

VAJIRAM & RAVI

- Entities in which there is equity participation by the marketplace entity cannot sell their products on the platform run by the marketplace.
- **Restrictions on Cross border flow of Data:** The draft restricts sharing of sensitive data which has been collected or processed in India and stored abroad to other business entities outside India or third parties even with the customer consent.
- **Establishment of Data Authority:** to serve 'larger public interest'.
- **Crackdown on counterfeit goods pirated goods:** To give more power to trademark owners, all the seller details to be made available on marketplace website for all products.

Impact on e-commerce retailers:

- **On big e-commerce players:** They had been able to lure customers from brick-and-mortar business with deep discounts. That won't be possible now.
- It will affect the flexibility that e-commerce platforms had in doing business.
- The bar on e-commerce companies from selling products from entities they have a stake in could affect Amazon because it has a stake in its two major seller entities, Cloudtail and Appario.

Impact on consumers:

- Consumers may no longer enjoy the deep discounts offered by retailers that have a close association with marketplace entities.
- Having a regulator, e-consumer courts may better address complaints about online financial frauds.

Traders running traditional brick-and-mortar stores, who now find it difficult to compete with the large e-commerce retailers with deep pockets, could gain. The next phase of growth is expected to come from tier-II and tier-III towns. The new policy can result in job creation, productivity improvement, and increased consumer presence on online platforms.

15. What do you understand by the "multiplier effect" of investments? Explain how more capital investments in railways can have a multiplier effect on the economy. (15 marks 250 words)

Approach-

- Explain multiplier effect of investment. Use example.
- To explain effect on economy through important economic indicators like trade, employment, growth, exports etc.
- Link effect of more capital investment on these economic determinants and explain from perspective of multiplier effect.
- Suitably conclude.

Answer: Any investment, in general, has spill-over effects. The multiplier effect of investments means that any increase in public or private investment spending has a more than proportionate positive impact on aggregate income and the general economy. The larger an investment's multiplier, the more efficient it is at creating and distributing wealth throughout an economy.

For example- channelling investment to transport infrastructure like roads, railways, ports in India has potential to reduce a variety of costs, boost agglomeration economies, create jobs, improve the competitiveness of the