ISSUE 01
MARCH 2021

FINDEPTH

BULLS AND BEARS
FINANCE CLUB OF PDEU

"HUMANS MAY BE DRIVEN BY THEIR EMOTIONS, BUT THE MARKET WORKS ON DISCIPLINES AND DECISIONS THAT HAVE NOTHING TO DO WITH EMOTIONS.

IT'S A CAT AND MOUSE GAME, WHERE BOTH SIDES RAISE THEIR GAME. THE ONE WHO MANAGES TO PUSH THE FAVOUR TO THEIR SIDE ENDS WITH THE CASH IN THEIR POCKET."

@bullsandbears_pdeu
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PDEU SAIL

NOTE FROM B&B

MUSKAAN SHAH
PRESIDENT

ROSHNI LAKHANI
VICE-PRESIDENT

Ever since its inception in 2018, the idea of BullsandBears as PDEU's finance club has been to impart financial literacy among students. Our mission has been to empower students by introducing them to the world of finance in a manner that is accessible to all. We have watched our club grow and progress from just hosting events to developing a notable online presence through blogs, IGTV and social media, all with the aim of sharing more financial knowledge. Today, with immense joy, we present to you this magazine, another step in the direction of increasing our reach and connecting more people to the world of finance.

Through this magazine, we have tried to cover a wide range of topics to show how finance is such an integral part of every industry, as well as our daily lives. We have tried to shed light on those areas which were otherwise neglected, but are very much present, and definitely very interesting to read about. Here, we have tried to explain seemingly complex finance phenomena in simple terms, easy for all to understand. When one thinks of finance, one usually thinks about stock markets, which brings about either a lot of excitement, a lot of fear, or both. While stock markets are a huge part of finance, we want to be the reminder that they are not the only aspect and moreover, are not something to be afraid of. Finance is not something to be afraid of. Rather, it is a rewarding, dynamic field with the scope to learn something new everyday.

A little jittery and super excited, we are ecstatic to finally be able to come out with the first edition of Findepth - which will hopefully be a trailblazer in its domain. This magazine would not have been possible without the people who made it what it is and our gratitude goes out to all of them. To the core team and the subcommittee of BullsandBears who dedicated themselves to the magazine, we extend a huge thank you and a big slize of that awaited pizza. The Content team brought ideas not all of us could fathom into words, onto paper. The Graphic design team added life to these words with their colours and illustrations. The Digital Marketing and Marketing teams brought this magazine to you.

We extend our immense and heartfelt gratitude to Pooja Ajmera ma'am, Prashanta Panda sir and OSAIL, for their guidance, support and blessings, without which this dream would have never materialized.

Finally, thank YOU, dear reader, for you chose to click on this link and open this magazine, our first venture into uncharted waters, and we hope that you will keep coming back to fresher ideas and new knowledge.

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CONTENTS

Tanay Balasaria, SLS'20

À la mode : Fi

Fashion is the representation of oneself but what about when that representation is filled with modern female slavery, underpayment and exploitation of children. Fashion is a $2.5 trillion global industry which constantly evolves.

Every season, 'the next in fashion' is very much awaited. We often dive in new trends that reflect the cultural barometer of time. In the 1960s, fashion trends began moving at a dizzying speed, the youth embraced clothings made at a pocket friendly rate to follow new trends and rejected the tailored traditions of older generations. This shift gave rise to the dark face of fashion: fast fashion.

The world of fast fashion is dominated by companies like Zara, H&M and Forever 21. $14.7 billion Zara has been criticised for the birth of fast fashion. Fast Fashion is not a friend of the environment or economy. The excessive textile production needed to keep up with Fast Fashion, results in overwhelming carbon dioxide and greenhouse gas emissions and produces catastrophic amounts of waste. The United States Environmental Protection Agency revealed that 26 billion pounds of textiles end up in landfills each year. Not only this but Ellen MacArthur Foundation reported that every year more than $500 billion is lost because of lack of reuse and recycling.

The fast fashion industry as a whole is guilty of committing crimes against fellow humans and the environment. And we are guilty of fashion bulimia, binge buy on every new trend and purge it when we feel like. According to Euromonitor International the amount of money that we individuals spend on clothes, footwear and jewellery every year is the same as the combined GDP of the 126 poorest countries in

nancing and Revamping

the world.
But fashion is ever evolving. The shift from fast fashion to slow fashion has already begun. In February 2020, Extinction Rebellions sent a letter to British Fashion Council to cancel the fashion in September and immediately work towards the concerns of the environment. The world of fast fashion is expected to fall from $35.8billion in 2019 to $31.4 billion in 2020 at a compound annual growth rate of -12.32%. This decline is mainly due to COVID19 but also because of the shift to slow fashion.

Gen Z and young millennials are making smart choices when it comes to climate change and saving the environment. They are falling out of love with the fast fashion and are instead going for upcycling, thrifting and sustainable options. Thrifting has become so much more popular with the younger generation. Business insider even reported that millennials and Gen Z's second hand sales increased by 37% and 46%, respectively.

Slow fashion is a movement of mindful manufacturing, natural materials, fair labour rights and lasting apparels. Every year, the business scenario for sustainability in fashion grows stronger as sustainability innovation offers opportunities for increased profitability. Dublin business wire says, slow fashion market value may reach to $8.25 billion by 2023. Once slow fashion starts running, imagine fair wages for all the millions of employees, compensation for 1,134 garment workers that lost their life in Dhaka, 2013, 168 million less cases of child labour and no more deaths of 1000s of workers every year. Sustainability is at the core; slow fashion is a fair business opportunity.

- Ananya Chaturvedi, SLS'20
Edited by: Avnee Satija, SLS'19

Bhavya Patel, SOT'19

What actually I

HOW CASINOS

What's the first image that pops into your head while picturing casinos? A glamorous place where a party is going on, champagne getting served from left to right, and gaming tables surrounded by the players and pit managers. But all that glitters is gold. It's nothing more than a fool's pit where a lucky person might end up with more than what he entered. With loads of people dropping by to wager and some being successful in winning the "random games", how does the casino make a profit?

One might assume that the machines have been tampered with, that the roulette wheels and dice are unbalanced. But that's not the case. It's in the best interest of the casino owner to not toy with the settings of the game. Once they do, someone out there might figure out how to use it for their advantage or people will lose their trust and not come back to play. It will cause the casino to go out of business.

But there's an elementary way to make a profit, by setting the pay-out odds lower than the winning odds. Let's take the example of getting tails when flipping a coin; it is 50 percent or 1 to 1(lose to win). Odds can also be a way to describe how the bet pays off. If you bet 100 Rupees, you'll win 100 or lose 100. It's an even bet. Now, if the casino makes you bet 110 rupees to win a 100 rupees toss, the casino will either lose 100 or win 110. Imagine if the odds were 4 to 1 or 10 to 1, how much profit they'd make in the distant future if the stakes were higher!

Blackjack is a familiar game found in the casinos. One would expect the player, who knows their cards well, to have the edge over the house where edge means the advantage in a game, and the house referring to the ca-

sino. The pay-out odds are 3 to 2 every time they beat the dealer's hand by scoring below 21. But the house edge comes from the rule that the player has to play their hand before the dealers. If the player's cards are bust, they lose even if the dealer has a bust hand. There's a 30 percent chance that the players

happens in Vegas

MAKE PROFIT

usually bust their hands. So even if the dealer has bad cards, the casino will make profits. Roulette, another well-known game, sails in the same boat. The pockets of the wheel are 0, 00, 1-36 (alternative red-black). An easy way to win is to bet even, for example betting on the black pockets. There's a 50 percent

chance that you'll win the bet since there are 18 black and red pockets. But what's the use of 0 and 00 (both neutral)? Now that's the house edge, the actual probability of winning is 18/38, which is 47.37 percent. This 2.63 percent helps score the cash in the casino's favour.

The casino's big guns are the slot machines. It appeals to many people because of the simplicity and the chance feature. All you have to do is place your bets, push the button and pray for a miracle to happen. A number generator spits out a random combination which the algorithm determines to be a win or loss, and worth of the winning. The casinos make sure to produce frequent wins for themselves but, at the same time allowing players to hope for a payoff.

All these games discussed above have simple rules to explain the odds. In reality, the casino adds in more features to decrease the stakes of winning to ensure that they earn a maximum profit for the night. They use other tactics of social engineering, for example, placing no clocks inside the casino or serving free drinks. It lowers down the player's guard and increases their recklessness, pushes their greedy persona forward, and overall amplifies their temptation to win.

In the end, it's a cat and mouse game, where both sides raise their game. The one who manages to push the favour to their side ends with the cash in their pocket.

"The only way to win money out of a casino is to own one"

-Thomas Jefferson

- Megha Mistry, SOT'19

"LIKE, SHARE, REPLY"
Earning Strategies for Social Media Apps

Instagram, a free, simple, fun and creative application to edit, capture and share photos, videos and messages is the 13th most popular website in the world. Instagram was bought by Facebook in 2012 at a price of $1Billion and the estimated worth of Instagram in the beginning of 2020 was $100 Billion. The question is how do applications like Facebook and Instagram earn?

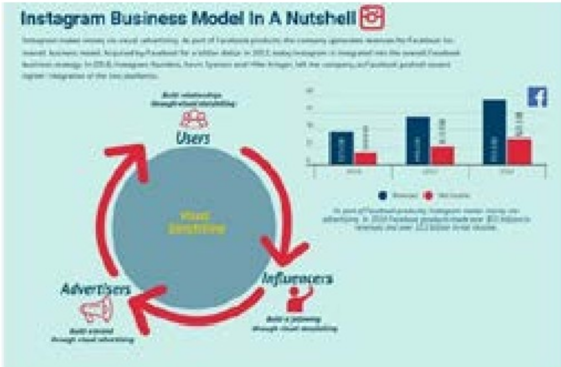
Instagram and Facebook both use advertisements and shopping to make such huge amounts. All of us come across several Story Ads, Photo Ads, Video Ads, Ads in the explore section on our daily scrolling quota. All these advertisements come at their own price. This amount is paid by the advertiser to Instagram. **It is interesting to note that more than 500 million people were active on Instagram today and more than 25% of them clicked on a commercial link either to buy an item or to know more about the product.** The average expenditure for advertising on Instagram grew by 177%, compared to the 40% growth for Facebook.

On an average, you, as a user of Facebook, help generate $6.95 of revenue as of 2020. Facebook makes a profit of $40 million every day; this number varies according to the change in the number of users who come online on that very day. Instagram bewilders most of us. The advertisements that pop up while you scroll are often similar to what you just looked for. This could be because of your linked email id or it could be a play of re-targeting the advertisements.
Another thing that most of us encounter while surf-

ing the web, are the pop up which ask us to allow cookies. These cookies are the very reason why an item you just looked for on a website or an e-commerce site can be advertised on Instagram too. Cookies store data within themselves which are used for various advertisement purposes. So, when you add an item to your cart with a hope of buying it in the future, these cookies store the data and advertise these products on multiple websites to tempt you to buy it.

Mobile Phones have also played a very important role in the life of Facebook and Instagram. It has been over three years since Reliance Jio Infocomm Ltd has launched its services and bought a massive change in the spending on telecom by the consumers in India. With the data and voice data being so cheap, the demand for smartphones has increased drastically. Especially during the ongoing pandemic, owning a smartphone has shifted from being a luxury to a need because without them, studies and business both would come to a standstill. With digitalization people have also increased their target audience; they have expanded their business on Instagram and Facebook. This resulted in the 10% increase in the share prices of Facebook at the end of quarter-1 2020. In fact nowadays when people buy smartphones, Instagram and Facebook come pre-installed.

Facebook, on the other hand, holds a history of making huge product launches that go nowhere. It introduced its own take on email in 2010, giving users @facebook.com addresses. It did not give expected returns. Facebook Social News Reader was yet another fail launched by Facebook as it caused a lot of spam and eventually, news organizations dumped it. Despite the downhill, Facebook still managed climbing up the ladder. It is in fact the third most visited website in the world. In 2019, the revenue of Facebook amounted to $70.7 Billion, up from $55.8 Billion in 2018. Facebook came up with a new feature of "Shops" which helped the struggling business



Source: fourweeksmba.com

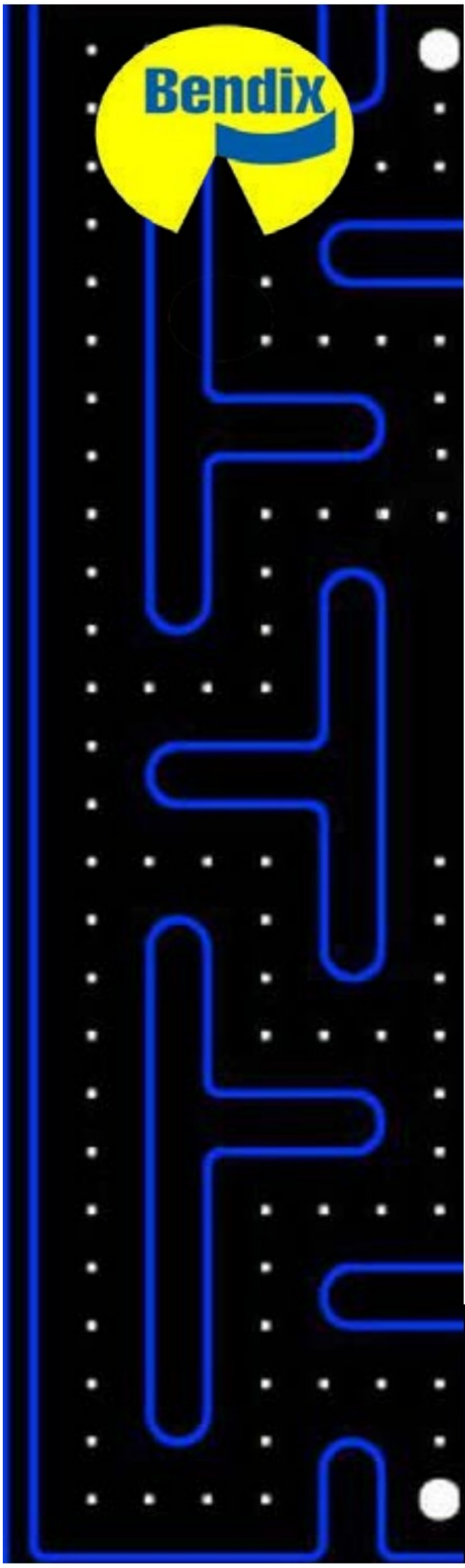
Source: davechaffey.com

to survive the pandemic. This way along with the small businesses, Facebook will be at benefit too.

Without a doubt, social media has a great influence on product launches as they provide a stage to create hype. Instagram and Facebook offer brands an incredible wealth of data in the form of audience demographics, segmentation options and conversion numbers.

Social Media is a place to listen, converse, connect and engage with people which makes it advantageous. They know exactly what we users are looking for and deliver the same efficiently, making the future of Instagram and Facebook bright.

- Anugruh Singla, SPT'19
Edited by: Ushma Doshi, SLS'18



THE PAC-MA

A dark maze, a little yellow circle with a triangle mouth trying to eat as many pellets as he can. But, alas! He is being followed by little ghosts who are out to get him! Almost everyone has witnessed this scene multiple times. Pac-Man may be one of the most iconic video games, but how does it have anything to do with finance?

What if we change the elements a little bit? Let Pac-Man actually be a company. The pellets are profit, stocks, market share and the company's goals. The ghosts are the vicious competitors trying to take the company down. The maze itself is the highly complex and dynamic world of business. Doesn't this sound a lot more like an analogy that could be applied to the world of finance?

Hostile takeovers in the market are more common than we think. This is ***when a company takes over another company without the written or official consent or agreement from the board of directors of the company that is being taken over***. In order to pull this off, the acquirer buys a lot of shares of the company that they aim to take over and this is how, on paper, they gain control over the company.

This happened in 1982 when Bendix Corp., an American manufacturing corporation, attempted the same. They forcefully acquired Martin Marietta, by purchasing their stocks. Since it was a hostile takeover, the owners and the board of directors of Marietta were not very happy with Bendix Corp. assuming control over their company. When a ghost gets to Pac-Man, Pac-Man gets to try again. But in real life, one doesn't have multiple "lives"; and in the world of business, there are no do-overs. What is Pac-Man to do? There are various strategies to survive and prevent a hostile take-

AN DEFENSE

over, but one strategy is very rare to witness and often difficult to pull off. Marietta's owner decided to counter the hostile takeover by turning tables and pulling off a hostile takeover of its own. When Bendix Corp. was buying off shares of Marietta, as a counter attack Marietta decided to buy off shares of Bendix Corp. This is what the Pac-Man Defence strategy is all about, when the company being taken over defends itself by attacking the acquirer, by buying off the acquirer's shares itself, in hopes that acquirer would abandon the idea of taking over the company.

This is similar to when Pac-Man eats a "power cookie" that makes the ghosts vulnerable. Pac-Man can now gobble up the ghosts and the hunter becomes the hunted. This is how the strategy earned its name. Now Marietta too, needed a power cookie to counter this hostile takeover – money. To generate enough funds, the company sold off its assets like the chemical, cement and aluminium divisions and took a $1 billion borrowing to buy enough shares of Bendix Corp. This finally stalled Bendix Corp. from taking over more of the company.

This is the origin story of Pac-Man Defence strategy. The conflict finally ended when Allied Corp. bought off shares of Bendix Corp. and stopped the hostile takeover. Pac-Man may be a small yellow dot on a screen, but if we dig deep enough, the game teaches a huge lesson to the finance world. In this maze full of competitors trying to outdo you, all you can do is try to collect as many points as possible. Well, that is, until a power cookie turns the tables around!

- Ishaan Kothari, SLS'18
Edited by: Roshni Lakhani, SLS'19

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In this maze full of competitors trying to outdo you, all you can do is try to collect as many points as possible. Well, that is, until a power cookie turns the tables around!

Q AND A

ASK B&B

@bullsandbears_pdeu

YOUR INSTAGRAM QUESTIONS ANSWERED BY OUR EXPERTS

just_rakshit: Can you explain the Greek letters used in finance?

Chirantan: The answer is simple – flexibility.The Greek civilization has had a tremendous impact on modern learning especially in science and mathematics. As those subjects progressed scientists found out that the Latin letters (the ones that we use currently) were being dried up. Hence they introduced Greek letters to help remove the confusion while working on certain values. They are used Greek letters simply because we'll have more symbols to use and hence avoid confusion. In finance, Greek letters represent the sensitivity or the risk associated with an option. They are generally used by traders to assess risks associated with an entity, to manage portfolios and so on.

jimm.y94: Why does a company buy back its shares?

Mayank: A company can have various reasons for the buyback. It can do so to decrease the liquidity of the stock in the market. This will increase its Earnings per Share (EPS), a well-regarded metric in fundamental analysis. Sometimes, buyback also happens when the company feels that the stock price is undervalued and thus a buyback is used to boost its stock price. Buybacks also reward shareholders since they are usually done at a price higher than the market. Thus, there are also chances of tax-saving opportunities for both the company and the shareholder.

yuvraj2603: What's the relationship between dollar and Indian Stock Exchange?

Riya: There is an inverse relationship between the dollar and the stock market. NIFTY index and USD movements share a strong opposite relationship. If USD goes up, the NIFTY depreciates and vice-versa. However, the impact of dollar index is more noticeable in short-term. When dollar index falls, FIIs (Foreign Institutional Investors) invest more in Indian stocks as they expect higher dollar returns and when it rises, they invest less as the return is low.

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sahil_chandna04: How do prices of various cryptocurrency like bitcoin, litecoin etc rise?

Hitanshu: The first thing no note that is that the cryptocurrencies are traded through a non regulated medium, thus there any no specific determinations for its prices. It a digital platform in which money is invested in a non-tangible asset in a hope to get a profit when the prices rise. Various reasons could be - 1) Supply of Bitcoins in the market, 2) Share the miners get for mining or adding a block to the blockchain, 3) Competition of other currencies, 4) Intensity of trading for that particular cryptocurrencies!

One may assume that it gets its price due to the mining of new Bitcoins but yet as mentioned earlier there are no concrete determinants like in the stock market!

jigz_99: How is Paytm managing to give sound 7.6% of interest on their FD, why such interest is not given by bank?

Mayank: PayTM, unlike Bank, doesn't have a lot of infrastructure costs, like various branches across India, most of the processes are online integrated with their digital algorithm and thus they save a lot on overhead costs, and thus are able to offer and afford a much higher interest on FD.

Also, PayTM is a new entrant to this market unlike most of the other banks who have been there for decades. Thus, to be able to establish a foothold, attract customers and grab a slice of the market share, it naturally has to offer a better deal than the existing one in the market

vaibhavsinh8: What skills or mindset should I develop to be a financial manager?

Anika: Financial managers help in scrutinizing and maintaining the financial well being of huge corporations as well as government organisations. Although there's a lot of in-depth knowledge, in general, that is needed in being a financial manager, here are some of the top skills that I believe one should develop: 1. Problem-solving Attitude 2. Analytical skills: Building strategies and plans according to the market, budget and financial trends. 3.Research and connect: Reading articles, talking to an experienced senior, mentor or colleague, or taking an online course are all options that can help you shape yourself to be on the path of becoming a financial manager.

daumajithia: What is more profitable: shares or debentures?

Riya: Shares and debentures both are ways to raise capital. Debentures - borrowed capital, long term debt instruments that a company issues under its seal which is paid back with interest in due time.Shares -portion of the company's capital itself.

Investors buy debentures of a company as they carry lesser market-driven risk and promises a fixed income regularly in the form of interest payment. On the other hand, shares are subject to market risk and attracts risk taking investors who foresee the value / growth of the company. Higher risk means higher returns therefore than the interest received on debentures. The interest percentage also remains fixed over the period of time it has been taken for.

jimm.y94: How do bonds give you profit if you hold them until their maturity?

Mayank: Just like stock prices, bond prices also fluctuate in real-time and one can make gains in a similar fashion. Comparable to the dividend in the case of a stock, a bond offers a fixed interest p.a. which differs from bond to bond.

Bond prices are negatively/inversely related to the interest rate set by the central bank. Thus, when interest rate increases, bond price decreases and vice versa

BUSINESS STRATEGIES

AirAsia

IKEA

amazon

CHRYSLER

Walmart

FROGBOX
FROM ONE PAD TO ANOTHER

TOMS
One for One

The choice of a business strategy determines the health of a firm. It has the capacity to either break or make the firm. It determines whether or not it will be able to achieve a sustainable competitive edge.

It also benefits the firm in long term and short-term business decisions. This makes the selection of a business strategy along with its implementation very crucial for a business firm. The fundamental decisions such as budgeting, marketing, sales forecasting and business expansions are based on the selection and execution of the strategy. Some of the common strategies are as follows.

COST LEADERSHIP STRATEGY

Under this strategy, the firm prices its products at the lowest possible cost, in order to penetrate and/or sustain its position of leadership. This strategy is focused on making the product look appealing to the Cost-Conscious People, by making the price-sensitive class of customers as their target audience. It is one of the types of Business strategies used by top firms such as Walmart, Amazon, IKEA who sell products on the promise of low costs.

McDonald's initially achieved Cost leadership through a mix of methods such as reducing operating cost, high use of assets and establishing control over the value chain. Air Asia, a low-cost Asian flight operator which operates only in Asia at a very low cost, is an example which follows this strategy in the service industry.

DIFFERENTIATION STRATEGY

The use of this strategy helps the product stand out. The product can be differentiated with its unique feature or unique selling point in order to compete and win effectively. All firms identify the feasibility of incorporating various features into a single product in order to make it unique and identify a careful analysis of customers' requirements. This strategy also allows the firms to price their product on a higher scale and receive customer loyalty.

The competitive advantage that Apple has is majorly because of its ecosystem. Technically speaking, an ecosystem is a group of devices with a software that creates a single collaborative network. An ecosystem provides a firm with opportunities to leverage relationships with existing customers to offer additional exclusive products and services.

Apple products are all designed to work together. An owner of an iPhone is much likely to have other Apple products as well such as an iPad, a Mac, an Apple TV, an Apple Watch, AirPods and a HomePod.

This strategy contrasts with the Cost Strategy, as the target audience here is not price sensitive but quality conscious or quality focused. This class wouldn't mind paying an extra sum. The products of Apple, Rolls Royce cars form some examples of this strategy.

FOCUS STRATEGY

As the name suggests, it is applied only for a selected audience of the small market. The market that is targeted has specific needs and the firm works in order to cater these needs. It can either charge the premium or keep it below average for these products, it solely depends on them. Generally, the firms which want to implement this strategy would choose a target market with little or no competitors and with an aim to achieve competitive advantage. This type of business strategy has a definite demand in the market and hence it is the strongest type of strategy. This strategy should be implemented to target the market segments which are either less vulnerable to substitutes or where the competition is weak to earn the above-average return on investment.

Focus type of business Strategy is divided into two parts namely, Focused Cost Strategy and Focused Differentiation strategy. The prices are tweaked for a specific need to cater a group in cost focused type. The prices tweaked are not on the lower side but on the contrary, on the higher end.

In contrast the firms that compete based on uniqueness and target a narrow market are following a focused differentiation strategy. These firms focus on the special needs of consumers and cater only to them. They may or may not have products for regular customers, it depends on the firm. Chrysler,Toms,Ten Tree,Frog Box are companies that follow this strategy.

- Rythm Agarwal, SPT'19
Edited by: Ushma Doshi, SLS'18

M^3- MOVIEMAKIN

Picture this: A dark movie theatre, a cold glass of Coke, crunchy cheese popcorn and all eyes glued to the screen as the grand narrative of the Avengers films or Bahubali plays out. Brings back pre-lockdown memories, doesn't it?These films have everything, a gripping script, hair-raising action, breathtaking music and an A-listed star cast. What makes them special is that unlike other movies, these are produced on a large scale and are known as big budget movies. In order to provide you the breathtaking experience you enjoy, these films require huge sets, extravagant costumes and VFX effects. There are hundreds of people involved in producing a movie, from the star cast to the crew. This brings us to the big question, how are these mammoth projects financed? Money is a key element in producing a film, as we might know already. Expenses are spared on salaries of the cast and crew, funding the sets and props, and advertisements.

Financing a movie includes various aspects which determine whether the investors' money is safely invested and how much return is expected on it. Some factors that determine the commercial success of a film are artistic merit, competition from films released during the same time, the script, public taste, cast and direction of the film. Film's finances usually flow in through a combination of investors, tax credits, grants, and other sources. Generally when movie is produced by a big production house, producer and sales agent. This funding is used to pay for all the expenditure.

Big budget films are often marvellous because of the production value involved. To take us to places we can't imagine and experiences we can't actually have, number of people work for countless hours to produce a blockbuster.

On the surface, a movie is financed by a production house or various companies. But on digging deeper, there are other sources as well; public and private sources.

Public sources refer to the money raised by the public and government. A film may be financed by the public through crowd funding. Government funding comes from grants where the government is willing to provide subsidies, hoping to stimulate employment. A film being shot in a particular place advertises that location to an international audience. The government may even provide some reduction in tax and these are known as "soft-money" incentives. They are

G MONEY MANIA!

generally provided until a theatrical or interactive production is completed. These incentives are used to make payments to workers, financial institutions, and rental or prop companies within the state or province offering the incentives. However, some limitations may appear like cast and crew has to take up residence in the province or a certain amount of physical shooting must be completed within the state borders or the use of the state's institutions. These incentives also push more production houses to shoot in that area.

Do you know which is the most expensive film to have ever been produced? The answer is Pirates of the Caribbean: On Stranger Tides. This 2011 Johnny Depp starrer is the most expensive at nominal value as well as when all films have been adjusted for inflation, at a whopping 2,900 crore rupees! How did Disney pull of that massive feat? As we saw above, they had some help from the UK government, where they shot the movie. Films with such large budgets that are shot there can claim up to 20% of their production cost. This is because huge productions inject a lot of money into the economy and generate employment. This incentive has also pushed Disney to shoot many more films in UK based studios.

Product placement is another way of collecting money. As you marvel at James Bond's luxurious cars and unbelievable technology, the franchise slyly drops names of brands like Aston Martin, Rolex, Rolls-Royce, Heineken and so many more, earning millions!

There are many private sources which also exist. A film producer may sell the rights of the film to a distributor before production, with certain clauses by the distributor over the kind of film, star cast and other details that the producer must keep with the distributor's demands. One may also sell the TV rights of the film beforehand to generate funds. Sometimes, a wealthy individual looking to expand their portfolio or a keen interest in films may also pool in money to produce a film.

Big budget films are often marvellous because of the production value involved. To take us to places we can't imagine and experiences we can't actually have, number of people work for countless hours to produce a blockbuster. Of course, the money involved helps bring in the best of every element that gives a movie - a cinematic experience.

- Advait Kabra, SLS'20

Edited by: Roshni Lakhani, SLS'19

WHAT COLOUR IS YOUR MONEY

YELLOW WITH GREED/ PALE WITH FEAR

The markets show no mercy to the greedy, while on the other hand the fearful look for mercy rather than money, therein lies the problem.

It is impossible to imagine humans without emotions and markets without humans. While emotions drive the market Behavioural finance is the study of the influence of psychology on investors, traders, and financial analysts. While traditional financial theory considers the investor to be of rational mind, behavioural financial theory considers the fact that humans are under constant influence of their emotions, regardless of what they are. It focuses on the fact that investors are not rational, have limits to their self-control, and are influenced by their own biases.

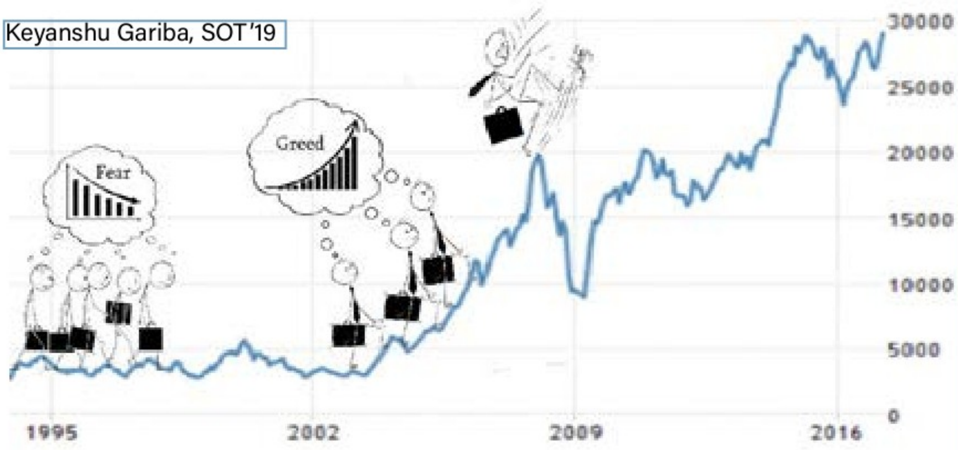
We often hear that trading in financial markets is intimidating yet exciting for beginners. But what we don't anticipate is that the more we learn about trading, the more cautious yet enthralled we become. Sometimes, investors leap without looking. Some want to make quick and easy money. Some are more focussed on not making a loss, rather than being focussed on making a profit.

Investors may make decisions based on personal errors and emotions. Often fear and greed are the two emotions that drive the market. They are so powerful that they can individually make or break the market.

Let's talk about greed first! Many traders wish to get as rich as possible, in the quickest manner. Greed may start out as a spark on some dry leaves, but it is that flame that does not take long to turn into an uncontrollable forest fire. It manifests when traders put more money in winning trades, over leveraging i.e. with the goal to profit from small movement, the period is followed by downfall. For instance, in the case of the 90s "dotcom" boom – investors leapt at the prospect of buying internet stocks, start-ups or otherwise. Excessive buying of such stocks eventually inflated the prices, which caused the bubble to burst. This ultimately resulted in a two-year long depression from 2000-2002.

Nikisha Upadhyay, SLS'20

On the other side of the coin is fear. Traders are often cautious, sometimes too cautious, regardless of the market surroundings. There is



Often fear and greed are the two emotions that drive the market. They are so powerful that they can individually make or break the market.

reluctance to either enter a trade or to close a winning trade. Fear focuses not on "making money", but rather on "not losing money". Therefore, in 2000-2002 during the post-bubble depression, a major cause of the slow economy was the weariness of investors. Lack of trust and confidence were the major contributors of this fear.

Both the emotions: fear and greed have run the market for so long that CNNmoney eventually came up with a fear and greed index. This index ranges from 0 to 100. 0 is an indication of extreme fear and 100 of extreme greed in the market. Greed dominates the bull market, whereas fear dominates the bear market. Sometimes the shift of the index is a slow and a continuous process while other times it is drastic. The effect of the 2020 pandemic has not spared anyone, especially the market. The fear and greed index saw a drastic change from greed to fear. The goal of people was no longer to make more money but to not lose what's left.

The question that ultimately arises now is how to make decisions without letting greed or fear get in the way? One thing that is important to keep in mind here is "herd mentality". Blindly following others can cause the downfall of even the greatest; and the greatest do not follow the crowd. When the entire crowd makes the same decisions, the market suffers and so does the investor invariably. One should also be rational and conscious about their emotions affecting their investment decisions. Humans may be driven by their emotions, but the market works on disciplines and decisions that have nothing to do with emotions. Fear comes in the way of trading, stopping one from betting money at all, which obviously is not going to give any returns. It prevents one from taking a leap. Greed makes one indulge in over-leveraging, chasing the market, or holding onto hopeless trades. It pushes one to leap too far.

New traders should always look for professional advice from financial institutions. One can overcome greed and fear by simple yet strict risk management and strategy planning. Other important aspects to keep in mind is to always have a trading plan, with lower trading sizes. As Michael Covel once said, "Never ever argue with your trading system."

The role of greed and fear in the market is like a rat maze and we all are the rats. The only way to get out of this maze is to be patient and disciplined, and to understand how and when one's emotions should be used. It is important to learn when to control these traits and when to embrace them, in order to become a successful trader. Neither risk nor prudence necessarily lead to reward. It is ultimately the calculated and well-timed risk that makes a world of difference.

-Dhruvi Gathani, SLS'19

Edited by: Avnee Satija, SLS'19

BEFORE I INVEST

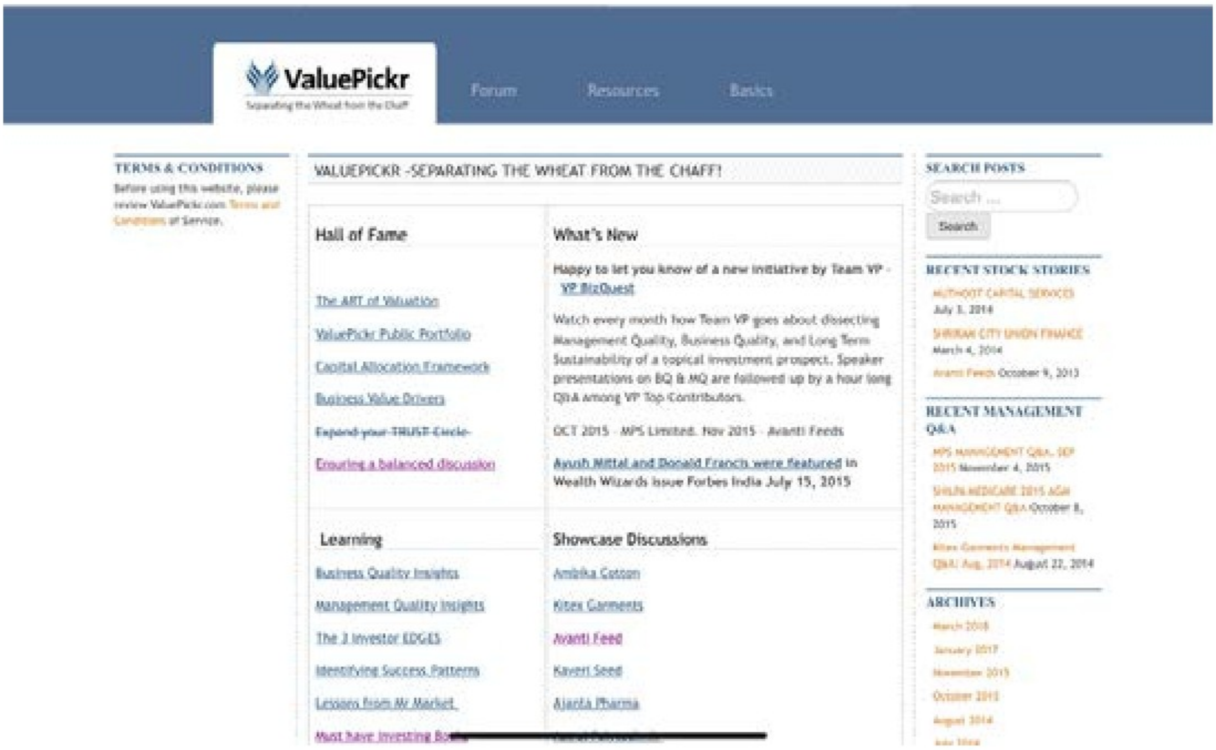
WEBSITES THAT ASSIST IN RESEARCH

- **Siddhraj Mahurkar**
Faculty of Commerce, GLS University

The main task in fundamental investing is research about business's financial statements; health; and competitors and markets. It also includes researching the overall state of the economy and factors including interest rates, production, earnings, employment, GDP, housing, manufacturing and management.
In this article, I will tell you about the websites that enable me to do my research on the above-mentioned parameters.

VALUE PICKER

ValuePicker is an online forum that enables you to engage in discussions and get information regarding anything from the finance world. You can go through numerous blogs by other members and get more financially literate. You can also answer questions posted by other users and up your ranking on this platform. But beware of one thing, the site contains blogs and discussions dating back to 2010 also and these discussions may not be as relevant today as they were then. Let's just say that ValuePicker is the "Quora" of Investing.



SCREENER

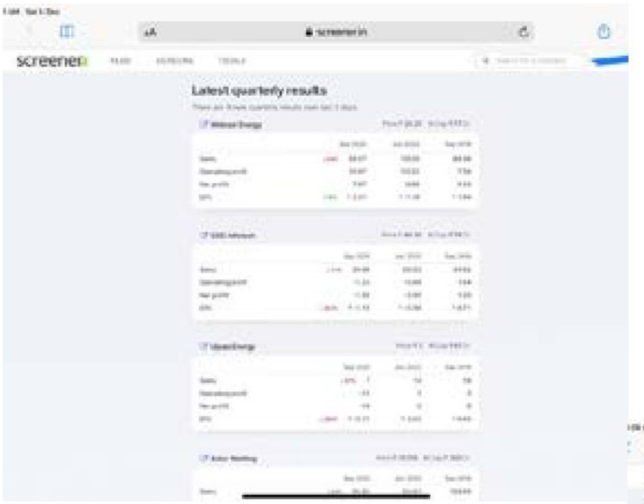
Screener.in is an online financial screen that helps you enables to keep track of stocks by two major methods:

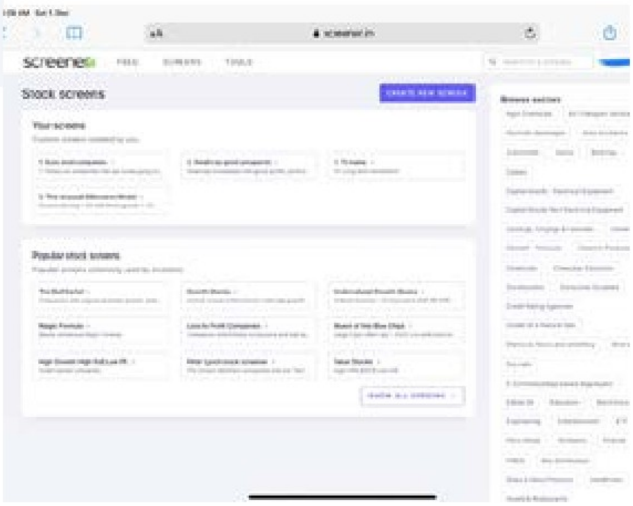
Scan by way of creating custom screens

A user can create his custom screen, which short-lists companies based on criteria set by him/her. Let's say, you want to see stocks that have a CAGR sales growth of 10% for 5 years. You can do the same by creating your custom screen. Apart from creating your own screens, you get to browse through a bunch of popular screens developed by other members of Screener.in. Another good feature about screener.in is that it will provide you with an intimation of any new stock that satisfies your criteria, by way of an e-mail.

Get notified for selected companies

You can create your own watchlist also, by selecting the companies you want to be notified for. Ones the companies are selected, you will get an e-mail about the dealings of the company with its respective stock exchange. For example, if promoters of company X disposes 5,000 shares on any given day, you will be notified about the same through an e-mail. Apart from the above features, screener.in also has a very user-friendly interface and very relevant data about companies is available for preliminary ascertainment of company's performance.



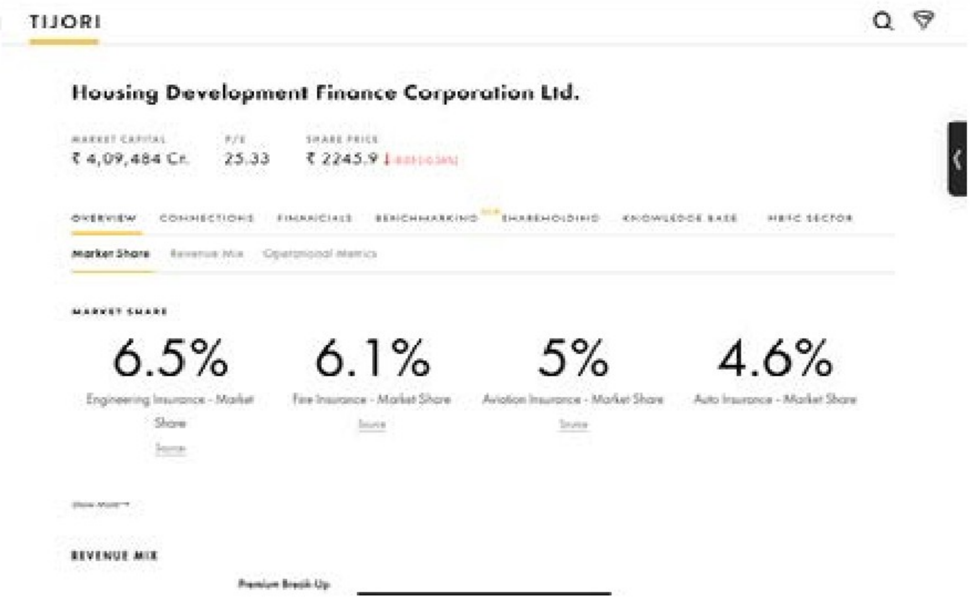


RESEARCH BYTES.COM

Ever found it difficult to get access to past con calls and their transcripts for a company you really wanted to analyse? Well, I have just the website you needed.
Researchbytes.com is an aggregator of conference calls and their transcripts for most stocks listed on the Indian stock exchanges. Researchytes also provide research reports from some of the most respected fund houses in India. But let me give you a heads up. For getting access to all resources of this website, you need to login through your retail investor. In order to garner more contribution from its users, the Site also has a point system wherein you get credits for your contribution to the website by way of uploading information like news, interviews regarding any company. This credit system is a real bummer but one can always go to a company's website and see if the information is published online. If yes, then you will be able to listen to the same.

TIJORI FINANCE

Two major areas of focus when analysing a company's growth prospect are its product mix and its competitors. Tijori Finance is a website that does this job phenomenally well. This website enables users to analyse the revenue mix of a company based upon various divisions such as product break-up, location wise break-up, customer segment breakup. Many times it also becomes difficult to identify a perfectly comparable peer, but Tijori Finance provides the most closely associated peer for a selected company. The website also has a very user-friendly operational metrics comparison chart which enables comparison of various companies easily.
Tijori provides the list of customers of a particular company also, which comes in handy when analysing its revenue stream Various sectors can also be studied with the help of Tijori's Sector-specific Indices.



IBEF

Indian Brand Equity Foundation (Herein after, "IBEF") is a Trust established by the Department of Commerce, Ministry of Commerce and Industry, Government of India. IBEF regularly tracks government announcements in policy, foreign investment, macroeconomic indicators and business trends. IBEF does not directly provide any information on the stock market, but its resource on Indian Industries is really helpful in understanding the sentiments of the stock market. They also publish a monthly e-magazine by the name "India Now", which covers relevant topics in a very comprehensive and lucrative way. Another cool feature of IBEF is the real-time monitoring dashboard that enables users to know about EXIM details. IBEF has a vast resource of data about the Indian economy, which can be a separate article altogether.

FINCHECK

In each of the following questions, there are three statements given, out of which 2 of them are true (correct) and 1 is a lie (incorrect). You need to find which statement is incorrect. You might want to keep a track of your score and tell us how much did you get on our instagram id - @bullsandbears_pdeu.
Get your detective hats on and find the lie!

1

a. Cash flow is affected by the income statement and balance sheet changes

b. Cash flow is similar to net/profit income

c. Increases in accounts receivable are considered uses of cash.

2

a. The corporate leaders may manipulate their earnings.

b. 90% of people lose money in the stock market.

c. Only an expert can make money from stocks and "Investing is tough'

3

a. The concept of stock markets was born in the Netherlands in the 17th century.

b. Bombay Stock Exchange (India) has the highest number of listed companies in the world.

c. December is the most stable month in the stock market.

4

a. Never using a credit card kills your credit score

b. Quickly opening a new accounts raises your available credit and improves your credit score.

c. Closing a credit card account will automatically kill all your credit score.

5

a. India INX – India's first International Exchange located in GIFT City IFSC in Ahmedabad is BSE's fully owned subsidiary

b. Operates BSE Institute Limited – One of the most respected capital market educational institutes in the country.

c. Asia's third and fastest stock exchange with a speed of 6 microseconds.

6

a. Dow Jones industrial average is a stock index made up of just 30 companies.

b. There are more than 6,000 stock funds in the U.S., per the Investment Company Institute, and more than 100,000 funds of all types (stock, bond, money market, etc.)

c. Only 62%of Americans has invested into stock market till 2020

7

a. EPS only depends on an increase in net income.

b. EPS is one of the single most important numbers that affects share prices.

c. EPS can be used to calculate PE Ratio (price-to-earnings ratio)

8

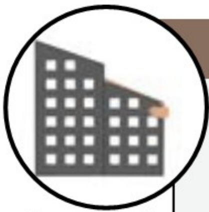
a. The exposure of Indian households to equity assets is at 14%, one of the lowest percentages in the world.

b. Percentage of people who filed AND paid taxes in India in 2017-18 was 27%.

c. The savings rate for Indian households was at about 18% in 2018-19.

Answers
1. b-lie ; 2. c-lie ; 3. c-lie ; 4. b-lie ; 5. c-lie ; 6. c-lie ; 7. a-lie ; 8. b-lie

JITTERY



BEAR HUG

Bhavya Patel
SOT'19

An offer made by a company to buy the shares of another at a much higher per-share price than what the company is actually worth. It is an acquisition that doesn't allow the target company to escape from the deal easily.

SLEEPING BEAUTY

Arni Parikh
SLS'20

A firm that would make a profitable takeover because of its valuable assets which are not effectively used by its management. These are potential takeover targets that have not yet been approached by an acquirer.

CHINESE WALL

Bhavya Patel
SOT'19

it is an ethical barrier intended to block the exchange of information that might lead to ethical or legal violations between departments.

FINTOONS

Source: Dilbert.com

JARGONS

Keyanshu Gariba
SOT'19

COOK THE BOOKS

A slang for using accounting tricks to make a company's financial results look better than they really are. Typically, cooking the books involves manipulating financial data to inflate a company's revenue and deflate its expenses in order to pump up its earnings or profit.

Nikisha Upadhyay
SLS'20

QUADRAPLE WITCHING

On the third friday of every March, June, September and December, the market index futures, market index options, stock options and stock futures expire simultaneously, this is called quadruple witching.

Tanay Balasaria
SLS'20

STRAW MAN PROPOSAL

It is a concept version of proposal intended to generate discussion of its disadvantages and to provoke the generation of new and better proposals.It is based on hypotheses & makes it easy to introduce increasingly better solutions

Source: Dustincomics.com

B&B RECO

PODCASTS

1. Exchanges at Goldman Sachs
2. Finshots
3. Meb Faber show
4. Morgan Stanley Ideas Podcast
5. CNBC – Fast Money Podcast

MOVIES

1. Money Monster (2016)
2. Glengarry Glen Ross (1992)
3. Rogue Trader (1999)
4. Margin Call (2011)

TV SERIES

1. Billions (2016)
2. The Suze Orman Show (2002)
3. Street Signs (1996)
4. Mad Money (2005)
5. Dirty Money (2008)

OMMENDS

BOOKS

1. Real Money by Jim Cramer
2. Rick Dad's Cashflow Quadrant by Robert Kiyosaki
3. The Intelligent Investor by Benjamin Graham
4. The 4 Hour Workweek by Timothy Ferris
5. Trading in the Range Al Brook by A.L. Brooks

JOURNALS

1. Journal of Finance by Wiley
2. Journal of Banking and Finance by Elsevier
3. Journal of Financial and.Quantitative Analysis by the Michael G. Foster School of Business
4. Journal of Money, Credit and Banking by Wiley-Blackwel

RESEARCH PAPERS

1. Intelligent Portfolio Management via NLP Analysis of Financial 10-k Statements by IJAIA
2. Financial inclusion: a strong critique by Peterson K Ozili, PhD
3. Stock forecasting using local data by Gerardo Alfonso, Daniel R. Ramirez, Teodoro Alamo and Daniel Carnererocial

EVEN

FINOMENAL WEEKEND

We in collaborated with Bombay Stock Exchange conducted a series of webinars exclusively for the students of PDEU from 16th to 18th July 2020. On 16th July, Mr Nishant Sidana, a faculty of BSE delivered a webinar on Data Science which talked about Data Science as a field, its meaning, applications and stages of analytics. On 17Th July, Mr Jugal Shah, another faculty of BSE delivered a webinar on Creating Wealth with Capital Markets focussing on how wealth can be generated and used for undergrad students. On 18th July, Mr Jugal Shah conducted a webinar on Financial Markets, briefing about the different financial markets and where to start investing from. We got over 300+ individual participants from the university.

INTRODUCTION TO GST

The club conducted a webinar to understand and learn about the concept of GST. It was conducted by CA Rashmin Vaja, and he holds 16 years of experience in the domain of Taxes. He has also published various books on GST. During the course of the webinar, various topics related to GST and Tax were introduced and explained while also revealing about limitations of the previous tax structure. He also elaborated on valuation rules and cascading of tax, the concept of GST returns and its types, refund under GST and the process behind it. In the end, some participants had questioned him regarding GST, which he answered effectively. The session was very informative and we received positive feedback from the participants.

SCAMENGER

Bulls&Bears c
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called SCAMENG
September 2020
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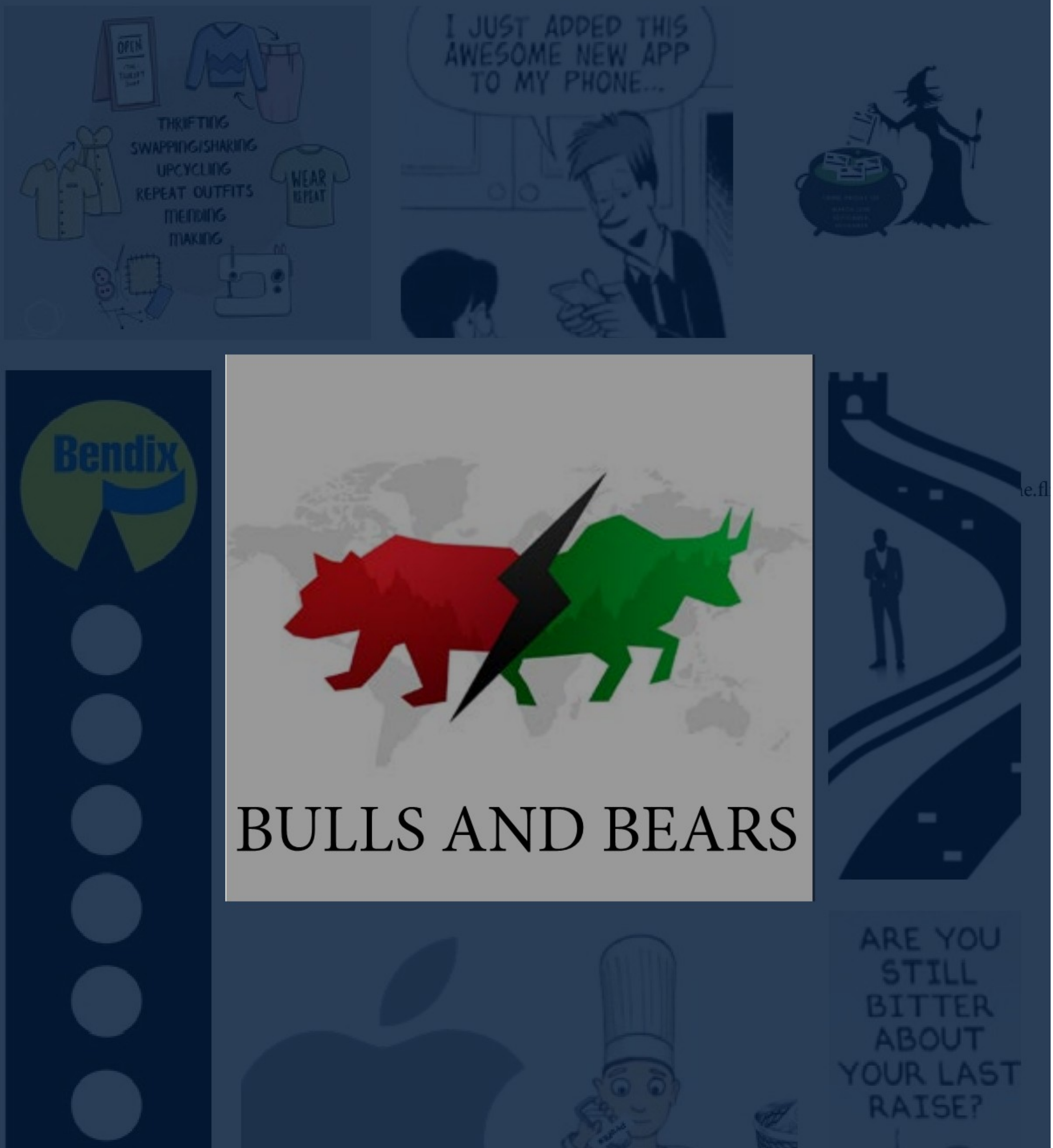
ANALYSIS PARALYSIS

Analysis Paralysis, A Case Study Competition was hostel by B&B in October 2020. Prizes worth Rs10,000 were given out. It was published on D2C and was open to all colleges across India. In the first round, participants were presented with a case study, solely drafted by Team B&B on venture capital firms. Various hypothetical startups with their financial statements, balance sheets, positives and negatives were listed, based on which analytical questions were asked. The filtered participants in the next round, were presented with a case study on Jetking Infotrain. Participants presented their answers before the Vice President and the Chairman of Jetking Infotrain. The winning team was from SCMHRD Pune. Students from IIM Indore, backed the second and the third place.

FIN IT TO WIN IT

On the 20th of November, 2020 Bulls&Bears, in collaboration with DEBSOC, the debate society of PDEU conducted a moderated discussion called FIN IT TO WIN IT. The event saw a total of 21 teams take part and a cash prize of Rs3, 500 awaited them. The topic for the discussion was "Is Cryptocurrency a Utopian Concept?" And the points of discussion included, Safe Haven, Global Currency and Security and Volatility. The entire discussion lasted for 75 minutes. After the discussion, the participants were required to draft a resolution according to the format they were provided with. Teams were judged based on their discussion and the resolution drafted. Rahul Tejannavar & Vashishth Doshi from PDEU bagged the first place and Khyatt Desai & Bhawana Dugar from PDEU bagged the second place. Positive feedbacks were received from the participants and on the whole, the event was very insightful and a healthy collaboration of two clubs from PDEU.



Thank you Reader!
We would love to hear your views on our first edition.
You can send in your feedback/ submissions to
pdpubnb@gmail.com

Details:

@bullsandbears_pdeu

BullsandBears pdeu

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