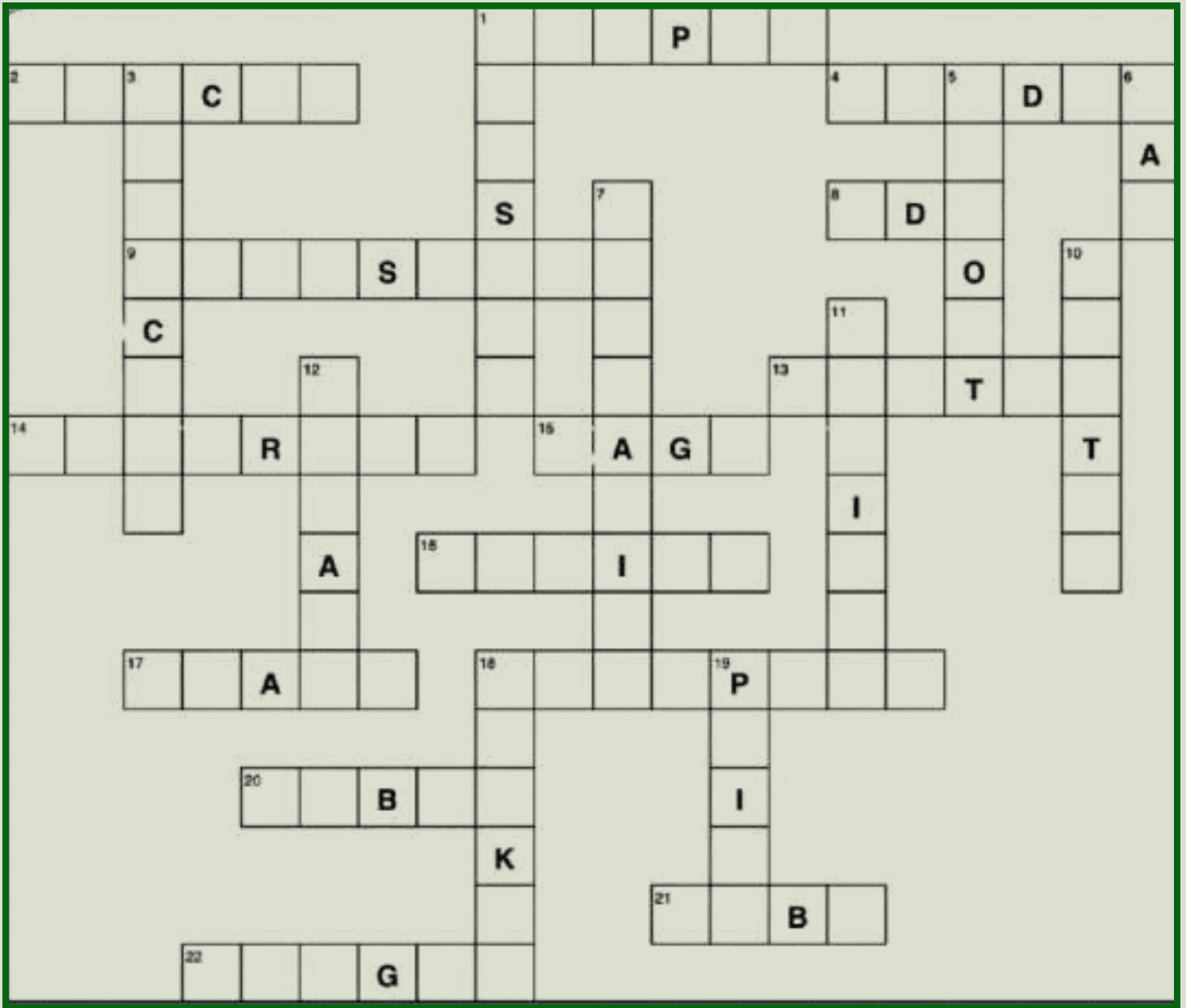
Furthermore, when companies get a hold of your data, they may also get a hold of your salary or financial status. This may benefit them as they change the prices of their products according to their buyer's financial status. For example, hotels purchase your data so they can change their prices according to your needs. This may benefit them but in your case, you are being made to buy products or services for prices that do not align with their actual value.

Lastly, user data helps them calculate risk. By purchasing and obtaining your personal data, they are able to predict any insurances or loans made. This helps them make more money and a larger profit as they are now aware of any risky financial transactions you may make. Therefore, benefitting them more than they benefit you.

Browsing on the internet has become a risky task, as every single move you make is going to be tracked. You must be careful about what you search without revealing any personal data such as your name, salary, age, occupation etc. Moves can be made to insure your information does not get leaked and in order to protect your privacy, they must be taken. Your every move on the internet is tracked.

Amina Mishra (IX-A), Econthology Second Runner-Up

CROSSWORD



**THE ONLY PUZZLE WHERE
OPPORTUNITY COST IS JUST
ANOTHER ANSWER.**

ACROSS

1. Amount of a good producers are willing to sell (6)
2. Relating to government spending and taxation (6)
4. Ability to borrow based on trust in repayment (6)
8. Total value of goods/services a nation produces (3)
9. Period of declining economic activity (9)
13. Trading goods directly without money (6)
14. Cost of borrowing money, in percent (8)
15. Payment for labor, usually hourly (4)
16. Tax on imported goods (6)
17. Exchange of goods between parties or nations (5)
18. Market with a single seller (8)
20. Human effort used in production (5)
21. Money owed to another party (4)
22. Plan for income and spending (6)



DOWN

1. Government payment to support an industry (7)
3. Limited resources relative to unlimited wants (8)
5. Good sold to another country (6)
6. Compulsory payment to the government (3)
7. General rise in prices over time (9)
10. Group of producers colluding to limit competition (6)
11. Machinery, tools, and buildings used in production (7)
12. Desire and ability to buy a good (6)
18. Where buyers and sellers interact (6)
19. What you pay for a good or service

ACCESS OR EXPLOITATION?

THE IMPACT OF GAMIFIED INVESTMENT APPS ON YOUNG INVESTORS

You have probably seen ads for stock trading apps on Instagram or Facebook recently. These apps make wealth building feel like playing a video game. The bright colours, push notifications, and confetti that can explode on your screen as you tap 'buy' have completely changed how we see the stock market. Now, the question is: Does this really help us manage money, or do they only make us better, more calculated and knowledgeable gamblers?



The harsh reality then is, as much as tech firms may think they're "democratizing finance," they're rapidly turning Wall Street into a digital casino. Sure, these apps have given everyone access to invest across. Until now, investing was a luxury reserved only for the successful and wealthy. And now, anyone with a phone, a bank account, and money can invest in their favorite company. Plus, the jargon is now removed, making it more accessible to the younger generation.

When used properly, an app-based portfolio on your smartphone can be a useful way to learn about compound interest, equity, and market dividends.

This begs the question: should we learn to swim on these platforms when they keep pushing us deeper and deeper into a stormy sea?

For true financial literacy, it's important to research, invest, put the money away in safe funds, and watch over it for decades. Gaming apps do just the opposite, as they need you to trade to stay profitable. Regardless of the negative financial impact on the user.

A study published in Management Science highlighted that game-like features on these apps have increased trading volume by about 15%. This rise in activity isn't financial maturity, instead is a trap. Further research shows that the intense trading behavior created by these gamified apps correlates with a 27% drop in investor returns.

Game-like trading apps do not build investors; they create speculators, leading to the boom in 'meme stocks' and cryptocurrency hype. Driven by internet rumors, millions of young people have invested their savings into volatile assets without any due diligence as they're desensitized to the true impacts of their gamble. When buying a share of a company likens purchasing a skin in a video game, the real-world weight of financial risk disappears.

The problem became so severe that government regulators intervened.



The Massachusetts Securities Division forced Robinhood to pay a \$7.5 million settlement and discontinue its celebratory animations after an investigation proved the platform was nudging inexperienced users to undertake massive financial risks.

Ultimately, gamified trading apps are a dangerous double-edged sword. They have given our generation a chance to build early wealth, but we shouldn't confuse basic access with true education. If playing Call of Duty doesn't make you a soldier, then pressing a button to buy a stock doesn't make you financially literate. If these platforms genuinely cared about our future, they would replace the digital confetti with educational resources to help users make calculated decisions. Till then, we need to protect ourselves and remember that the stock market is a way to fund our expenses, not some game to be won.

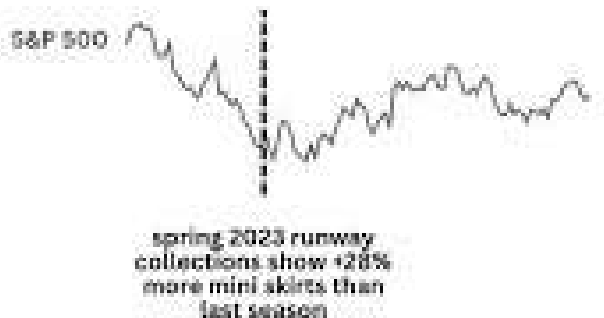
PRANIKA BHUTANI, A2-B

CULTURE & CAPITAL

THE HEMLINE INDEX

The Hemline Index suggests that fashion trends can reflect economic conditions. During periods of prosperity, hemlines tend to rise as consumer confidence grows. In tougher times, longer skirts often make a comeback, symbolising more cautious spending. While not a scientific indicator, it's a fascinating example of how economics can influence culture, and what's hanging in our wardrobes.

ARE MINI SKIRTS A VALID PREDICTOR OF ECONOMIC GROWTH??



WHY WE LEAVE MONEY ON THE TABLE

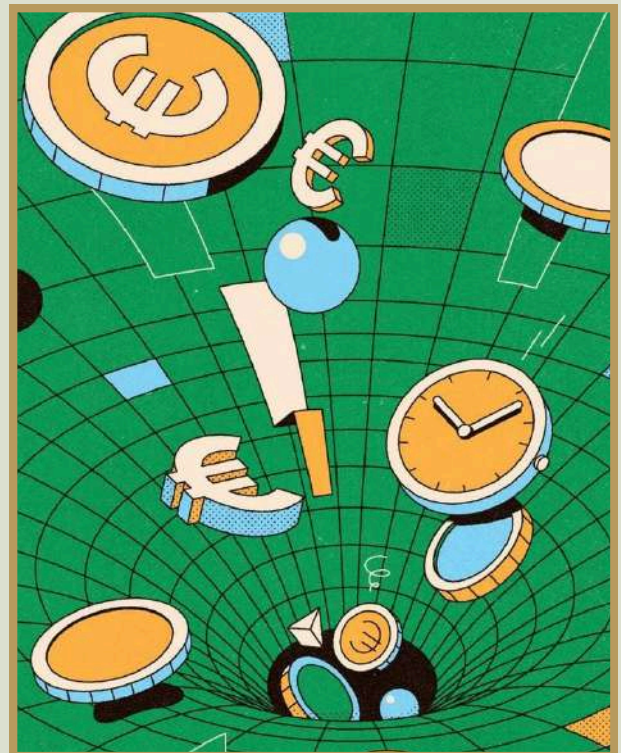
THE STRANGE LOGIC OF THE SUNK COST FALLACY

Rational people shouldn't let the past influence their future. So why do humans, from moviegoers to finance ministers, keep doing just that?

Picture this: you've bought a non-refundable cinema ticket for £12, and on the way there you catch the reviews. They're dreadful. You don't want to see the film anymore. Any economics textbook would tell you to turn around and go home; the £12 is gone either way. Yet, most people go anyway.

That's the sunk cost fallacy at its core: letting irrecoverable past costs sway a decision they have no immediate effect on. Neoclassical economics is blunt about this, saying that a rational actor weighs only marginal costs and benefits, i.e, what changes from this point on. Sunk costs (like the £12) change nothing. Or at least, they shouldn't.

That should ideally settle it. But for most of us, it doesn't.



Daniel Kahneman and Amos Tversky pinned this down beautifully in 1979, in the Prospect Theory paper that upended the rational actor model. Their finding: we as humans don't judge outcomes in absolute terms, rather we judge them against a reference point. Losses land about twice as hard as equivalent gains. Economists termed that asymmetry loss aversion, and it's most of why we just can't let sunk costs go.

The most dramatic version of this at play in real life is the Concorde Effect. Britain and France funded the supersonic jet together, then kept pouring billions in long after their own internal reports said it would never turn a profit. Neither wanted to be the one to call it. The money was already gone; that wasn't the question, that was known fully. The question, then, was whether the next round of spending would earn anything back. Simply put - it wouldn't. But the project continued for decades regardless!

And it isn't some relic of mid-century technocracy. It's everywhere. Investors cling to losing stocks because selling would make the loss real, students grind through degrees they've come to hate two years in, companies keep funding dying products rather than admit the development money was wasted. Every time, a dead cost steers a live decision. "Why stop now"?



Diving deeper, there's a social layer to it as well. In 1985, Hal Arkes and Catherine Blumer found that people dig in harder on a losing path when they'd made the original call publicly, or felt personally responsible for it. This finding points somewhere past economics: sunk cost reasoning is bound up with identity and accountability - we keep going partly to recover the money, and partly to stay loyal to the person who made the decision, that version of ourselves.

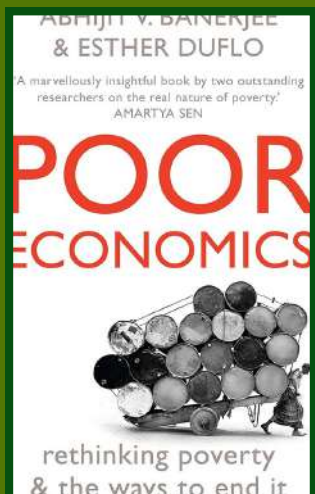
The only rational question remains the same: "Given where I am now, what is the best decision going forward?" The past is a sunk cost too.

The question in all of your minds right now must be - so, can we train our way out of it? Well, a little. Awareness helps less than you'd hope though - economists fall for it too! The fixes that do work tend to be structural in nature: hide prior spending from the people making the call, or force them to justify each new expense on its own merits, as if the past didn't exist. Corporate strategy has its own version of this, borrowed from writing: kill your darlings. Would you greenlight this project today, from scratch, knowing nothing about what you've already sunk into it? If not, walk away.

Strip it back and the sunk cost fallacy is just a collision between economic rationality and the psychology of regret. Markets and models assume the first; people manifest the second. The gap between them is where the interesting economics lives. So, the next time you catch yourself finishing a meal you're not enjoying just because you paid for it, remember: you're not being sensible. You're illustrating, one spoonful at a time, why behavioral economics exists.



BOOK OF THE MONTH



RAZZA GOYAL, A2-B

A CLASSIC CONTRADICTION

Quiet luxury has become fashion's loudest whisper. In an industry built on spectacle and reinvention, the idea of dressing expensively without looking excessive suddenly became the next big thing. At the heart of this movement stood Loro Piana: a brand once known only among billionaires and textile connoisseurs, before social media transformed it into the poster child of understated wealth.

However, the rise of quiet luxury took place after years of maximalism driven by logos, streetwear collections, and microtrends. Economic uncertainty and “performative consumption” made overt displays of wealth appear tasteless. The less obvious the branding, the more powerful it appears.

No brand embodied this philosophy more effectively than Loro Piana. Founded in Italy as a textile company, the house is reputed for sourcing some of the rarest and finest fibres in the world, such as baby cashmere and vicuña wool. Loro Piana represents the antithesis of “logomania”, targeting consumers who appreciate quality that is felt rather than seen.



Ironically, this refusal to chase visibility became the very reason for the brand's popularity. As “old money” aesthetics and stealth wealth flooded platforms like Instagram and Pinterest, younger audiences were drawn to the lifestyle associated with brands like Loro Piana. Suddenly, a label once associated with discreet elites became viral. A similar fate befell Ralph Lauren. Although the brand has historically been rooted in a distinctly preppy American aesthetic, inspired by Ivy League campuses and equestrian culture, social media gradually reduced it to a shortcut for the trend.

Additionally, the broader luxury industry began capitalising on this trend. Brands built on visibility and recognisable branding began softening their image in favour of understated collections and more muted campaigns. Even Louis Vuitton, historically associated with monograms like the Takashi Murakami collection, gradually shifted toward cleaner silhouettes. While statement pieces still exist, the goal is no longer obvious wealth, but effortless wealth.



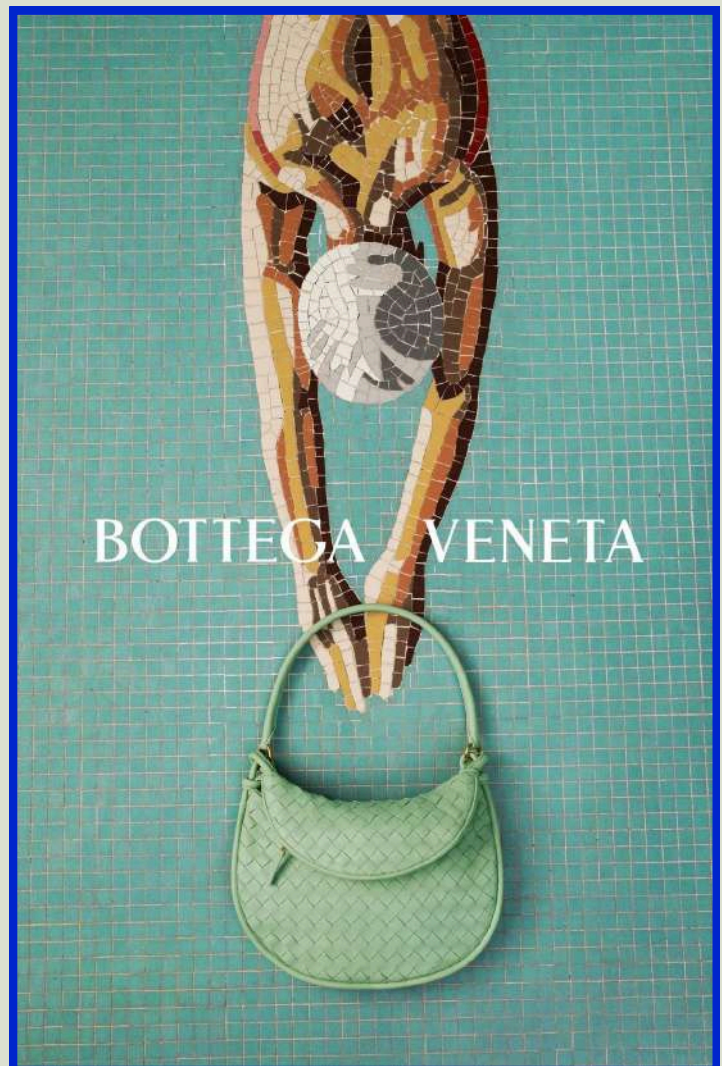
This transformation made brands like Loro Piana powerful. Unlike houses that had to reinvent themselves to fit the movement, Loro Piana already embodied it. In Succession, the phrase “ludicrously capacious bag” became one of the show’s most memorable moments, mocking the difference between aspirational luxury and true taste. However, this rise also contributed to the brand’s cultural dilution.

As content creators began labelling simple tailoring as “old money fashion,” quiet luxury became aestheticised and mass-produced. Fast fashion retailers replicated Loro Piana’s visual language and designs without the craftsmanship that justifies its prices.

Nevertheless, there are fashion houses that have successfully maintained a discreet presence in the industry, despite the popularisation of stealth wealth. The finest example of this is HardGraft, an Italian designer that embodies the quiet luxury ethos through its focus on premium materials and functional design. The brand competes with Tumi and Rimowa in the luggage market, but targets a niche that wants durable and fashionable carry items. Ateliers Auguste is also described as a quintessential example of quiet luxury, and is considered a better alternative to most high-end luxury bags.

Even so, these brands are not household names, unlike the now-viral Loro Piana. This dynamic challenges the basis of quiet luxury itself - can a brand still embody an understated image if it is internet famous?

The saturation of industry leaders such as Loro Piana, Hermes and Celine may suggest that brand recognition and popularity contradicts the concept of quiet luxury. However, there is one fashion house that challenges these conventions. Bottega Veneta has no logo or social media, but remains renowned and prominent. Its most recognisable designs (such as the Jodie and the Andiamo, specifically those featuring the Intrecciato weave) are highly desirable, retaining up to 95% of their original value.



The brand's philosophy of “discretion over display” and its use of high-quality leather and hardware has cemented it as the original pioneer of quiet luxury.

The quiet luxury phenomenon offers an interesting case study in behavioural economics. While traditional economic theory assumes consumers act rationally to maximise utility, the popularity of brands such as Loro Piana suggests that purchasing decisions are often influenced by psychological factors. Through social proof and status signalling, consumers derive value not only from the product itself but also from the social meaning attached to it.

The result is a paradox: individuals seeking to distinguish themselves from mainstream consumption often end up participating in a new form of collective behaviour.

In conclusion, quiet luxury faces a contradiction: once a brand becomes too visible, it loses what made it “quiet.” Loro Piana became heavily tied to online trends, making its once-subtle image more mainstream. Conversely, smaller artisan brands remain more discreet through limited exposure, while Bottega Veneta has managed to stay relevant without losing its understated identity.

The mainstream obsession with looking discreet ultimately made discretion impossible.

TIA JAKHANWALA, A2-B

ECONOMICS IN ART

The works of Mark Rothko demonstrate how value in art extends far beyond the cost of materials. Composed of simple fields of colour, his paintings have sold for tens of millions of dollars, highlighting the role of scarcity, reputation, and consumer perception in determining price. Rothko's success illustrates how art functions within a market where intangible factors such as emotional impact, cultural significance, and artist prestige can create immense economic value.



#61; RUST & BLUE

UBI: A CURE FOR POVERTY OR A COSTLY GAMBLE?

Universal basic income, UBI, is a policy tool proposed by governments as a socio-economic welfare mechanism. Remaining largely utopian as of date, it is the concept of governments providing every adult citizen of the country a fixed, no-strings attached monetary amount regularly, regardless of their employment or economic status or class. It is usually enough to cover basic living costs. UBI has garnered significant attention from economists, policymakers and social scientists worldwide, following pilot studies such as Finland's national experiment in 2017 and the Stockton pilot program, 2019. Trials have also occurred in Canada, Finland, Namibia, Kenya and India. A total of 203 assessments have been concluded or are currently underway. (The Stanford Basic Income Lab, 2020).

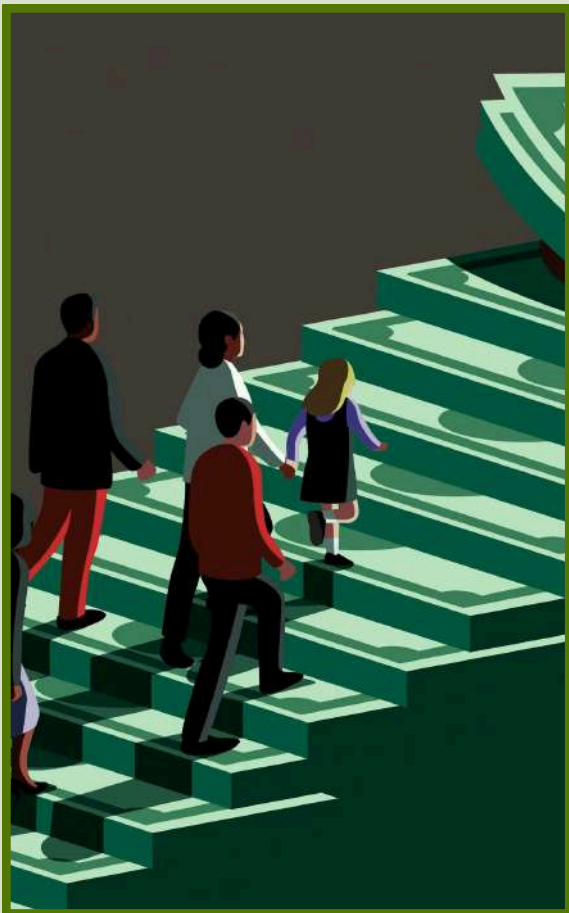
The first appearance of UBI dates back as far as the 16th century, when the English lawyer, Thomas More, mentioned it in his book *Utopia* as a solution to societal crime like theft. (Floyd, 2024). Popular revolutionaries of the 18th century, Thomas Spence and Thomas Paine also suggested UBI as a solution to inequality and poverty. Paine, in his famous pamphlet '*Agrarian Justice*', which spurred the American Revolution, proposed that every adult should be paid a cash grant. Martin Luther King Jr., in his book published in 1967, '*Where Do We Go From Here: Chaos or Community?*', urged 'guaranteed income' to abolish poverty (Tpns, 2019).



More recently, UBI was proposed as 'Freedom Dividend' by Andrew Yang during his 2020 US presidential campaign, suggesting \$1,000 monthly will help citizens cope from automation-driven job losses. (Fionta, 2024). It is estimated that 80 percent of jobs could be automated in the next two decades, making UBI a potential safeguard for quality of life (McKinsey & Company et al., 2017).

UBI has also shown promise in reducing absolute poverty and improving wellbeing. Namibia's 2002 grant reduced poverty rates from 76% to 37% within a year, while child malnutrition fell from 42% to 17% in six months (bignam .org , 2014). A generous UBI could also reduce financial insecurity which could reduce stress and other mental health problems. The decline in real wages has been contributing to rising drug abuse cases with Mental health issues costing the US \$200 billion in lost earnings annually. (The Stanford basic income lab, 2020).

Beyond welfare, UBI can stimulate economic growth. Namibia's program enabled families to afford school fees and buy school uniforms, reducing school dropout from 40% in 2007 to 5% in 2008, which can increase the potential skilled labour for the future (bignam.org, 2014).

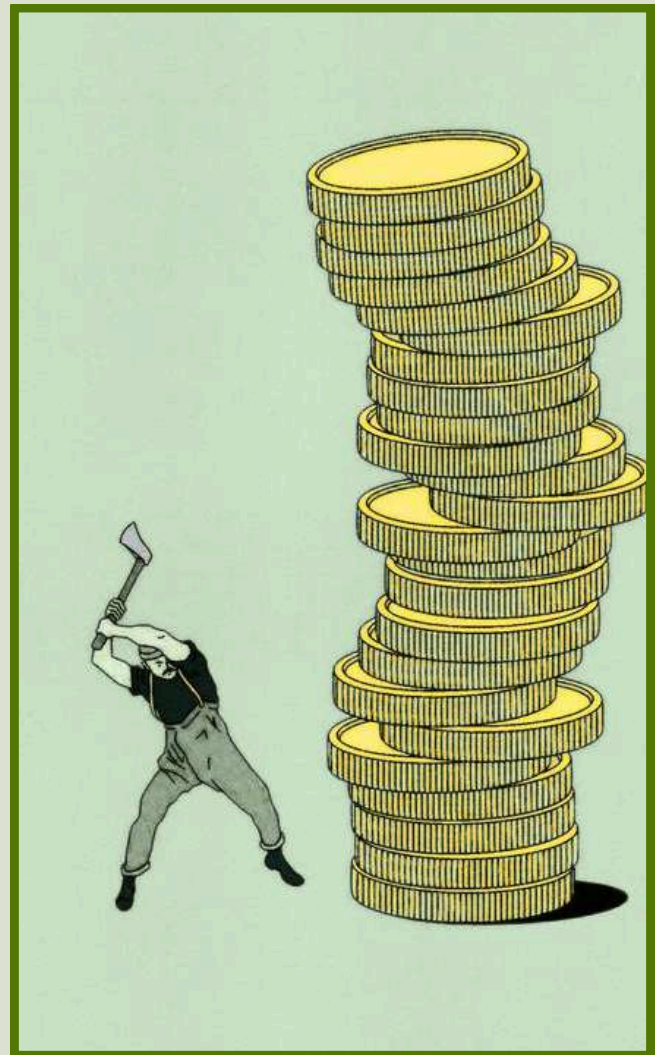


Yet, problems remain. Under it, a Fortune 500 CEO, unemployed engineer and stay-at-home parent all receive the same amount, which actually risks worsening inequality instead.

Furthermore, Yang's dividend was estimated to cost \$2.8 trillion annually (Fionta , 2024). This would have heavily strained the government budget, possibly forcing substantial cuts in existing welfare schemes and more essential public services. It may likely result in the government suffering high opportunity costs and having to compromise spending on industries of national importance, such as defence.

Work incentives may also decline, since most workers strive to be efficient at work with aspirations of high income and stable lifestyles. Lack of efficiency will reduce national output. The tax foundation model estimates, up to \$124 billion might be lost each year in revenue due to the lower output. (Fionta, 2024).

Alternatively, a negative income tax policy, proposed by Milton Friedman, might be a better midway. This is essentially a government policy initiative where citizens below a baseline income receive cash benefits instead of paying taxes. Unlike UBI, this excludes the wealthy economic classes, making it more fruitful in addressing inequality and fiscal sustainability and also coming at a lesser cost for the government. Essentially, providing mean-tested benefits instead of universal ones will likely show more efficacious results.



Conclusively, UBI is an unconditional government payment to all citizens of the country. It has the potential to reduce inequality, improve well-being and prepare societies for technological upheavals. However, budget-oriented, equity, and efficiency challenges make its successful unbiased implementation difficult. As to date, UBI proposals remain largely utopian and experimental, with support remaining divided as pilot programs across different developed and emerging economies continue to test its feasibility.

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AADYA JAIN, A2-B

THE ECONOMICS OF AIRLINES OVERBOOKING THEIR FLIGHTS

Why do airlines overbook flights?

You might have famously heard that airlines often oversell flight tickets. You might ask, how is that even possible? Or you may think it sounds like a scam. The answer to the former is quite simple: The airline does not employ another plane, it does not attach another compartment to the plane or any other way that involves increasing the capacity, it just relies on all its passengers not showing up. The answer to the latter is, however, more complicated, and will be explored further in this article.



Historically, a predictable percentage of passengers fail to show up for flights, and this issue (sometimes called the No-Show problem) leads to empty seats. Each missing passenger is one empty seat, and while the passenger who missed their flight would have still paid for the seat, the empty seat could have still been given to another paying customer and used to generate revenue. However, since the capacity of an aircraft is fixed once it departs, seats are in perishable inventory and lose their value, so leaving a seat empty means losing revenue for the airline.

Airlines use probability, through methods talked about in this article, they anticipate the no-show rates of the flight and calculate the approximate number of bookings they can allow after the capacity is reached.

Since this data is mostly accurate, losses are only occasional, and so in most cases, it is likely to be profitable.

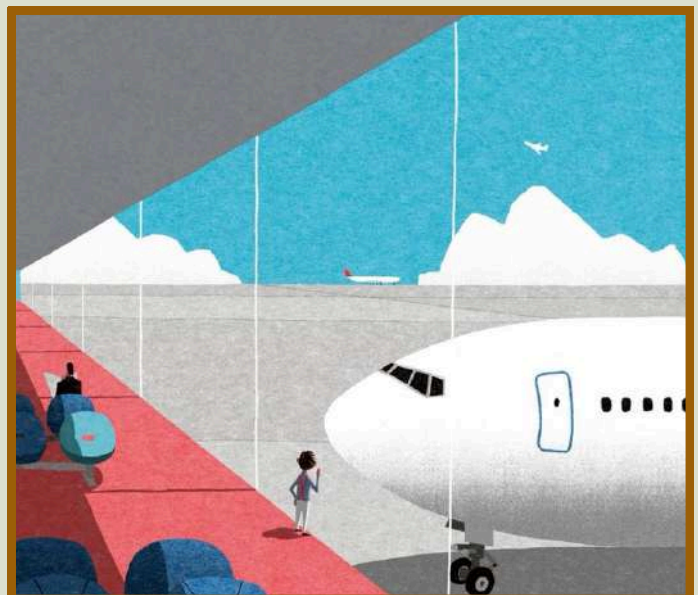
How do they do it reliably?

Airlines look at past data from previous flights, to analyze how many of the passengers who booked flights show up compared to how many bought the tickets, and by identifying continuous trends throughout. Typically, an airline would account for a small portion of the passengers not showing up, so they may overbook the flight by approximately 5% to 15%.

Nevertheless, there have been times when all the accumulated data proved to be useless. One of the most prominent examples within the decade is the Covid-19 pandemic, which was a global catastrophe that led to exponentially increasing fears of coming into contact with other people. This caused no show rates to dramatically vary, ranging from 0% to 40%. This volatility led to financial chaos since the airlines were still using old algorithms that anticipated for significantly smaller no-show rates, leading to a huge amount of “ghost flights” (empty or near empty commercial aircrafts flown without passengers).

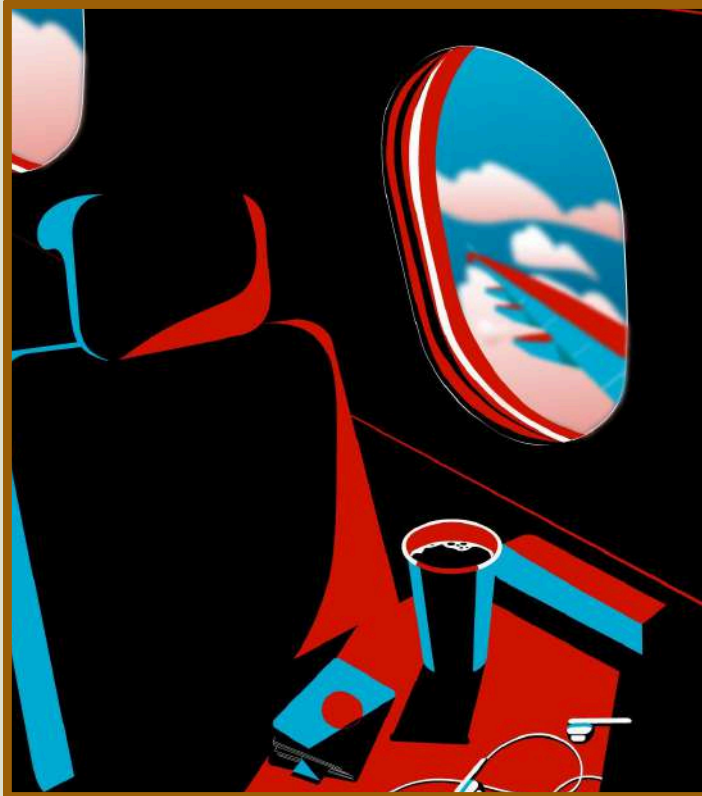
Countering this issue led to airlines having to make their booking more flexible and rely on passengers formally cancelling their flights instead if they tested positive or decided not to fly, allowing the airline to properly manage the seat.

What if everyone shows up?



Returning to the previous point, if everyone who booked a ticket were to show up, and the no-show rates were less than anticipated, the airline is required to ask passengers to voluntarily give up their seats for other passengers, while offering benefits or alternate flights.

If no one chooses to voluntarily give up their seat, the airline will be forced to deny boarding to some passengers, however these passengers will be legally entitled to proper financial compensation by the Directorate General of Civil Aviation based on how long the airline takes to give them an alternate flight. The passengers must also be provided with basic amenities such as meals and refreshments according to the waiting time, free accommodation in a hotel if waiting for the alternate flight requires an overnight stay, and free transport from the airport and hotel. If a passenger chooses not to fly in the alternate, they must be given a full refund of the price of the ticket, alongside receiving a 400% compensation of a basic one-way fare (which is capped at ₹20,000).



So those passengers who face involuntary bumping due to overbooking, or voluntarily leave, are legally required to be compensated, otherwise the airline may face severe legal trouble causing even more damage to their revenue and costs, hence while some passengers may face some delays and issues, financially, they will be taken care off.

How do you avoid being involuntarily bumped?

To avoid being involuntarily bumped out of flights, passengers may follow a few steps. They may check in online (these windows usually open 24-48 hours before departure). The faster you check in relative to other passengers, the lower the chances of being bumped. Joining a frequent flyers program or being part of airline loyalty membership will lead to you receiving priority in getting a seat on the plane.

There is a two-way opportunity cost. On one hand, if they choose to sell just the right number of tickets, the forgone alternative is selling the empty seats that form when passengers do not show up to customers who may have been willing to pay premium prices for it. On the other hand, if the probability backfires, then they chose to overbook and must pay the penalties, with the alternative foregone being running a smooth on time flight with no penalties.

Ultimately, though sometimes, the process may result in frustrated customers and penalties for the airlines, overbooking is not a scam but a calculated business strategy. It helps airlines maximize revenue by betting on the fact that some of us won't show up. For airlines, managing capacity is not just about counting seats, it's about predicting human behavior.

BHARAT ANAND, A2-B

WHY ARE ELECTRIC VEHICLES GAINING POPULARITY IN INDIA?

A few years ago, spotting an electric car on an Indian road felt like an event. Now? They're everywhere , scooters humming past you in traffic, EV cabs at the airport, even electric buses on city routes. Something has clearly shifted, and it's not just one thing driving it.

Start with the most obvious reason: fuel prices. Anyone who's filled a petrol tank recently knows the pain. Prices keep creeping up, and for people who commute daily, it eats into the monthly budget in a way that's hard to ignore. Charging an EV, on the other hand, costs a fraction of that. The math is simple, and once people do it, going electric starts looking less like a lifestyle statement and more like common sense.



Of course, the government too has been greasing the wheels. Subsidies, tax rebates, cheaper registrations, the FAME scheme - all of it steadily decreases the on-road costs.

Some states have gone further with their own incentives, which is why you 'll notice far more EV s in certain cities than others.

There's also the air we breathe. If you've spent a winter in Delhi or any big Indian city, you don't need a lecture on pollution. EV s don't have a tailpipe, so they add nothing to the smog. For a lot of buyers, especially younger ones, that genuinely matters. It's not the only reason they buy, but it tips the scale.

And honestly, the cars themselves have just gotten better. Range anxiety used to be the big fear , what if the battery dies halfway? But several models are pushing it close to 450km on a full charge and that will be adequate for the vast majority.



Tata, Mahindra, Ola Electric, Ather – the focus is very much on Indian roads, and Indian pockets, and competition is helping prices stay down.

So why are EVs taking off in India? Because for once, everything is pointing the same way ,the economics, the policy, the environment, the technology. As chargers multiply and batteries improve, it's hard to imagine this trend slowing down.

JAI ANAND, A2-B

#throwbackto

ECONOMIC LIBERALISATION IN INDIA

Faced with a severe balance of payments crisis, India introduced the New Economic Policy (1991) under Finance Minister Dr. Manmohan Singh. Built on Liberalisation, Privatisation and Globalisation (LPG), the reforms reduced government controls, opened the economy to foreign investment, and encouraged private enterprise. The result? Greater competition, faster growth, and an economy transformed for the global stage.



CREATE ECON

By linking economic theory to real-world developments and contemporary culture, Create-Econ transforms economics into an accessible and enjoyable learning experience. The initiative promotes greater awareness of global economic trends and inspires students to explore the subject beyond the classroom.

WINNER

**POV: GOING TO THE CANTEEN
THINKING THERE IS NO CROWD**



Expectation



Reality



**Then the price of
Maggi increased
by 50 Rs**

**RADHIKA GOYAL VIII-C
AYANA SHARMA VIII-A**

RUNNERS-UP



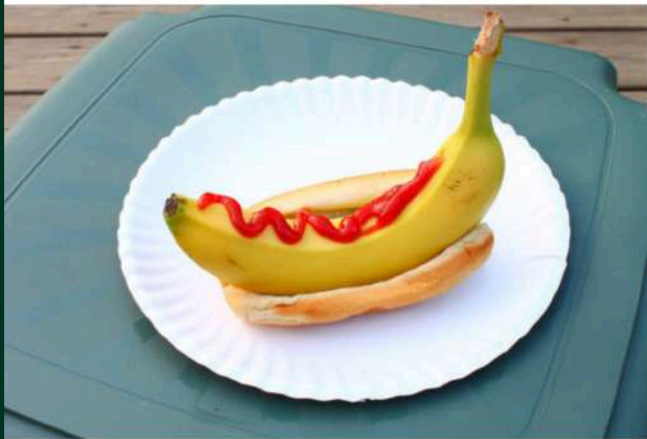
VANSH BUDHIRAJA VIII-A
VIVAAN CHHABRA VIII-A



SUMVID KHULLAR VIII-A
NIKUNJ SHARMA IX-B

SECOND RUNNER-UP

POV: EXPENSIVE RESTAURANTS BE LIKE:



WAITER: YOUR MEAL SIR, ONLY
\$500!

ME BE LIKE:



TAHIRA GOEL VII-B

MAAHIRA JOLLY VII-B

THE EFFECT OF CRYPTOCURRENCY ON THE MODERN ECONOMY

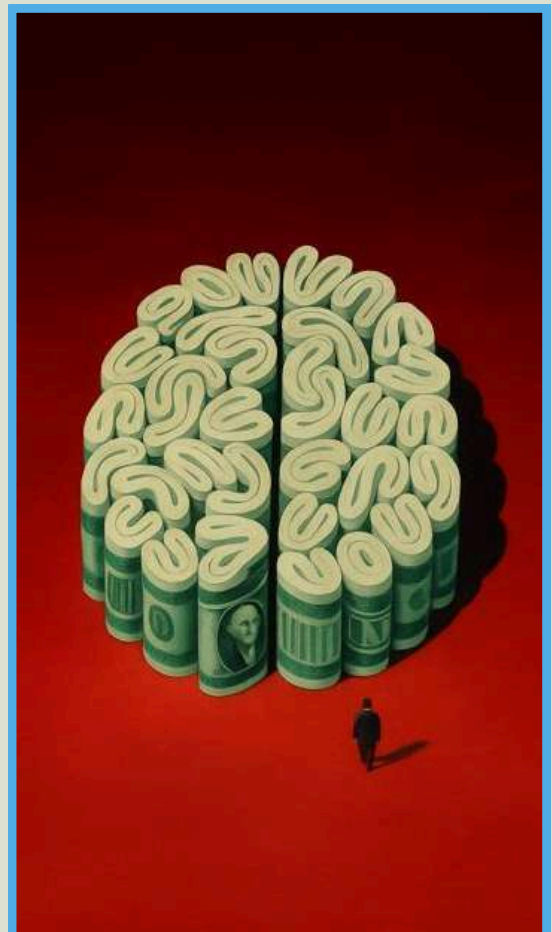
Fifteen years ago, in 2010, a programmer named Laszlo Hanyecz bought two pizzas from Domino's for 10,000 Bitcoins. Back then, that was worth about \$41. Today, the same amount of Bitcoin would be worth around \$1.1 billion. Yes, with a B. That's not just expensive food—it's basically the most overpriced lunch in the history of humanity. Imagine telling your grandkids:

"Son, I could've bought a private island, three yachts, and a lifetime supply of Oreos... but instead, I bought pepperoni with extra cheese." This ridiculous story perfectly captures the strange magic of cryptocurrency. What started as "funny internet money" has grown into a trillion-dollar industry that governments, banks, and even Elon Musk argue about on Twitter like it's a high school group chat. The million-dollar question is: what's next for crypto in the modern economy?

Let's make this simple by comparing it to one of the most traumatic events in human history: the family gathering.

Everyone knows family gatherings are chaos. Different personalities, one room, fake smiles.

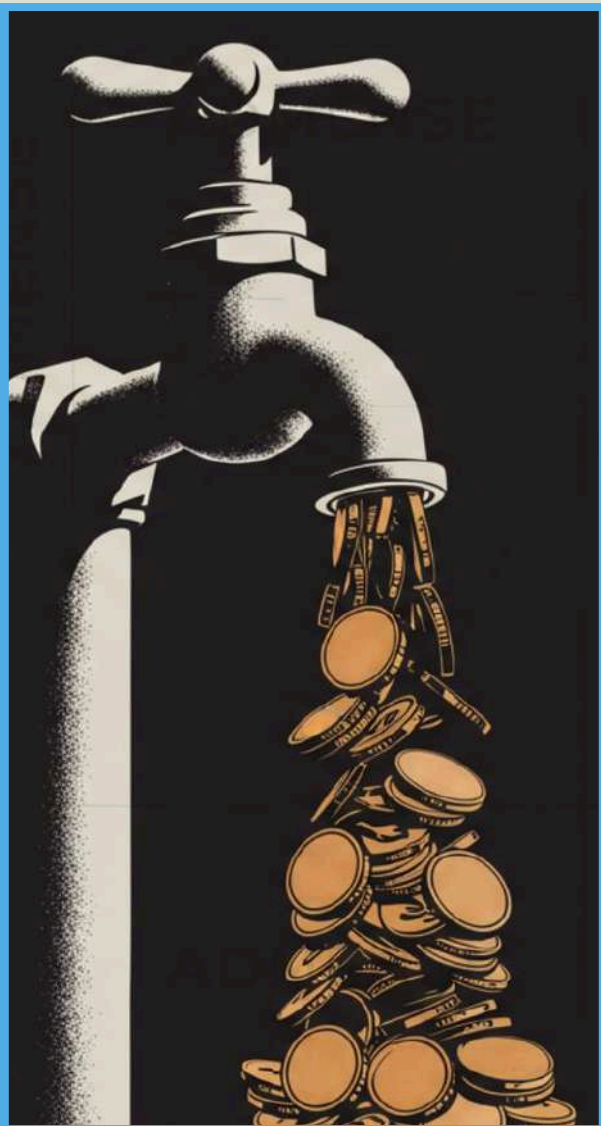
- Traditional money is the boring uncle. The one who corners you to talk about "responsibility" - central banks and governments control him.
- Cryptocurrencies are the rebellious teenage cousins. Leather jacket indoors, blasting music, never following rules. They're decentralized, powered by blockchain, and somehow every kid secretly wants to be them.



Take Bitcoin: capped at 21 million coins. That's it. No central banker can wake up and say, "Let's print a few million more." That scarcity makes it digital gold.

Then there's Ethereum. It uses a shared list called a blockchain to keep track of everything, making it secure and transparent.

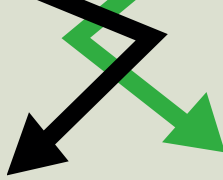
And of course: Dogecoin. Born as a meme with a Shiba Inu on it, now somehow used by Tesla for some payments. Imagine telling a banker you want to invest in dog memes- the teller would quit, move to the mountains, and raise goats.



Crypto actually has real, game-changing benefits:

- Faster, cheaper payments: Bank transfers are basically sloths in suits (slow and expensive). Crypto zips money across the globe in minutes. In the Philippines, workers use crypto wallets like Coins.ph to receive remittances from relatives abroad instantly.
- Financial inclusion: In places like Venezuela and Nigeria, inflation makes carrying cash feel like a gym workout. People turn to Bitcoin and stablecoins to protect their savings.
- Digital innovation: Big names like Visa, Mastercard, and PayPal now support crypto payments. Even Starbucks dabbled in it.

But don't be fooled—crypto is not all Lambos and champagne. It's more like a rollercoaster ride: thrilling, terrifying, and guaranteed to make at least one person vomit.



- Volatility: In 2021, Bitcoin hit nearly \$69,000... then crashed harder than my GPA in calculus. They call it “crypto winter,” but no amount of hot cocoa can thaw that heartbreak.
- Regulation battles: Governments don’t love the idea of money they can’t control. China straight-up banned crypto mining in 2021. Meanwhile, El Salvador made Bitcoin legal tender.
- Security nightmares: Hackers adore crypto. In 2014, the Mt. Gox exchange lost 850,000 Bitcoins—poof, gone. And unlike your ATM PIN, if you forget your crypto wallet password, it’s game over. Just ask the poor guy in the UK who accidentally threw away a hard drive with \$200 million in Bitcoin. He’s been digging in a landfill ever since.

So, where’s all this chaos heading?

- Global payments: Companies are warming up. Microsoft accepts Bitcoin for digital content. Some airlines accept crypto for tickets.
- CBDCs (Central Bank Digital Currencies): Governments are making their own crypto knockoffs. China has the digital yuan. India is testing the digital rupee. It’s basically crypto’s corporate makeover: the rebellious teenager shaved, wore a suit, and now works a 9-to-5.
- Investment & Innovation: Big banks like JPMorgan are in the game. Hedge funds throw billions at Bitcoin.

The future of cryptocurrency in the global economy looks like a sci-fi movie: innovation, plot twists, explosions, and maybe a giant robot cameo. From pizzas worth billions to governments gambling their economies on Bitcoin, crypto has proven it’s no passing fad.

Will it replace cash? Probably not completely (no one wants to pay rent in Dogecoin—imagine your landlord’s face when he collects it). Will it reshape global finance? Almost definitely.

Economics used to be boring. Crypto made it entertaining. And if this essay doesn’t get me a spot in The Analyst, I’ll just mint it as an NFT and sell it for millions.

NIKUNJ SHARMA, IX-B

THE LEMON'S PROBLEM OF FLOW COST STARTUPS

Picture this: two founders - same idea, eighteen months apart. Founder A spent fifty grand and half a year building a working product before anyone outside her garage saw it. Founder B, on the other hand, built something that looked almost identical, over a single weekend, using AI tools and workflows that cost drastically lower. Same idea, but wildly different price tag to find out if it was a feasible business.

This gap matters multiple fold more than it sounds like it should, and the reason is simple: signalling.

Economist Michael Spence, about 50 years ago, questioned why employers even care about college degrees even when the degree itself teaches nothing relevant to the job. His answer was simple. The cost of getting the degree itself does the work. He argued that only people committed enough to grind through years of effort bother finishing it, so the diploma quietly sorts the determined from the lazy.



Uptil 5 years ago, startups used to work the same way. Building an MVP took capital, time, and enough conviction to survive and keep taking the risk.

This difficulty filtered out half the founders before an investor ever had to look closely. Cut to present day: AI coding tools have pushed that cost toward zero. On face value, this sounds like good news: democratizing startups and reducing entry barriers, but is it really?



Here's the catch. Once a signal gets cheap enough, it stops being a signal. Spence's whole model depends on cost separating committed founders from people testing a hobby. Once you strip out the cost, and an investor staring at two near-identical MVPs has no reliable way to tell who will still be grinding on this five years down the line.

That's where George Akerlof's used-car problem shows up. In his 1970 lemons paper, buyers couldn't tell good cars from bad ones, so the market priced everything as average. Owners of genuinely good cars eventually gave up and left. Something close to this may be happening in early stage startups right now. If a polished MVP no longer proves commitment, serious founders get lumped in with weekend tinkerers, and the whole pool gets priced down accordingly.

So is this a quality collapse, or just a bigger pool with more noise sitting on top of it? There's a real test for those of you that want to dive deeper and form your own opinion. You track repeat founders.

If their hit rate stays flat while first-timers' failure rate spikes, it's noise, not collapse, and the talent didn't actually get worse. Secondly, watch what accelerators do next. The sharp ones are already reintroducing friction on purpose, interviews, cohort cuts, founder references. The old signal broke and they need a replacement, and they need it fast.

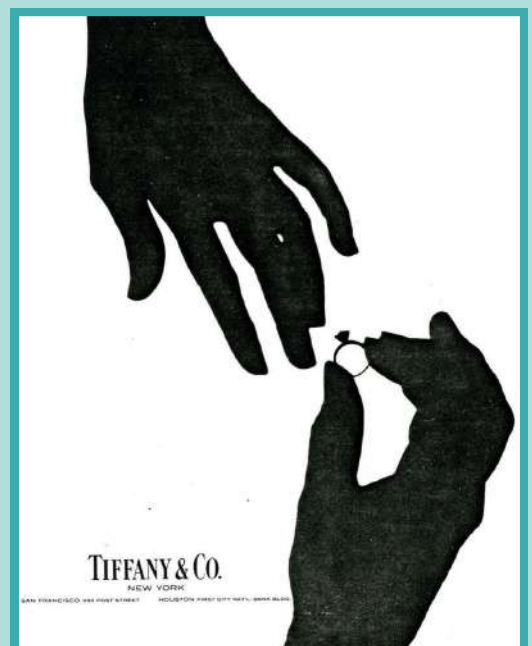
All in all, cheap tools didn't kill the filter. They just moved it somewhere else, and whoever rebuilds it first gets to set the price.

ARSH SINHA, A2-A

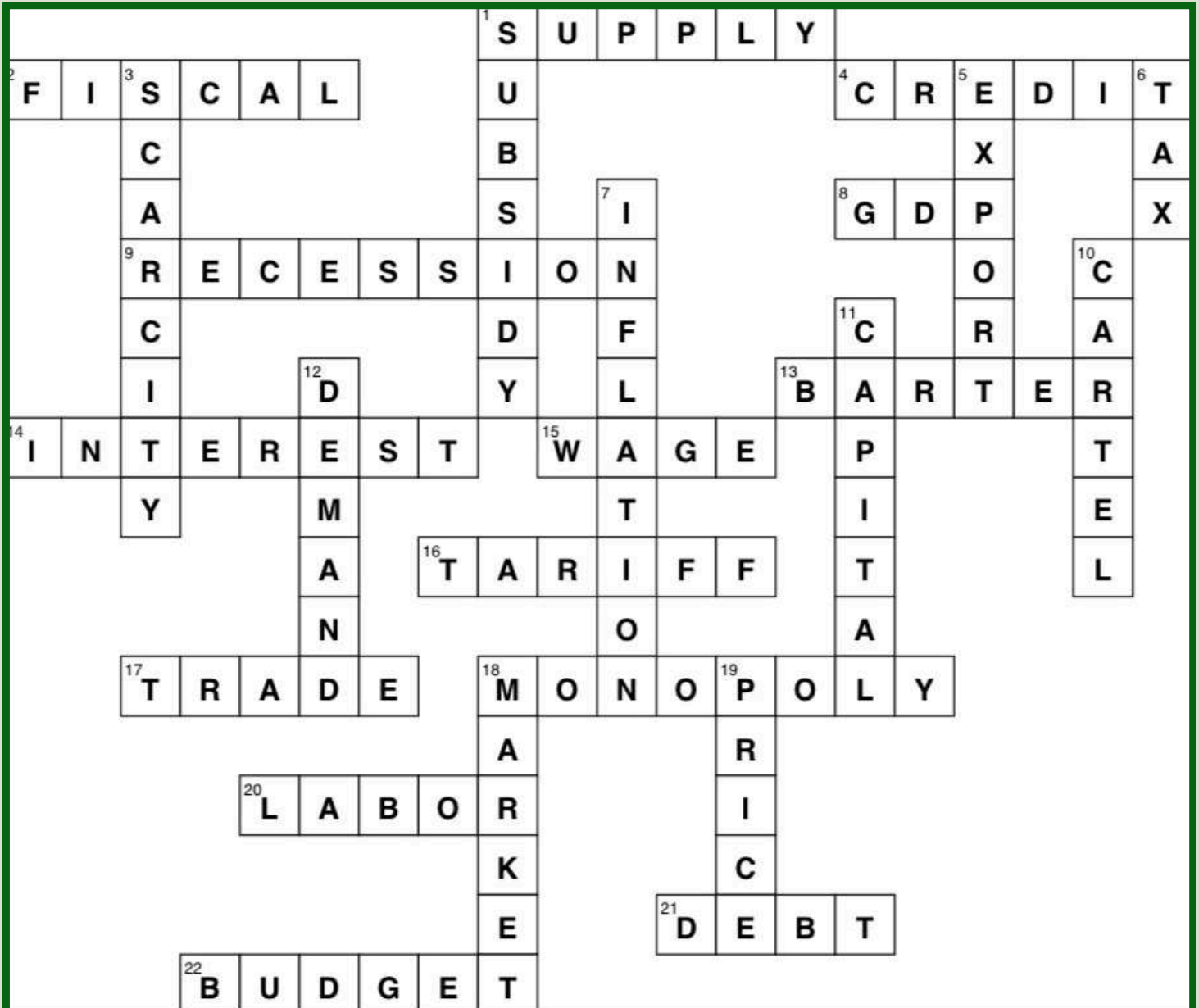
MYTH OR FACT?

MYTH: Diamonds are expensive because they're extremely rare.

While natural diamonds are scarce, they're not as rare as many people believe. For decades, limited supply and clever marketing helped create the perception of rarity. Today, prices are influenced as much by branding, demand and consumer psychology as by scarcity itself.



CROSSWORD KEY





Explore ideas, both big and small,
See how economics shapes us all.
Open your mind, think critically too,
Create, compete, and gain a new view.

**THE
ANALYST.**

