

“To learn about finance is to learn about breathing, for every individual should know how to manage what they work so hard for” -Mayank Arora

This week was perfect to begin with and it really helps me adapt to how people think about money and how “finance” people should think about money, It helps me see over the wall between STEM students and people who manage the non scientific part of the world, which also includes an obscene amount of math. All in all, this week I learnt about:

- ➔ Key differences between public and corporate finance.
- ➔ Clarification on Key finance terms including but not limited to Equity, liquidity, cash flow etc.
- ➔ Got a view of the bigger picture when I saw that finance was still as prevalent in older times with different but as important mediums of value.
- ➔ Angel Investors: Rich individuals who invest their money into companies
- ➔ Venture Capitalist: Private equity investor who provides capital to companies in return for equity stake. “Venture Capitalist refers to a person or firm so created to provide funds, by pooling investment funds from a number of sources to invest in new and emerging firms and entrepreneurs to help them grow and expand in the market, generate good returns to the investors.”
- ➔ Dividend paying stocks: Stocks which periodically return stockholders a percentage of the company’s profits. Consistently profitable and highly committed.
- ➔ Some differences between economics and Finance:
- ➔ Macro economics: Focuses on bigger pictures like country or market performance
- ➔ Micro Economics: Explains more of expected changes at industry level
- ➔ Finance is closer to micro economics as it focuses on individual and industry specific changes. The difference between economics and finances were the differences between theory and practicality, however this distinction has lowered since the 21st century.
- ➔ Learnt more about CFA programs, self-researched more about MBA admissions and explored more career opportunities in Finance.
- ➔ Learnt about Key differences between accounting and finance(accounting is a track of day to day expenses)
- ➔ Learnt about properties of money (Fungible, durable, portable, recognizable, stable supply).
- ➔ Money is used as a unit of account(used to keep track of changing value of items)
- ➔ Standard of deferred payment: Can be used to transfer value over time(using debts)
- ➔ Different types of money: (Market-determined, Government issued, Fiat)
- ➔ Clarification on Compound interest
- ➔ The beauty of rule of 72

The most practical information I learnt about from all of this is probably more research I did on CFA and MBA programs in India and abroad. Learning about money is the best thing for me as I believe that in a country like India where most of the children are kept in the dark about expenses as to not make them stress OR the rage of money problem comes crashing down upon them in the form of insults, everyone should learn ATLEAST personal finance, and since I was mostly kept in the dark about it, as a human being it makes me want to learn it all the more. Also, the rule of 72 still amazes me.

