

FINANCE

Offices Practices:

KYC (Know your customer):

KYC is an acronym for "Know your client", a term commonly used for Client Identification Process. SEBI has prescribed certain requirements relating to KYC norms for Financial Institutions and Financial Intermediaries including Mutual Funds to 'Know' their Clients. This would be in the form of verification of identity and address, providing information of financial status, occupation and such other demographic information. Applicants must be KYC compliant while investing with any SEBI registered Mutual Fund. However, clients may intend to open accounts with different SEBI registered intermediaries for the purpose of trading / investment in the securities market and have to undergo the process of Know Your Client (KYC) again and again. Therefore, to avoid duplication of KYC process with every intermediary, a mechanism for centralization of the KYC records in the securities market has been developed by SEBI

process involved?

Investors who want to invest and are not currently KYC compliant have to apply for the Uniform KYC at the time of investment.

- As per requirement, download the KYC application for individuals or KYC application for non-individuals.
- Fill up the form and attach necessary documentation (proof of identity and address).
- In-person verification (IPV) has to be done on the Common KYC application form by the AMC, RTA (on behalf of AMCs) or a NISM/AMFI certified and KYD-compliant distributor.
- The application with completed IPV has to be submitted along with documentation to any SEBI registered intermediary including Mutual Fund AMCs and to any of our Service Centres.

- Documents will be forwarded by the intermediary to the KYC Registration Agency (KRA). In case of Mutual Funds, RTA will forward the documents to KRA on behalf of the Mutual Fund.
- The KRA will, in turn, send a letter to the investor within 10 days confirming the details.
- Initial KYC is sufficient for an investor to start investing, while the KRA completes the rest of the process. (KYC acknowledgement should be attached along with the transaction slip).
- Intimation about application for success of Common KYC can be given to other Mutual Funds, either before or at the time of next investment.

SIP (Systematic Investment Plan)

Systematic Investment Plan (SIP) is a simple and easy way to invest in mutual funds. An SIP allows you to invest a fixed amount of money in a mutual fund scheme of your choice. It also gives you the choice to invest at time periods that suit you best – be it fortnightly, monthly or even quarterly. The best part is that you can start an SIP plans with as little as Rs. 500 and you do not need to worry about timing the market since you are making fixed periodic investments. This allows you to participate at all levels of the market and helps you to stay disciplined in your investing.

How does an SIP work?

It is very easy to invest in SIP. Once you have chosen the mutual fund scheme in which you want to invest, you need to specify the following:

- 1. The amount that you want to invest in SIP
- 2. The time interval for which you want to invest – fortnightly, monthly, quarterly

Assume that you choose a monthly SIP of Rs. 5000. Now, every month, Rs. 5000 will get debited from your bank account and units worth Rs. 5000 will be bought in the mutual fund scheme of your choice. When markets are down, the Rs. 5000 SIP will purchase more units while when markets are up, the Rs. 5000 SIP will purchase less units. This way, you participate at all levels of the market and lower the average cost of purchase.

SIP Mutual Fund Calculator

A simple, convenient and flexible way to start your investment journey in a disciplined manner. Invest small amounts at regular intervals. Start small and build wealth over the long term.

About the Activity

Office Practices with help of PDF Document (SIP) which is used in AMC company through Projector and after that students will go through Group discussion about SIP and mutual funds.

Students will read about Know your Customer (KYC)

Live Share Market Demo:

Students will see how technical analysis and Fundamental analysis function in share market

Students come to know the selection range for company to invest in share market.





Budget Analysis

About Budget Analysis

Budget analysis is the process of examining cash flowing in and out of your business and comparing that cash flow to your budget to determine whether or not you're on track. It allows you to check if you're over, under, or within your budget and make any adjustments to stay on track.

How to Do Budget Analysis in 4 Steps

1. Decide on a Frequency
2. Look for Variances
3. Check Your Budget Against the Forecast
4. Make Changes If Needed

Union Budget 2023-2024 : Analysis of Major Demands

Overview

The central government's expenditure is presented and authorised by Parliament through the Union Budget every financial year. Article 113 of the Constitution requires all expenditure (except charged expenditure) to be submitted in the form of Demands for Grants (Ministry-

wise) to Lok Sabha. The Demands for Grants are referred to the Ministries' respective Departmentally-Related Standing Committee for further examination. Following this, they are discussed in Lok Sabha and approved. After Lok Sabha's authorisation of the demands, an Appropriation Bill is introduced and passed to permit expenditure out of the Consolidated Fund of India.


The Union Budget 2023-24 was presented on February 1, 2023 by the Finance Minister Ms. Nirmala Sitharaman. It proposes to spend Rs 45,03,097 crore in the financial year. Out of the total expenditure, revenue expenditure is estimated to be Rs 35,02,136 crore (1.2% increase from revised estimates of 2022-23). Interest expenditure is 41% of revenue receipts. Capital expenditure is estimated to be Rs 10,00,961 crore, a 37.4% increase from revised estimates of 2022-23. The increase in capital expenditure is driven by higher outlay on transport infrastructure and capital loans to states. Revenue deficit in 2023-24 is targeted at 2.9% of GDP, which is lower than the revised revenue deficit of 4.1% in 2022-23. Fiscal deficit in 2023-24 is targeted at 5.9% of GDP, lower than the revised fiscal deficit of 6.4% in 2022-23.

Under the Finance Bill, 2023, a number of changes have been made to the new tax regime. The income limit to avail a rebate and not pay any taxes has increased from Rs 5 lakh to Rs 7 lakh. Further, the number of tax slabs have been reduced from six to five. The surcharge for the highest slab (income over Rs 5 crore) has been cut from 37% to 25%.

About the Activity

The Budget Analysis activity was conducted to I year MBA students on 31/05/2024 in MBA computer lab as per the below given picture. Around 25 I year students participated in the event and they analysed the union budget for the financial year 2023-2024



 **GPS Map Camera**



Vengambakkam, Tamil Nadu, India

IT BLOCK, TAGORE ENGINEERING COLLEGE-RATHINAMANGALAM, Vengambakkam, Tamil Nadu

600048, India

Lat 12.86177°

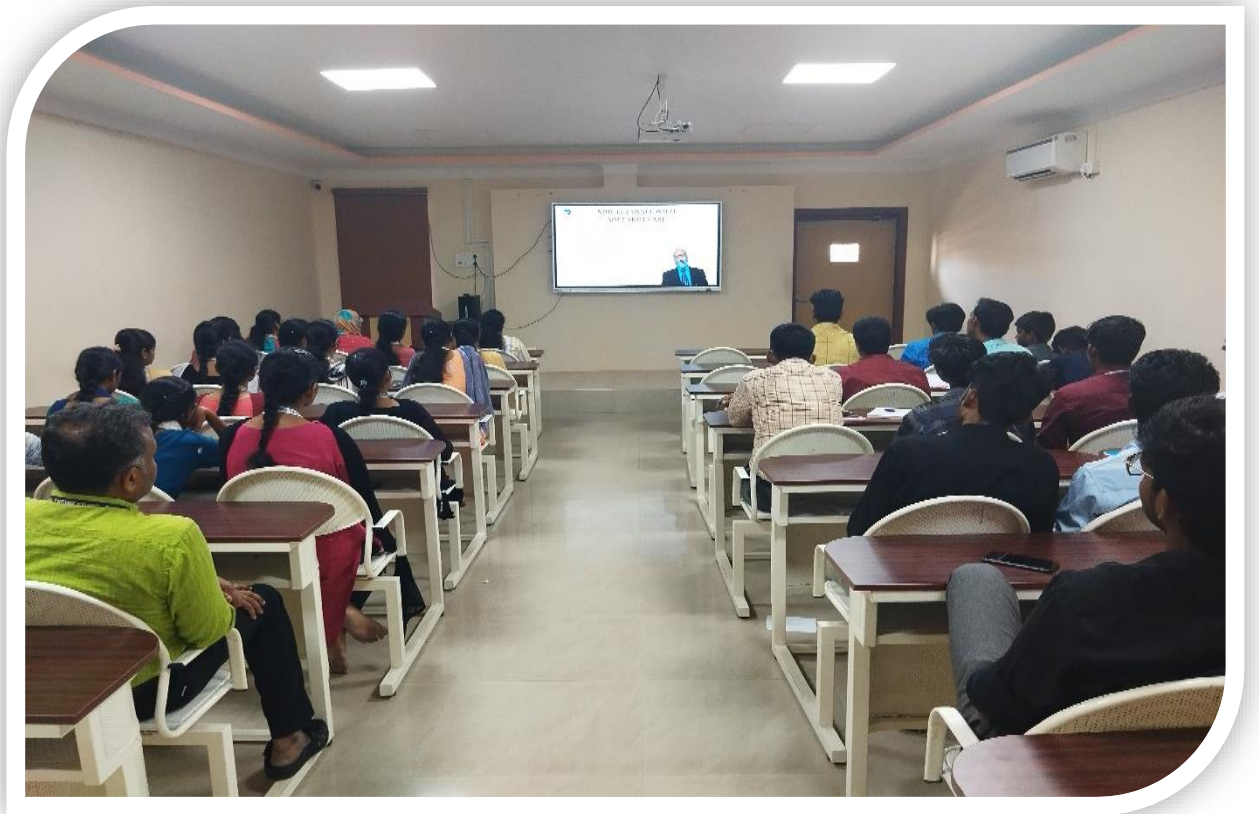
Long 80.131368°

31/05/24 03:22 PM GMT +05:30

Movie Management

Movies have more visual, virtual impact and facilitate easy comprehension of the Management concepts. Hence there is rising popularity of using movies as a pedagogy in management education. Movies have greater impact when compared to the lecture based. It is blend of emotion, fiction and reality which will transform high impact on the viewer.

It creates the scope and helps the students to think critically and help in learning the necessary managerial skills like Leadership, Strategy, Marketing, Human Resources Management and Financial Management. It helps to make learning more enjoyable and improves concept retention. Movies also help the students to grow and prosper in their life. Movies like Swades, Rocket Sing, Lagaan, Ek Ruka Hua Faisla, Corporate, Chek De are extensively used in Indian context.



Group discussions

Group discussions play a pivotal role in the educational journey of MBA students. These interactive sessions bring together diverse perspectives, foster critical thinking, and enhance collaboration among students. In MBA programs, group discussions go beyond mere classroom exercises; they act as a gateway to real-world problem-solving, decision-making, and leadership development. Various advantages of group discussions in the MBA curriculum:

Enhancing Learning through Active Participation

Group discussions transform passive learning into an active and engaging experience. As students actively participate in discussions, they exchange ideas, challenge assumptions, and deepen their understanding of complex business concepts. This dynamic process stimulates cognitive development, leading to improved retention and application of knowledge.

Encouraging Multifaceted Perspectives

MBA classrooms are diverse, comprising students with varied backgrounds, cultures, and professional experiences. Group discussions provide an avenue for students to share their unique perspectives on case studies, business scenarios, and challenges. Students learn to approach problem-solving from multiple angles, developing the ability to consider various factors that may impact decisions.

Strengthening Communication and Interpersonal Skills

In the business world, effective communication and interpersonal skills are crucial for success. Group discussions in MBA programs offer a safe environment for students to refine their communication abilities, such as active listening, articulating ideas persuasively, and giving constructive feedback.

Simulating Real-World Decision-Making

MBA graduates often find themselves in leadership roles, where decision-making is a fundamental aspect of their responsibilities. Group discussions simulate real-world scenarios, allowing students to analyse complex problems, debate solutions, and collectively make informed decisions. This experiential learning approach helps MBA students develop a sense of confidence and adaptability when faced with real business challenges.

Cultivating Teamwork and Collaboration

In today's globalised business landscape, teamwork and collaboration are essential for achieving organisational success. Group discussions in MBA education foster an environment of teamwork, where students learn to work cohesively, respect diverse opinions, and leverage individual strengths to achieve common objectives. These collaborative skills are crucial for leading diverse teams and managing complex projects in their future careers.

Developing Leadership and Conflict Resolution Skills

Within group discussions, conflicts may arise due to differences in opinion or approaches. These conflicts provide valuable learning opportunities for MBA students to develop conflict resolution and leadership skills. By navigating through disagreements and guiding the group toward a consensus, students gain practical experience in resolving conflicts and strengthening their leadership capabilities.



Role Play

About Role Play

Role play exercises give students the opportunity to assume the role of a person or act out a given situation. These roles can be performed by individual students, in pairs, or in groups which can play out a more complex scenario. Role plays engage students in real-life situations or scenarios that can be “stressful, unfamiliar, complex, or controversial” which requires them to examine personal feelings toward others and their circumstances

Unlike simulations and games which often are planned, structured activities and can last over a long period of time, role play exercises “are usually short, spontaneous presentations” but also can be prearranged research assignments

Benefits of Role Playing

Role playing can be effectively used in the classroom to:

- Motivate and engage students
- Enhance current teaching strategies
- Provide real-world scenarios to help students learn
- Learn skills used in real-world situations (negotiation, debate, teamwork, cooperation, persuasion)
- Provide opportunities for critical observation of peers

About the Activity

The Role Play activity was conducted to I year MBA students on 01/06/2024 in I MBA Classroom as per the below given picture. Around 35 I year students participated in the event and they played different managerial roles.



Rathinamangalam, Tamil Nadu, India

V46J+CJX, Padavettuamman Koil St, Rathinamangalam, Tamil Nadu 600048, India

Lat 12.861585°

Long 80.131569°

01/06/24 11:25 AM GMT +05:30

Google

GPS Map Camera

CASE STUDY

The Satyam case involved a \$1.4 billion corporate governance fraud at Satyam, India's fourth largest IT company. The founder, Ramalinga Raju, admitted to falsifying Satyam's accounts for several years. Prepare and present detailed analysis of **Satyam computer – scam– case**.

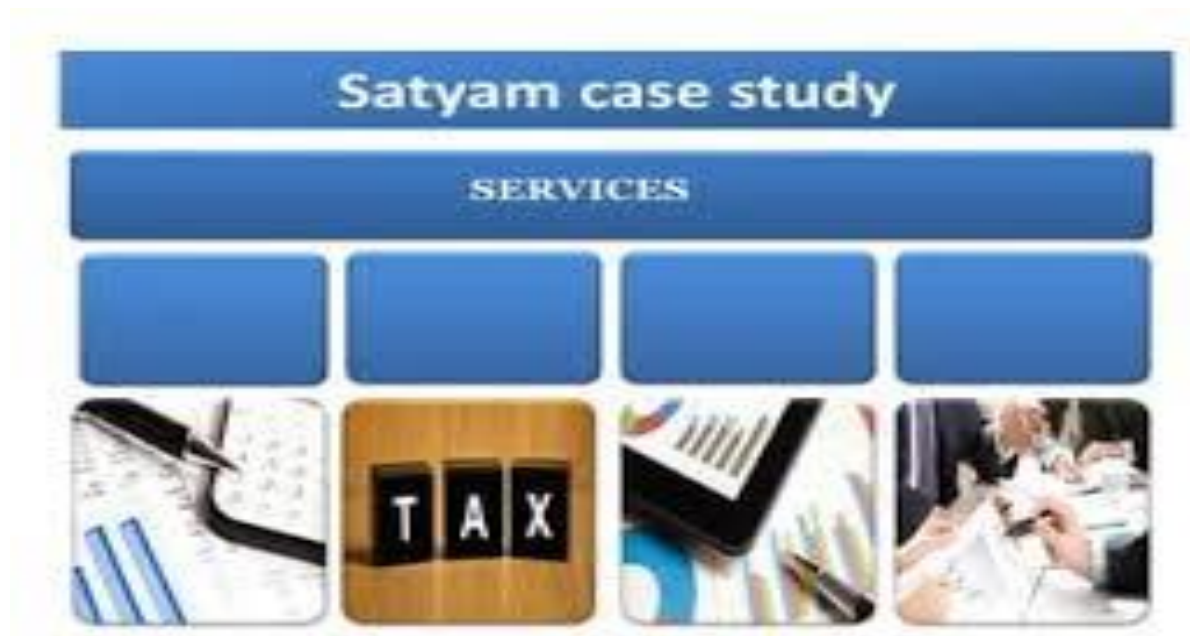
Satyam computer – scam– case study report - KEY POINTS

The Satyam Computer Services scandal, often referred to as the "Enron of India," was a massive corporate fraud that surfaced in January 2009. This case study delves into the intricate details of the scandal, exploring the mechanisms of the fraud, the key players involved, the discovery and aftermath, and the broader implications for corporate governance and regulatory practices in India.

- **Founded:** 1987 by B. Ramalinga Raju in Hyderabad, India.
- **Industry:** Information Technology Services.
- **Growth:** Rapid expansion, with numerous global clients and a strong market presence.

Pre-Scandal Status:

- Satyam was one of India's top IT service providers, listed on the New York Stock Exchange (NYSE) and the Bombay Stock Exchange (BSE).



Financial Manipulation:

- **Revenue Inflation:** Satyam created fictitious invoices and booked fake revenues. This inflated the company's top line significantly.
- **Profit Manipulation:** Expenses were understated, and non-existent cash balances were reported. The company showed inflated profits to portray robust financial health.

- **Asset Inflation:** Satyam reported fake fixed deposits and cash reserves on its balance sheet to inflate assets and show better liquidity.
- **Inflated Revenues:** Over several years, revenues were overstated by more than \$1 billion.
- **Inflated Cash Balances:** Fake cash reserves of around \$1.04 billion were reported.
- **Non-Existent Interest Income:** The company recorded interest income from fake deposits.

Confession: **Date:** January 7, 2009

Confessor: B. Ramalinga Raju, the company's chairman and founder. In a letter to the board of directors, Raju admitted to the massive fraud, stating that the company's balance sheet was inflated and that he had been manipulating accounts for several years to meet market expectations and keep the share price up. The revelation led to a 77% drop in Satyam's stock price in a single day. Investors, employees, and clients were taken by surprise, leading to massive financial losses and uncertainty.

Investigation and Legal Proceedings

- **Agencies Involved:** The Securities and Exchange Board of India (SEBI), the Central Bureau of Investigation (CBI), and other enforcement agencies. B. Ramalinga Raju, his brother B. Rama Raju, and other senior executives were arrested.
- **Auditor Scrutiny:** PricewaterhouseCoopers (PwC), Satyam's auditors, faced intense scrutiny and were accused of negligence in failing to detect the fraud.
- **Convictions:** In April 2015, B. Ramalinga Raju, his brother, and eight others were convicted of criminal conspiracy, breach of trust, and other charges. They received sentences of seven years in prison.
- **Penalties:** SEBI imposed penalties and bans on various individuals and entities involved in the fraud.



Government and Corporate Actions:

- **Board Overhaul:** The Indian government appointed new board members to manage the crisis and stabilize the company.

- **Acquisition:** In April 2009, Tech Mahindra acquired Satyam, rebranding it as Mahindra Satyam. This acquisition aimed to restore confidence and stabilize operations.
- **Rehabilitation:** The merged entity, Mahindra Satyam, was eventually integrated into Tech Mahindra, leveraging synergies and restoring client trust.

Regulatory Reforms:

- **Stricter Auditing Standards:** Enhanced standards and oversight for auditors to prevent similar frauds.
- **Corporate Governance Norms:** Strengthened governance norms, including mandatory independent directors and audit committees.
- **Whistleblower Mechanisms:** Introduction of robust whistleblower policies to encourage reporting of unethical practices.

WHAT IS LEARNED FROM THE CASE:

- **Transparency:** The importance of transparent and accurate financial reporting.
- **Internal Controls:** The necessity of robust internal controls to detect and prevent fraud.
- **Auditor Independence:** Ensuring auditors are truly independent and capable of detecting financial irregularities.
- **Corporate Culture:** Promoting an ethical corporate culture and accountability at all levels of management.

BUSINESS SIMULATION

Business Simulation, an engaging activity designed for MBA students at Tagore Engineering College to experience entrepreneurial challenges in a controlled environment. This simulation replicates the dynamics of managing a business stall at a simulated marketplace.

Objective

To simulate the operation and management of a business stall, focusing on entrepreneurship, marketing strategies, financial management, and customer engagement.

Participants

Teams of MBA students (typically 10 members per team).

Simulation Setup:

Each team will be assigned a virtual stall representing a business venture (e.g., food stall, tech gadgets, fashion accessories).

Teams will receive virtual currency (simulated funds) to purchase initial inventory and set up their stall.

Simulation Rounds:

1. **Startup Phase:** Teams plan their business strategy, including product selection, pricing, branding, and initial marketing tactics. Initial investments are made in inventory, stall setup, and promotional materials.
2. **Operation Phase:** Teams manage day-to-day operations of their stall, including sales transactions, inventory management, customer interactions, and resolving operational challenges. Marketing efforts such as promotions, discounts, and customer engagement strategies are implemented to drive sales.
3. **Financial Management:** Teams track revenue, expenses, profit margins, and cash flow throughout the simulation. Financial decisions include budget allocation, cost control measures, and profitability analysis.
4. **Market Dynamics:** Simulated marketplace dynamics include competition from other teams, fluctuating customer demand, and external factors impacting business operations.
Teams must adapt their strategies based on market feedback and changing conditions.

Evaluation Criteria:

Business Strategy: Effectiveness of business planning and execution.

Financial Performance: Profitability, cost management, and financial sustainability.

Customer Engagement: Quality of customer interactions, satisfaction levels, and retention strategies.

Innovation and Adaptability: Creativity in marketing strategies, responsiveness to market changes, and innovative solutions to challenges.

Awards and Recognition:

Top Performers: Teams demonstrating outstanding performance in profitability, strategic thinking, and customer satisfaction will be recognized with awards and certificates.

Learning Outcomes: All participants will gain insights into entrepreneurship, teamwork, decision-making under pressure, and strategic management of resources.



