

MUDR₹A

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WORLD'S LARGEST RETAILER

Naman Pandey
1 BCom(H) B

In today's time there's one internet e-commerce site that's taking the business industry over like a storm. The site is no other than "Alibaba.com", the dream of an English Teacher, Jack Ma which has now taken shape into one of the world's largest business providing consumer-to-consumer, business-to-consumer and business-to-business sales services via web portals. It also provides electronic payment services, a shopping search engine and data-centric cloud computing services. The business started in 1999 by Jack Ma along with 18 others, who wanted to connect the Chinese manufacturers with the international market. The website became instant hit recording substantially large profits. In 2012, two of Alibaba's portals handled 1.1 trillion yuan (\$170 billion) in sales. At closing time on the date of its initial public offering (IPO), 19 September 2014, Alibaba's market value was US\$231 billion. However, the stock has traded down and market capital was about \$212 billion at the end of December 2015. Alibaba soon went onto the US stock market when a deal couldn't be struck with the Hong Kong officials. A total of US \$25 billion dollars were raised, making it the highest IPO (Initial Public Offer) in history. However buyers were actually purchasing shares in a Cayman Islands shell corporation, not in the Alibaba group, as China forbids foreign ownership of its companies.



Alibaba Group

Alibaba's vision statement reads as:

"We aim to build the future infrastructure of commerce. We envision that our customers will meet, work and live at Alibaba, and that we will be a company that lasts at least 102 years."

Alibaba hopes to survive for 102 years as it was started in 1999 and wants to make it through three centuries making the company one of its kind.

Alibaba wants to play a central role in providing infrastructure and marketing reach to help merchants, brands and other businesses that provide products, services and digital content to leverage the power of the Internet to engage with their users and customers.

Alibaba has grown substantially over the years. This website offered goods on a wholesale basis at a lower cost which played instrumental in gaining its market share leadership. The company has acquired various entities through the course of its years in business some of which are AutoNavi, Taobao (A Chinese consumer to consumer selling website), Tmall.com, Juhuasuan, Alipay, etc. Alibaba mostly operates in China but is working hard to expand its reach to other countries.

In India too Alibaba has partnered with companies such as ChannelPlay Limited, iTech Ecommerce Company, Sokrati Technologies Pvt Ltd, TDI international P Limited and Redington.

The first business of Alibaba Group, Alibaba.com (www.alibaba.com) is a leading English-language wholesale marketplace for global trade. Buyers on Alibaba.com, who are located in more than 200 countries and regions all over the world, are typically trade agents, wholesalers, retailers, manufacturers and SMEs engaged in the import and export business. Alibaba acts as a mediator connecting the buyers and sellers to each other in a cost effective and yet quick way.

Launched in May 2003, Taobao Marketplace (www.taobao.com) is the online shopping destination of choice for Chinese consumers looking for wide selection, value and convenience. Shoppers choose from a wide range of products and services on Taobao Marketplace, which features hundreds of millions of product and service listings. In addition, consumers use Taobao Marketplace to acquire product knowledge, converse with other consumers, receive real-time updates from merchants, and use interactive media to connect with each other and with brands and retailers. According to iResearch, Taobao Marketplace was China's largest mobile commerce destination by monthly active users in 2015. Alibaba acquired this company to enter into consumer to consumer selling. Alibaba is now one of the top 20 websites which are the most visited in the entire world with considerable control over online marketing in China.

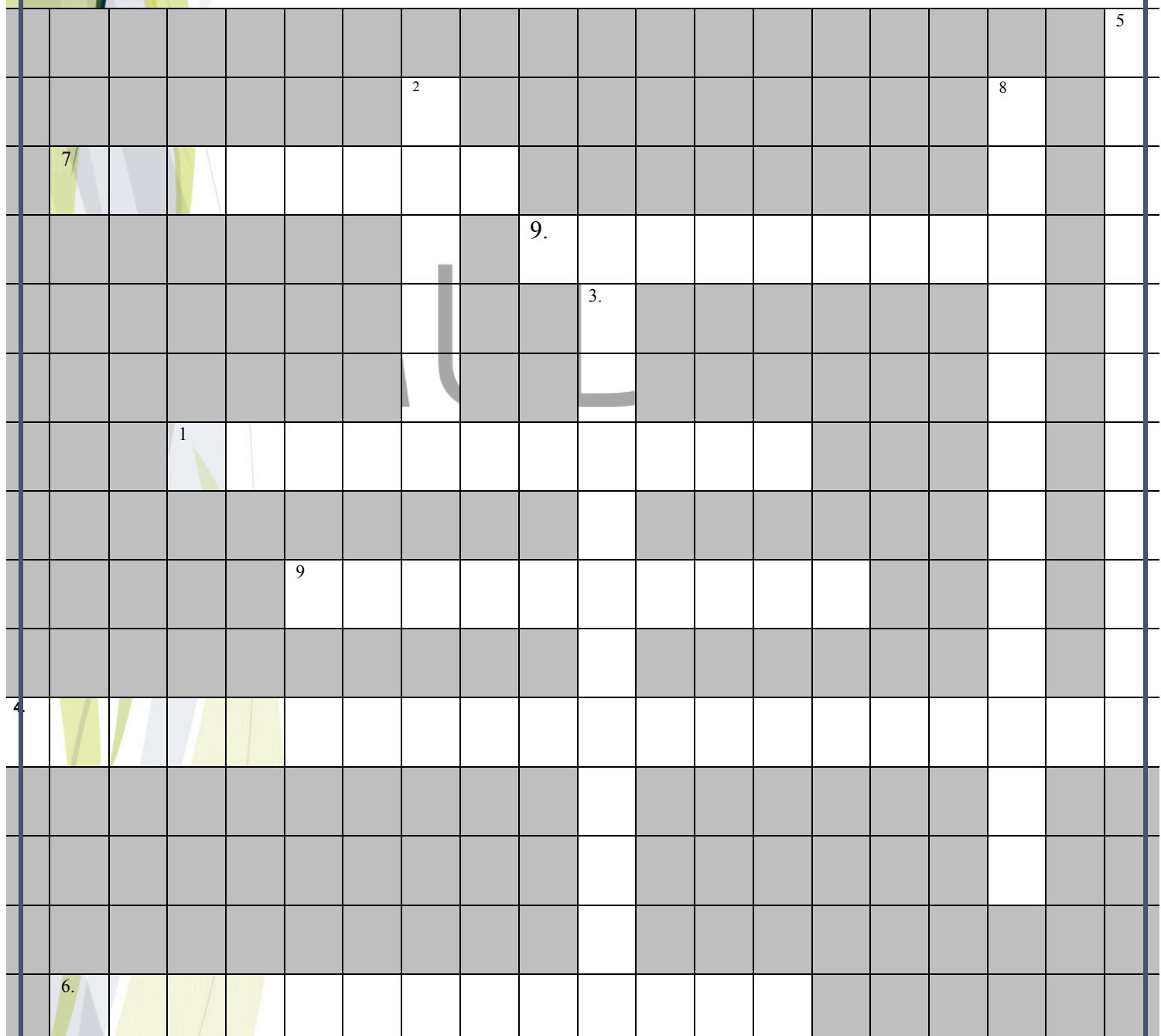
Established in September 2009, Alibaba Cloud (www.aliyun.com), Alibaba Group's cloud computing arm, develops highly scalable platforms for cloud computing and data management. It provides a comprehensive suite of cloud computing services to support the

participants of Alibaba Group's online and mobile commerce ecosystem, as well as other third-party customers and businesses. This initiative is helping Alibaba to expand its operations and enter into sectors which are still untapped and require development.

Alibaba is by far one of the fastest growing enterprises in the world right now and shows high prospects for future growth.

MANAGEMENT CROSSWORD

Norin Nidhi Moses
5. B.Com'B'



Across:

- 1. Which term describes the process of gathering, analyzing and synthesizing information about the jobs that are being done and any new jobs that are envisaged?**
- 4. A formal, systematic appraisal of the qualitative and quantitative aspects of an employee's performance is called:**
- 6. Job _____ is a written statement of the skills, knowledge, abilities, and other characteristics needed to perform a job effectively**
- 7. Rate at which employees leave a workforce and are replaced.**
- 9. Process of linking new members with team members in the employment process**

Down:

- 2. Job _____ is the process of describing jobs and arranging their interrelationships**
- 3. Increasing the number and variety of tasks assigned to a job is called Job _____**
- 5. A job _____ is a written statement of the job's activities, the equipment required for it, and the working conditions in which it exists.**
- 8. Technique using quantitative or qualitative data to make comparisons b/w different sections of the organizations**

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD. IPO

**Sravani N
3 BCOM (H) C**

A joint venture was incorporated in 2001 between ICICI Bank Ltd. and UK's Prudential Corporation Holdings Limited. As on March 31, ICICI Bank held a 67.6% stake in the life insurance firm, whereas Prudential Life Holdings Limited held 25.9%, the other shareholders being Singapore's Temasek and PremjiInvest. Situated in Mumbai, ICICI Prudential Life Insurance Company Ltd. is the largest private sector life insurer in India.

A range of life insurance, health insurance and pension products and services are offered to its customers by ICICI Prudential Life. The above mentioned products are offered through an

extensive multi-channel sales network including through the branches of bank partners, individual agents, employees, offices, corporate agents and their websites across India.

ICICI Bank, during last November had managed to sell around 6% of its stake to Temasek and PremjiInvest. The shares were valued around Rs. 32,500 crore and were off-loaded for around Rs. 1,950 crore. The companies Temasek owns around 2% in the firm and 4% is held by PremjiInvest in the insurance company.

Recently ICICI Prudential Life Insurance has planned to raise an IPO of Rs 6,000 crore on September 19, and will also become India's first Insurer in the capital market. This issue will also be one of the highest to hit India's market after Coal India, which raised close to 10,000 crore through its IPO.

The main reason or objective behind the issue of the IPO or offer was as follows. Firstly, ICICI Prudential Life wanted to obtain or achieve the benefits received by getting the equity shares of the company listed in the stock exchange. Secondly, the company wanted to carry out the sale of its 18.13 crore equity shares.

There are certain highlights or main details regarding both the company and the IPO. Firstly, ICICI Bank as mentioned previously owns close to 68% of the company and is selling around 12.65% of its stake through this IPO. Secondly, UK's Prudential Life Holdings Limited, which owns around 26% of the company will not be selling any of its stake in this IPO. Thirdly, the company is planning to raise at least Rs. 6,000 crore, at the upper end of the price band. Fourthly, the company's gross premium income was around Rs. 191.64 billion. Fifthly, the company has approximately 1.04 trillion of assets under their management, thereby making them one of the largest fund managers in India. Lastly, some of the book running lead managers and global coordinators to this issue include, Bank of America Merrill Lynch, ICICI Securities, CLSA, Deutsche, Edelweiss, HSBC, IIFL JM Financial, SBI Capital Markets and UBS.

The company had filed its Red Herring Prospectus with SEBI on 18 July, and got the approval from the market regulator for its IPO on September 2.

The company had issued an advertisement that the IPO will comprise of 18.13 crore shares, which makes up 12.63% of the total equity share capital. The issue will be open to the public from 19 September and close on 21 September. The face value of the shares being Rs. 10 per equity share, while the issue price ranges from Rs. 300 to Rs. 334 per equity share. A maximum of 50% of the issue will be reserved by the company towards Qualified Institutional Buyers (QIB), out of which 5% for mutual fund players and 60% for anchor

investors. The company will also set aside 35% of the total offer size for retail investors and the remaining 15% for all non-institutional investors.

In conclusion, it can be said that this might be one of the biggest IPO for the year 2016-17 both in terms of the amount being raised for the IPO (Rs. 6,000 crore) and also the fact that ICICI Prudential Life will be the first Insurer in India's capital market. There is also the fact that the company will be playing to its competitive strengths such as its strong brand, the company's consistent leadership cycle, its delivery of superior customer value, the way the company leverages technology, and its sustainable and experienced management team. With all of the above mentioned strengths and advantages that ICICI Prudential Life possess, one has to only wait and watch as to what the future has in store for India's largest private insurer.

THE RIPPLE EFFECT

Vinayak K Prem
1 Bcom Hon C

From the dawn of the century, when time was immeasurable and ethnicity undefined, there did exist, civilisations, that stood to disseminate cultural norms and define the manner of human interactions. Over time, culture overpowered norms and took to a whole different course of humane exchanges. This marked the beginning of seeds of management that now has embraced several boulders along the stream and grew into something unmatched.

Starting from 1-on-1 management, the society has witnessed several circumstances of utter chaos and greater serenity. But diligent interaction did form the foundation of the massive theory of significant Management. It's indeed surprising to note the timeline of Management growth- from the ancient theories of Fayol and Weber to modern management strategies of global managers.

When experimentation couldn't be of any use to management theory derivation, experience came to be a greater help. Soon Fayol, with his limited view of the management concepts took to create a whole set of theory that continues to influence the generation of today.

Then we looked at the Classical & Neo Classical Theories that sparked the modern theories. From normal social and event management to organisational management, the stride was indeed utterly segmented. Though times have changed, management failed to change an inch. The same managerial concepts that existed long back, continues to find utterance in modern day scenario. The reason to this rather perplexing question is the fact that human psychology is fundamentally the same, but only got more complex.

But time did play miracles. Now management has got a bit more complex than what it was before. Management is less about managing people and more about management the interactions with people and things. Technology has indeed played a major role in this context as well. Now it has become important to take care of the technology, time, machinery and people, all at the same time.

Building relationships is yet another sphere of people management. Over time what sustain are the relationships and time is now beckoning us to realise the steps we have traced and look back to simple management ideas our ancestors have left.

QUIZ FOR THE MONTH

Sharanya B R
5 B.Com D

1. The Pashudhan Bima Yojana has been launched by which state government of India?

- [A]Rajasthan
- [B]Haryana
- [C]Punjab
- [D]Uttar Pradesh

2. Which Indian movie has won the Best Asian Genre Film award at 2016 Bucheon International Fantastic Film Festival (BIFAN)?

- [A]Captain Fantastic
- [B]Psycho Raman
- [C]The Forest
- [D]Auto Head

3. India has recently set up military hotlines with which of the following neighboring countries?

- [A]Myanmar
- [B]Nepal
- [C]China
- [D]Bhutan.

4. Who has been sworn-in as the new chief justice of Allahabad High Court?

- [A]Ajay Kumar Mittal

- [B]Jagadip Narayan Singh
- [C]D.Y. Chandrachud
- [D]Dilip Babasaheb Bhosale.

5. Which state of India has won the best state award for comprehensive development of tourism for the year 2014-2015?

- [A]Rajasthan
- [B]Madhya Pradesh
- [C]Karnataka
- [D]Gujarat

6. The 2016 International summit on tobacco-control will be hosted by which country?

- [A]Bhutan
- [B]Sri Lanka
- [C]Nepal
- [D]India

7. The 2016 joint military exercise “Maitree” has been conducted between India and which of the following countries?

- [A]Indonesia
- [B]Thailand
- [C]Malaysia
- [D]Maldives

8. Who will be bestowed with the 2016 Tilak Sanman Puraskar?

- [A]Radha Mohan Singh
- [B]Devendra Fadnavis
- [C]M S Swaminathan
- [D]Sharad Pawar

9. The BRICS policy planning dialogue meeting has been held in which of the following cities?

- [A]Pune
- [B]Guwahati

[C]Lucknow

[D]Kochi

10. Which of the following Indian companies has/have been listed in the 2016 Fortune 500 list of the world's biggest corporations in terms of revenue?

[A]Indian Oil Corporation

[B]Bharat Petroleum Corp. Ltd

[C]Hindustan Petroleum Corp. Ltd

[D]All of the above

REVERBERATION OF REPO RATE

Sagar S
5 BCOM B

This article is about the comment made by our Commerce and Industry minister Nirmala Sitharaman, a graduate in Economics from JNU, Delhi, who wants the RBI to cut the Repo Rate by 200 basis points (one basis point is one hundredth of a %), means 2 %!

The Repo rate is the rate at which banks borrow from RBI on a short-term basis. The current Repo rate stands at 6.5 %.

Sitharaman was basically intended to say that, at present MSMEs (Micro, Small and Medium Enterprises) are facing a cash crunch because of high interest rates on loans. MSME are one of the most important sectors of our economy today as they contribute nearly 45 % of the manufacturing output and 40 % of the total exports as per recent available data.

Even then, an experienced economist like Sitharaman who worked in UK should have thought before making such a statement and its impact on the economy.

As of now, let's consider that our Governor took her advice seriously and cut the Repo rate by 200 basis points then the Repo rate becomes 4.5 %, which means our banks like SBI, ICICI, among others will have to pay less money for the loans they borrow from RBI.

Now, the banks can act in two different ways,

Firstly, the banks might not cut its lending rates, to compensate and cushion their losses due to the rising NPAs.

Secondly, the banks may reduce the lending rates.

Actually the banks lend money to the borrowers and invest in securities out of the money they receive as deposits (Fixed, savings etc.) from their customers. Usually these commercial

banks tend to reduce the deposit rates, when it cuts its lending rates. One must understand lending generates income and deposits incur expenditure for banks.

At this situation, the savings of the small savers are hammered (about 65 % of the savings of people are in F.Ds of banks and other financial institutions). People who are fully dependent on these regular income like retired must either reduce their consumption, which will indirectly affect MSME (or) invest those money into higher yielding investments like Mutual Funds, Stocks, and Gold etc. This results in the outflow of money from the banking system. The banks are compelled to increase their interest rates on deposits to attract investors. Automatically interest on lending rises.

In either the way Banks and RBI move, Do MSME's prospects change? Policy makers must find the solutions for such implications rather than being rhetoric.

MANAGEMENT

Vinodini K
1 BCOM A

Management is the process of designing and creating an environment in which individuals work together in groups, coordinate, communicate and join their hands in effective accomplishment of selected aims/goals/policies.

Management is often included as factors of production like machines, material, money etc. It always consist of interlocking functions of creating corporate policy and planning, organizing, staffing, directing and controlling the organization's resources more effectively and efficiently in achieving of those set policies.

The size of management can vary from one person in small organization to n number of managers in large organizations.

In large organizations, BOD usually set the policies which will be carried out by CEO. We can easily evaluate the company's current and future worth by the ability, dedication, quality, experience, sincerity of the mangers.

Examples-

- I think we should appeal to the **management** as the coworkers are not able to solve the problem on their own and they are in need of expert advice.
- The **management** team was let go and a new management set came up with many new strategies as the company was incurring losses.
- We should be adopting new **management** techniques to remain in long run.

- He was placed in middle **management**.

Management comprise of 3 levels:

- Top level-It is the ultimate decision making, goal setting level. It includes CEO, BOD, chairman, president etc.
- Middle level-It act as intermediaries between top and lower level managements. It clearly defines to lower level that what they must exactly do to attain organizations goals. It also carries any problems faced by them to top level. It consist of sales, production, finance managers.
- Lower level-It is the actual executing, operating level of management. Here people work with machines. They should be given proper training to ensure effective utilization of resources. They must be completely satisfied in working for them as they form the integral part of any organization. They include foremen, supervisors, inspectors etc.

GUESS THE WORD?

Madappa.P.S

I Bcom Hons A

Management is a grapevine of various terms and terminologies. Let's play this game to figure what some of them could be... get your thinking caps on!

1. A feature/cause of many poor or daft decisions by groups or committees, in which the collective (unanimous or group) decision is considered wrong or silly by individual members, and/or is clearly wrong or silly from an rational standpoint.
2. A graph showing the rate at which a new piece of technology is bought by people for the first time. It is based on the idea that certain people are more open for adaptation than others.
3. Political propaganda (published ideas designed to motivate people into certain political views or actions) typically in art, music, literature, etc., a portmanteau word combining the original Russian words agitsiya (agitation) and propaganda, where the term grew from the state department responsible for disseminating communist ideas and information to its people in the 1930s.

4. An interesting and humorous metaphorical description of something (for example a product or service or concept) that is obsolete, old-fashioned or primitive, or devised a long time ago.
5. This refers to giving human characteristics to a non-human thing, such as an animal, or a tree, or the Sun, Moon, a god, cartoon character, etc., for dramatic, visual, metaphorical, and amusing effect, etc.
6. The upper and lower limits of interest rates on a loan, usually fixed for a specific period of time.
7. A high risk bond with a high interest rate, often used by companies to raise finances in order to
Take over other companies.
8. The process of carrying out small actions or removing something in very small amounts so that it goes unnoticed, i.e., stealing money.
9. An arrangement in which an airline leases an aircraft, complete with crew, insurance, etc., to another company, usually for a short period of time.
10. A term used for companies who reject ideas or products which are not theirs because they originated from outside the company.

VENTURE CAPITAL – A BOON FOR STARTUPS

Shivani Ramakrishnan

3 Bcom Hons B

These days, when we turn towards the business section in newspapers, we often come across the word ‘venture capital’. What exactly is venture capital? To put it in simple words, venture capital is private equity. It is a form of financing provided to start-ups that are deemed to have potential growth in the future. Firms generally invest in these start-ups in exchange for ownership stakes. Through venture capital, the private and public sectors form an institution that creates business networks for new firms and industries, in order to aid their progress and development. Notable families that provided venture capital to various small firms in the 20th century include the Rockefellers, the Wallenbergs, the Vanderbilts, the Whitneys and the Warburgs.

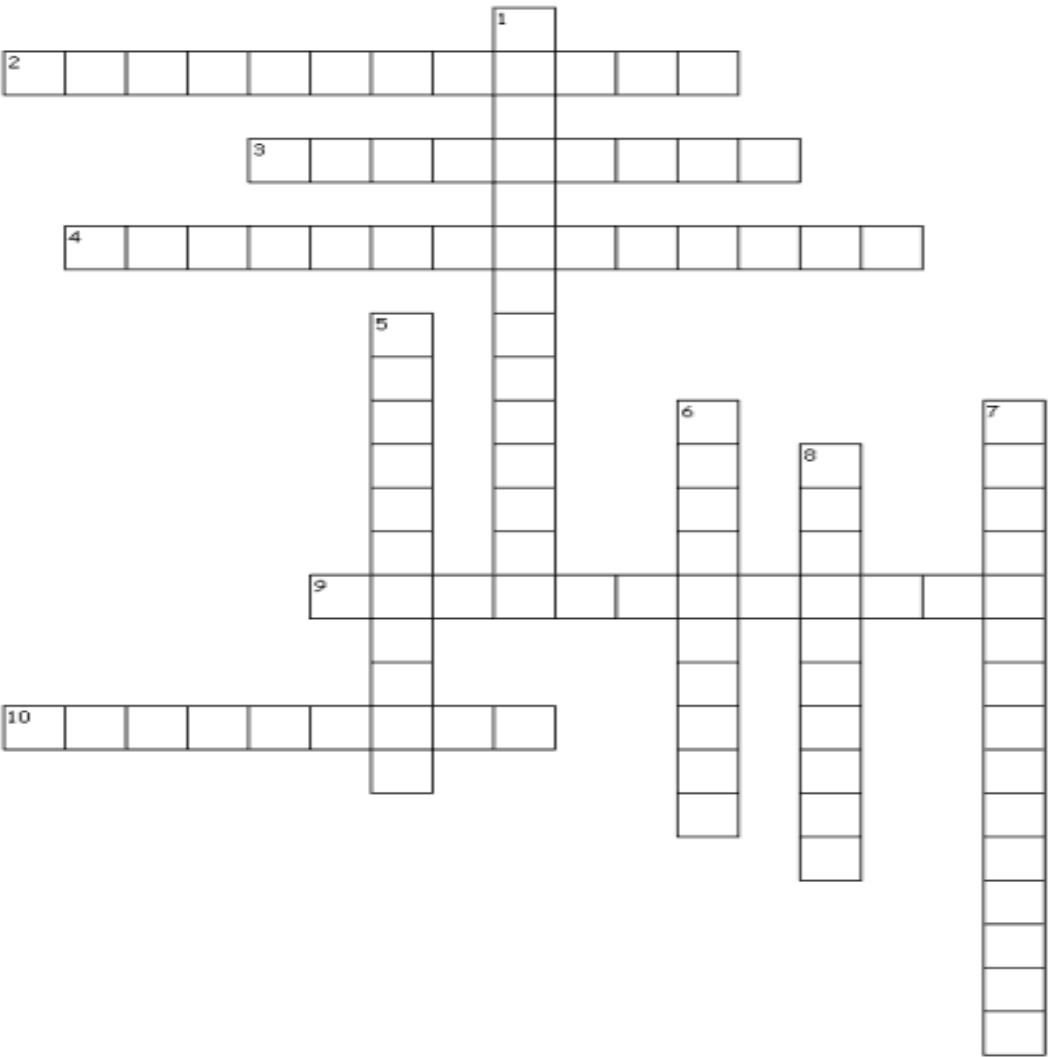
Venture capital firms emerged after World War II in 1945, with the founding of two venture capital firms, American Research and Development Corporation (ARDC) and J.H Whitney & Company in 1946. Georges Doriot is known as the 'Father of Venture Capitalism'. During the 1960s and '70s in USA, venture capital became synonymous with technology finance, as the firms financed made breakthroughs in electronic, medical and data processing technology. The first venture capital backed start-up was Fairchild Semiconductor, which had produced the first commercially practical integrated circuit. The success of the venture capital industry led to a boom in venture capital investment firms in the '80s and the capital managed by the firms rose to \$31 billion over the course of the decade. However, this industry was severely hit by the stock market crash in 1987. From 1990, this industry gradually recovered, thus leading to a venture capital boom in 1995.

Unlike capital raised through debts and loans, venture capital is invested in exchange for an equity stake in the business. The returns for the venture capitalist as a shareholder depend upon the growth and profitability of the start-up. This can only be earned when the venture capitalist exits by selling his shares in the business when it's sold to another owner. Venture capitalists assist start-ups in four stages of the firm's life – Idea generation, start-up, ramp up and exit. Funding through venture capital occurs through the following stages:

- a) Seed funding – This is generally provided by angel investors. One example of seed funding is equity crowd funding
- b) Start-up – Funding for expenses related to marketing and product development
- c) Growth – Early sales and manufacturing funds. Generally occurs in series viz A, B, C, etc.
- d) Second round – Working capital for early stage companies
- e) Expansion – Expansion money for a newly profitable company
- f) Exit of venture capitalists – Venture capitalists can exit through IPO, acquisition or secondary sale

A FINANCE CROSSWORD

Hemanth Kumar M
5 BCOM D



Across

- 2. The price of one currency denominated in another.**
- 3. The value of any asset as recorded on a balance sheet.**
- 4. Indicates the company's ability to pay its short term debts.**
- 9. The cost of producing one extra unit of goods or services above what is currently being produced.**
- 10. Loan finance traded on a stock exchange.**

Down

- 1. A form of wealth management service offered to ultra-high net worth individuals (\$5mm and upwards).**
- 5. The act of selling off an asset for cash.**
- 6. Any asset which is used as backing for debt.**
- 7. The value of all resources available to the company.**
- 8. A conservative indicator of the short-term liquidity of a firm.**

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Answers for Quiz of the Month:

1. Haryana
2. Psycho Raman
3. China
4. Dilip Babasaheb Bhosale.
5. Madhya Pradesh
6. India
7. Thailand
8. Sharad Pawar
9. Pune
10. All of the above

Answers for Finance Crossword

1. PrivateBanking
1. 2.Exchange rate
2. 3.Book value
3. 4.Liquidity ratio
4. 5.Liquidation
5. 6.Collateral
6. 7.Capital employed
7. 8.Quick ratio
8. 9.Marginal cost
9. 10.Loan stock

Guess The Word?

1. Abilene Paradox .
2. Adoption Curve
3. Agitprop.
4. Antediluvian.
5. Anthropomorphic / anthropomorphism / - also called personification
6. Cap And Collar.
7. Junk Bond
8. Salami Slicing
9. Wet Lease
10. NIH Syndrome [Not Invented Here]