



**CHRIST  
UNIVERSITY**

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# MUDRA

*Imprint on the Economy*

*Department of Commerce*

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MUDRA



**A Zealous Club Initiative**

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# **EDITORIAL TEAM**

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# NEWS HIGHLIGHTS

1. SC issues guidelines on compounding cheque bounce cases
2. Bill for improved safety standards in highways introduced
3. Apple send million iPads
4. Obama pushes for bank reform, lashes out at Republicans
5. 3G set to provide booster dose to 35 billion dollar healthcare sector
6. RBI likely to raise interest rates: Bankers
7. 3G spectrum auction begins smoothly, telecom operators in the fray
8. Vodafone Essar crosses 100m users in India
9. SBI extends teaser rates, but with changes
10. Government calls for harsh steps to cut losses of oil firms
11. Gold continues to fall on selling pressure
12. Inflation, interest rate hike key concerns for investors

# RATE CHECK

<b>Inflation Rate</b>	<b>8.23%</b>
<b>Repo Rate</b>	<b>6.50%</b>
<b>Reverse Repo Rate</b>	<b>5.50%</b>
<b>GDP Rate</b>	<b>8.9%</b>
<b>Cash Reserve Ratio (CRR)</b>	<b>6.00% (w.e.f. 24/04/2010)</b>
<b>Statutory Liquidity Ratio (SLR)</b>	<b>24%(w.e.f. 18/12/2010)</b>
<b>Gold Rate</b>	<b>1925.00 Rs/Gram</b>
<b>Silver Rate</b>	<b>49975.00 Rs/Kilo Gram</b>
<b>NASDAC</b>	<b>2739.83</b>
<b>Dow Jones</b>	<b>12,108.50</b>
<b>SENSEX</b>	<b>17632.41</b>
<b>NIFTY</b>	<b>5262.70</b>

## Budget 2011- 2012 (Highlights)

- Critical institutional reforms set pace for double-digit growth. Scaled up flow of resources infuses dynamism in rural economy.
- GDP estimated to have grown at 8.6% in 2010..
- Exports grown by 9.6%, imports by 17.6% in April-January 2010-11 over corresponding period last year.
- Indian economy expected to grow at 9% in 2011-12.
- Five-fold strategy to deal with black money.
- Public Debt Management Agency of India Bill to come up next financial year. Direct Tax Code (DTC) to be effective from April 01, 2012. Phased move towards direct transfer cash subsidy to BPL people for better delivery of kerosene, LPG and fertilizer mooted.
- Rs. 40,000 crore to be raised through disinvestment in 2011-12 FDI policy to be liberalized further.
- SEBI registered mutual funds permitted to accept subscription from foreign investors who meet KYC requirement FII limit for investment in corporate bonds in infrastructure sector raised
- Additional banking license to private sector players proposed
- Rs. 6000 crore to be provided in 2011-12 for maintaining minimum Tier I Capital to Risk Weighted Asset Ratio (CRAR) 8% in public sector banks.
- Micro Small and Medium Enterprises MSME gets boost as Rs. 5000 crore provided to SIDBI and Rs. 3000 crore to NABARD
- Rs. 300 crore Accelerated Fodder Development Programme to benefit farmers in 25000 villages Credit flow to farmers raised from Rs. 3,75,000 crore to Rs. 4,75,000 crore
- Rs. 10,000 crore for NABARD's Short Term Rural Credit Fund for 2011-12 15 more mega food parks during 2011-12
- National food security bill to be introduced this year
- Capital investment in storage capacity to be eligible for viability gap funding 23.3% increase in allocation for infrastructure
- Tax-free bonds of Rs. 30,000 crore proposed by government undertakings
- Environmental concerns relating to infrastructure projects to be considered by Group of Ministers National Mission for Hybrid and Electric Vehicles to be launched
- 7 Mega clusters for leather products to be set up
- Allocation for social sector increased by 17% amounting to 36.4% of total plan allocation Bharat Nirman allocation increased by Rs. 10,000 crore
- Rural broadband connectivity to all 2.5 lakh panchayats in three years.
- Bill to amend Indian Stamp Act to introduce. Rs. 300 crore scheme for modernization stamp and registration administration
- Significant increase in remuneration of Angawadi workers and helpers
- Allocation for education increased by 24%. Rs. 21,000 crore allocated for Sarv Shiksha Abhiyan registering an increase of 40%
- 1500 institute of higher learning to be connected by March 2012 with Knowledge Knowledge Network. National Innovation Council set up. Additional Rs. 500 crore for National Skill Development Fund Plan allocation for health stepped up by 20%

# Highlights - Railway Budget (2011-‘12)

Railway Minister Mamata Banerjee on Friday presented the railway budget in the Parliament on Friday February 25th 2011. The highlights of the Railway budget 2011-12 are as follows:

First coach from the new rail factory at Rae Bareilly to roll out in next three months.

Track-machine industry to be set up in Uluberia in West Bengal.

A 700 MW gas based power plant to be set up at Thakurli in Maharashtra.

Proposal to set up metro coach factory near Singur in West Bengal.

Railways to set up a bridge factory in Jammu and Kashmir considering need for large number of bridges on railway projects in the state.

Tax-free bonds for 100 billion rupees to be issued by IRFC in 2011/12.

Greater thrust on new lines next year.

Additional Rs 10,000 crore will be raised through tax free bonds.

Propose to set up new railway lines in difficult, underprivileged areas.

Setting up funds for social sector projects.

New 700 km rail track to be laid down.

Number of trains increased from 16100 last year to 18000 this year.

Three more railway zones to have anti-collision device. This will further reduce the rail accident.

Propose to remove all un-manned crossings across the country.

Anti-collision devices to be commissioned in three railway zones including South and South Central soon.

Track-machine industry to be set up in Uluberia in West Bengal.

# Market Outlook

2010 witnessed the stabilisation of world economies and revival of growth. Though India never witnessed recessionary trends it was affected to a marked extent by the cascading effects of the global economic crisis. With a positive increase in domestic consumption and conservative nature of Indian households and businesses, India was able to hit Growth strides by FY 09-10.

Major highlights of 2010:

\* After two successive months of slow down in the 2010-11 (August and September), the Index of Industrial Production (IIP) rose sharply in October 2010. The overall growth in IIP was 10.8 percent during the month as compared to 10.1 per cent in October 2009. The highest growth rate has been secured by the manufacturing sector followed by electricity and mining.

\* Core infrastructure sectors grew by 7.0 per cent in October 2010 as compared to the growth of 3.9 per cent in October 2009. The October growth has been recorded as the highest so far in the current fiscal 2010-11. All major infrastructure industries have displayed much improvement in output expansion during the year.

\* The WPI based inflation declined to 8.6 percent in October 2010 from 8.9 percent in the previous month. However, y-o-y numbers show overall Inflation much higher compared to the increase of 1.5 percent in October 2009. The primary articles witnessed an increase in WPI index during the month as the indices rose by 16.7 percent in October 2010. Inflation in the fuel & power was high at 11.0 percent in October as compared to the negative 6.8 percent during the same month of 2009.

\* The indices Sensex and Nifty saw a minor decline during October 2010. On the first day of November 2010, the Sensex and the S&P CNX NIFTY traded at 20355 k and 6118 k respectively indicating a slight decline from the indices observed on October 1, 2010. However, observation of the indices in the recent period shows high investment sentiments in the Indian stock market, mainly on account of larger FII's flows into the economy. The present scenario of FII's in India is one of pessimism, as FII's continue to pull money out of the country due to inflationary trends and stabilisation of world markets.

\* India's merchandise exports in October 2010 rose by 21.3 percent to touch the level USD 18 billion as compared to USD 14.8 billion achieved in October previous year. On the other hand, India's merchandise imports saw an increase of 6.8 per cent and were valued at USD 27.6 billion during this month. So were the trade deficits that widened to USD 11.1 billion in October 2010 from USD 9.7 billion during the same month of 2009.

\* With an increase by USD 5.1 billion during the month, India's foreign exchange reserves stood at USD 298

**Sriram Srinivasan**  
**IV Sem BCom C**



# The Impact of E-Waste

In today's modern world, technology is rapidly boosting the speed of our day to day lives. Every eight months there is a new model of some type of technological device reaching the market. The old and obsolete ones are discarded, as they are unable to keep up with our fast paced society. So where have the millions of old, unwanted computers and other electronics gone?

Relatively few old PC's are being recycled. Most are stored in warehouses, basements and closets or have met their end in municipal landfills and incinerators. In recent years a great deal of attention has been devoted to the environmental impact of computers and other electronic equipment as these items pose a massive problem for municipal landfills and have hazardous effects on human life.

The Environmental Protection Agency has issued informative reports regarding e-waste. They say that there are many parts in appliances, computers and peripherals that could be re-used, but the cost of recycling is too high to make it profitable. So what happens to it?

According to the Basel Action Network (BAN) used appliances, computer equipment and cell phones are being collected and sent to developing nations. This is being done under the guise of 'building bridges over the digital divide'. The idea is supposed to be that the equipment, although used, is in working order and will assist people in these poor countries. But the fact is that 75% of the equipment received is broken appliances, cell phones and computers that are actually useless....

So this equipment and its toxic contents wind up in foreign ports, landfills and on the sides of roads. The scavengers looking for something useful are exposed to the hazardous waste as they pick through the rubble. Some try to make some money by repairing the equipment, but lacking the knowledge about and protection from these toxic materials, they contaminate themselves and others. Even if not disturbed in the landfill, these toxic materials will leach into the ground and water supplies.

The wealthy, industrialized and technologically advanced nations of the world are using the poor, developing countries as toxic waste dumps. The politicians in these wealthy countries might do something about it if they were capable. But in industrialized countries, if there is no profit in it, it's not going to happen, especially on such a large scale.

Short of a bold politician who will go against the grain?? It is up to individuals, you and me, to think about what we do with our electronic waste. And it is up to us to carefully consider what happens to our electronic waste when it is put into the hands of others who say they will safely dispose of it.....

# Micro and Macro level Robbery

In the early hours of the day, Mukesh a local resident of Bangalore was trying to escape after stealing a cell phone. Looking at this act of stealing the Indian mob gathered to the scene and started hitting him and brutally injured him. Mukesh deserved these injuries as he was found doing something against the Indian Law. Looking at this chaos few residents called up the police, who turn up four hours later and file a case against Mukesh for robbery.

Next day another resident of Bangalore was beaten up brutally to death by the angry mob, when he tried to steal a cell phone. The police was called, which as usual arrived late at the venue, and file a case against the mob, and till date no one has been arrested of this criminal act.

Hundreds of cases, like these happen on the Indian streets, due to which a person loses his life or is paralyzed by the mob. So there must be something seriously wrong about stealing that brings a tiger and rage in us. Is it rage for stealing or rage for stealing? Because in the recent past we have seen great scams and thefts happening openly on the Indian streets, and the involved people are roaming freely on the streets, without any brutal injuries. We all know the thieves of the 2G Scam where 1.7 lakhs crores was stolen, the CWG Scam wherein 70,000 crores were stolen, and there is clear evidence against these personnel's, but none have been punished for their act of stealing. Though these people are sacked from their posts, we have not recovered the money from them. This shows the ineffectiveness of our law for these white collars.

There are hundreds of these cases wherein a well known person with great power has done an act of stealing due to influence of politics and power, few involved people are sacked, but most are left free.

From this act of the mob we come to know how does our society function, the poor is always punished for his wrong doings and culprits in big scams are freely roaming the Indian streets.

Why aren't we punishing these culprits? Why is our law ineffective against these culprits? When will Indian society come out of their fickle tongue??

**Mohit Bohra**  
**II Sem BCom C**

# **SAFAL - The charisma of Agro business**

Down the ages, the farmer has been regarded as 'Annadaata', the giver of food. Even today, in this age of population explosion, it is the farmer who holds the reins of sustenance and nutrition. Without the farmer and his agricultural productivity, no nation can hope to survive, let alone progress.

The SAFAL fruit and vegetables Auction market, located near Whitefield in Bangalore promises to usher in a new chapter to the business of wholesaling. The main object of this market is to provide optimal conditions and new trading opportunities. Design with facilities and services that are at par with international standards, the SAFAL auction market is one of its kind in India.

SAFAL is the brainchild of the National Dairy Development Board. The NDDB seeks to promote, finance and support producer owned and controlled organisations. Its programmes and activities seek to strengthen farmer co-operatives and support national policies that are favorable to the growth of such institutions. The SAFAL market is an alternative system to modernize the horticulture business. It works towards stimulation of productivity, raising quality standards, reduction of losses and ensuring an increased supply of horticultural produce at reasonable prices to consumers. The unique feature of this new approach is that it integrates producers and retailers into the market system. The system is based on a single, central auction in which all registered buyers called Business Associates participate, buying from a single seller.

SAFAL is a non profit organisation, with only 1.5 to 2% being charged as service tax. With over 200 items slated to be on display, sorted, cleaned and packed in different grades to facilitate more efficient and convenient transaction, SAFAL seeks to become one stop shop for all kinds of fruits and vegetables.

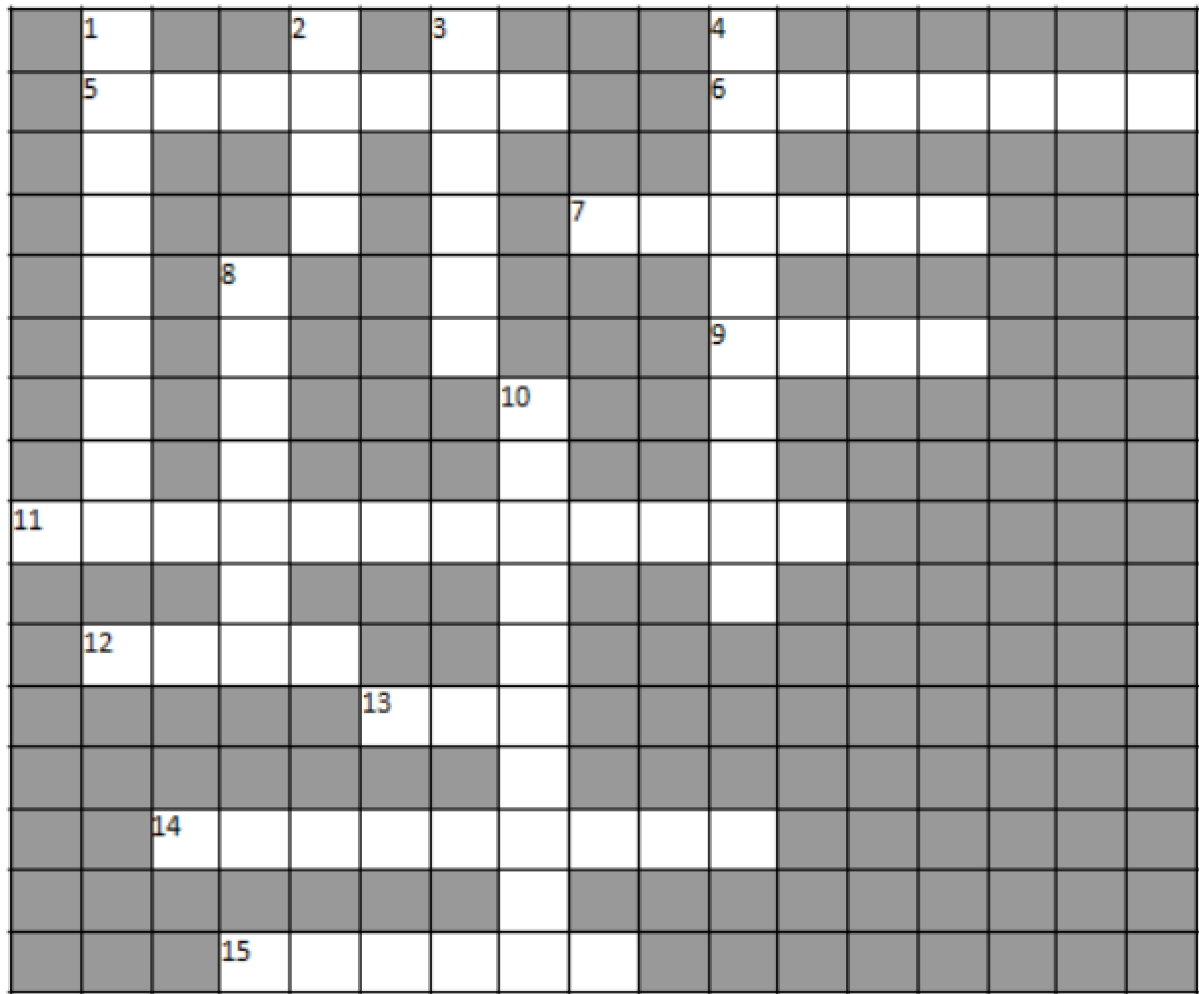
Indeed it is organisations such as SAFAL that can make a difference in agro-business and ushering in a new and vibrant rural India.

**Sukanya Ravi**  
**IV Sem BCom D**

# QUIZ

1. What is the title of autobiography of JRD Tata?
2. 'It happened in India' is the autobiography of?
3. Who is the founder of air deccan?
4. Which company brings CNBC channel to India?
5. Which leadership guru coined the term 'transformational leadership'?
6. Who is the present finance secretary of India?
7. Who is the chairman of SEBI?
8. Bond with the best is the tagline of?
9. . Name the term used for depreciating a company's intangible assets?
10. Name the first Indian woman CEO of a Foreign Bank?

# CROSSWORD



## ACROSS

5. The total amount of funds generated by a business.
6. A number of shares that are less than a board lot.
7. The combined desire, ability and willingness on the part of consumers to buy goods or services.
9. The stock sold to provide start-up capital before an IPO.
11. Periodic writing off of an asset based on its normal life expectancy.
12. The chance of loss.
13. Acronym of the market maintained by securities dealers for issues not listed on a stock exchange.
14. Stocks of leading and nationally known companies.
15. The place where buyers and sellers meet to exchange goods and services.

## DOWN

1. Simultaneous purchase and sale of the same security in two different markets.
2. A measurement of the relationship between the price of a stock and the movement of the whole market.
3. Buying the controlling shareholding of a company to take over its assets and business
4. Fee charged by broker.
8. Contracts to buy or sell securities at a later date.
10. Period when share prices

# Department of Commerce, Christ University

## Runners up - Insignia 2011.

19th February 2011, the day we made Christ University proud. It was the day on which Christ University was crowned runners up for INSIGNIA 2011. Students from the Commerce Department of Christ University had made their presence felt in various events such as Best Manager, Finance, Human Resources, Entrepreneurship Development, Business law etc.

Needless to say that it was the culmination of all the hard work, effort, vision and the desire to succeed.

Personally I was thrilled and a little nervous at the thought of representing Christ University in one of the largest Commerce and Management Fests held in India. Our journey to Kolkata began almost a month before the actual fest. Preliminary Reports had to be prepared; ideas were conceived, groomed, nurtured and given shape. Thanks to technology - reports went around through various laptops with everyone adding value to the task at hand.

15th February 2011: the day we commenced our long and joyful journey to Kolkata. The journey was comfortable and definitely one that we'll all remember for years to come! Memories were made, Photos clicked and a hundred jokes and laughs shared. On 16th February 2011 at 4a.m., Kolkata welcomed us with great warmth. Students of St. Xavier's were present at the railway station to welcome us. The sight of the great Howrah Bridge caught the eye of many. That evening, we chose to visit Vardhan Market, a popular location in Kolkata for some mouthwateringly delicious chaat.

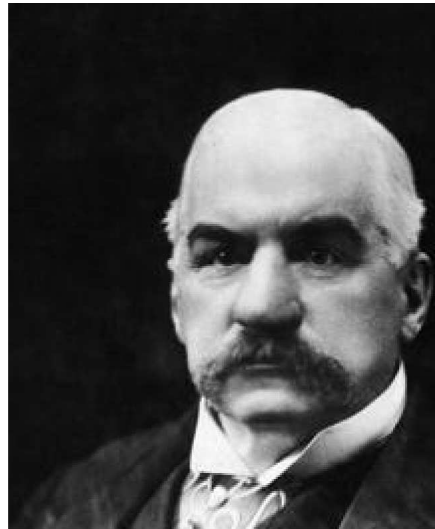
16th February 2011, INSIGNIA 2011 began with much fanfare. The event witnessed participation from some of India's best Commerce and Management Institutions such as Loyola College, Chennai, Shriram College of Commerce, Delhi, Sri Venkateshwara College, Delhi etc. The best of the commerce brains competed with each other in various events such as Finance, Marketing, Human Resources, Best Manager, Corporate Treasure Hunt, Business Quiz, Corporate Law and Entrepreneurship Development.

True to the theme of the fest, "REKINDLING THE INDIAN SPIRIT", creative spirits were indeed rekindled. This fest was characterized by passion, creativity, enthusiasm, competition, anxiety and a burning desire to succeed.

At the end of the fest it was time to bid adieu to other fellow colleges. Two days seemed to have gone by in two seconds, but left us with loads of memories to cherish.

**Sriram Srinivasan**  
**IV Sem BCom C**  
**Participant Insignia 2011.**

## Guess who??



A wealthy industrialist who emerged from the 19th century as one of the most powerful financiers of the 20th century. He formed U.S. Steel, America's first billion-dollar corporation, in 1901. He got his start in business in the late 1850s, with the New York branch of a banking firm run out of London by his father. During the 1890s he was the big money behind the expanding U.S. rail system. He consolidated important parts of the U.S. economy and became crazy rich, thereby bringing on government anti-trust investigations. But even his run-ins with Washington "trust busters" like Teddy Roosevelt didn't hurt his relationship with the government, and it's been generally agreed that he saved the day during the Panic of 1907 and acted as an unofficial central bank for the U.S. economy. In his later years he was known as a great art collector and philanthropist.

He was the most powerful American banker of his time. Helped build a credit bridge between Europe and America and financially rescued the United States government twice.

He was preeminently suited to the world in which he lived. During the years of his power the American economy grew at a prodigious rate. He was one of the "vital few" who made it happen. He was a superb organizer in an economy that was replacing competition with concentration. He chose extremely able associates but reserved the crucial decisions for himself. He earned his economic reward by linking those who needed capital with those who had it to invest, whether Europe or America. The success of his endeavor actually lessened the investment banker's significance, as enterprises became internally financed and less dependent on external financing.

# Answers

## Quiz :

1. Beyond the Last blue mountain.
2. Kishore Bayani
3. Captain Gopinath
4. TV 18
5. James Macgregor Burns
6. Arun Ramanathan
7. Chandrashekar Bhaskar Bhawe
8. Reid and Taylor
9. Amortization
10. Tarini Vaidya of KBC Bank India

## Crossword :

### ACROSS

5. Revenue
6. Odd Lot
7. Demand
9. Seed
11. Depreciation
12. Risk
13. OTC
14. Blue Chip
15. Market

### DOWN

1. Arbitrage
2. Beta
3. Buyout
4. Commission
8. Futures

## Guess Who :

John Pierpont Morgan

