

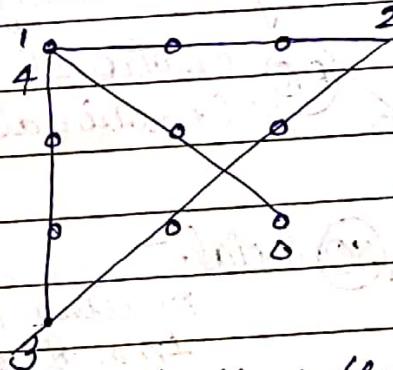
## BFSS

(Basics of Finance and Soft Skills)

- Business world doesn't want answers like  $2+2=4$   
They want solutions  $\rightarrow 2+2 \neq 5$

- Best — doesn't exist until you die/retire  
Better is better than best  
Good  $\neq$  good enough

- connecting dots: connect 9 dots with 4 lines without lifting pen



Most aren't able to do it : they feel conditioned to stay within the box (of 9 dots). Expand horizons, think out of the box.

- 10/10 performance is myth  $\Rightarrow$  You can always do better  
do not try your best  $\Rightarrow$  do your best

- Earning comes with Learning only.

(L)EARN  
FUN

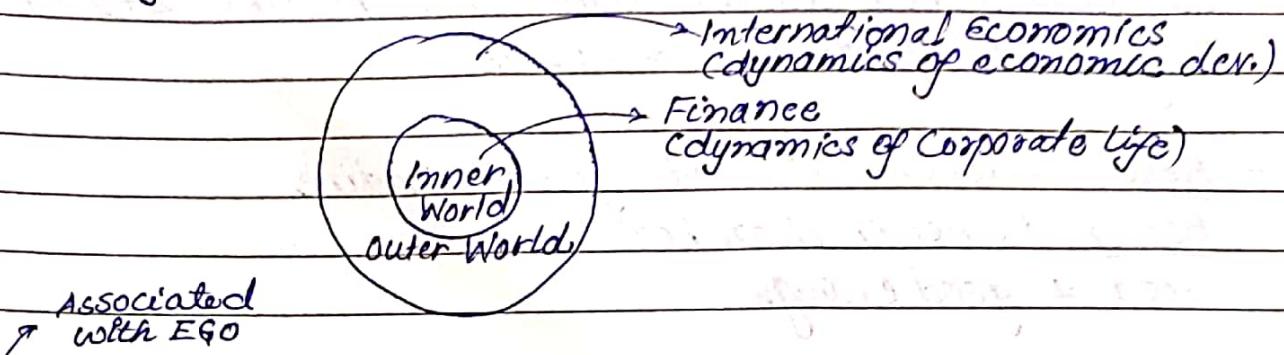
Make



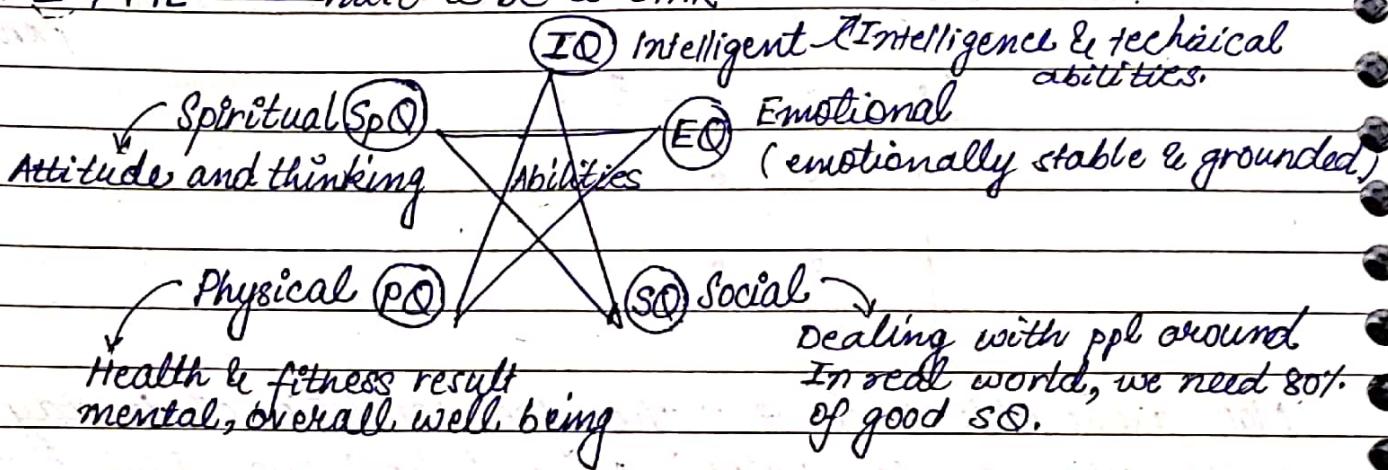
IDEAS

- Primary Course Outcome: MAD Ability  
difference

## \* Languages of Professionalism:



\* I / ME — have to be a STAR



→ I is the Doer that takes a push from ego and helps in developing all the 5 star abilities above. This will help in developing MAD ability. Even TP (Thorough Professionalism) helps in above process.

$$\begin{array}{l} \rightarrow BTP \xrightarrow{\text{PIQ}} \\ \downarrow \downarrow \quad (\text{Personal IQ}) \end{array} \quad \begin{array}{l} \geq 11/10 \\ 2+2=5 \end{array}$$

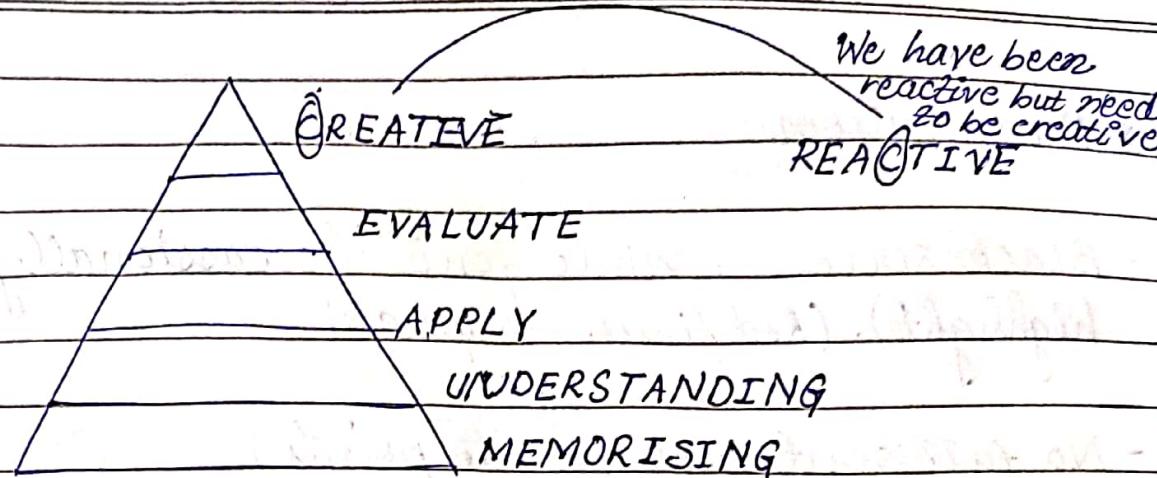
$B_{IQ} T_{IQ}$  (Technical IQ)  
(Business IQ)

$H_2 > He$  — we are stars whose property is to pack qualities together like hydrogen atoms.

Humor Humidity — balanced

PAGE NO.:

DATE: / /



Bloom's Taxonomy

EEE - Engineer Engineer Engineer

AAA - Ability + Application + Aptitude

BBB - Better is better than best

CCC - No Crying - cribbing - cringing

DDD - S(88%)

100% EXC(ellence) only with Vigour, Rigour + JJJ  
DISC(ipline)

FFF - Family Friends & Fools

Ji Jaan Tigar

• Excellence if is achieved they can forget about discipline

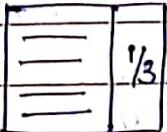
• With JJJ even vigor, rigour can be dropped to attain 100% EXC.

IIIT - Indian Economy dependent on IT

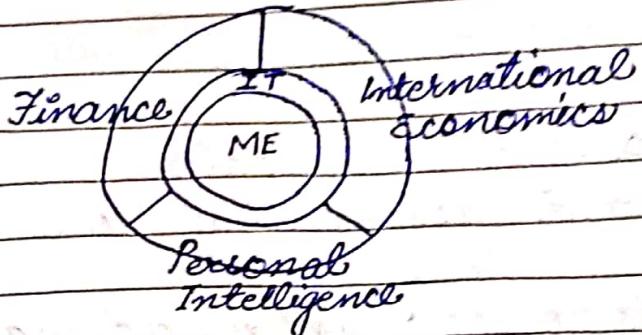
(striving to take place in world's top 3 economies)

### \* Presentation:

- Black screen + White fonts (occasionally yellow to highlight). (Red/Blue - Hopeless)
- No full sentences (white points)
- Last slide should be a 'Dedication' slide
- $\frac{1}{3}$  of slide should remain empty.



~~Alright~~  
All wrong



USA

FR- UK, Germany were struggling with technology but US was developing.

USA started to become best economy since 1900's.

HR - A magnetic force had been created at US, that was drawing great Russian minds also as to they can more, get better opportunities at US than Russia.

After War, when Europe, defeated USA became the superpower by becoming <sup>was</sup> source of the manufacturer of major products & supplying even to Europe.

## Post Mid-Sem

### \* Wealth v/s Income:

- Income is  $\delta$ -wealth ( $\delta$ -wealth)
- white elephant - asset that doesn't contribute to any income.
- $\delta$ -ability is to constantly add value through thorough professionalism.
- Wealth is net amount of all the assets.
- Income is the revenue generated from assets.

### \* Capital v/s Profit:

→  $\delta$ -money earned from investments.  
→ money reqd for investment

capital, wealth = potential } potential v/s performance  
income, profits = performance

non financial capital: real estate - gold - artwork, etc.

### \* Money Cycle:

→ want to make  $\delta$ -money.

○ Savers - ppl want earn  $\delta$ -value to their money. so, they invest their money. Ex: deposit it to bank so that it earns interest.

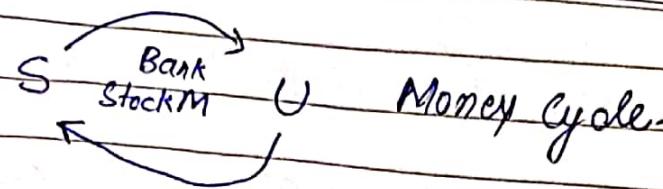
-(household - corporates - govt)

- corporates use savings to expand their business (i.e. use for the company itself)

- govt. invests from its savings to welfare-schemes from where there is no scope of earning ( $\because$  otherwise private sector would invest there).

○ Users - like shareholders of the company who earn

(govt., & corporates) dividends or those who take loan from bank. And then money flows back to savers, so, faster this cycle



\* **Inflation:** In economic terms, it is the effort that is made. In fast growing economy, there is high inflation. But sedentary have low inflation (like G7).

So, price of growth [∴ perspiration: running]

high growth → high inflation  
low " → low "

- A thing costing ₹100 must have suffered 5% inflation in a year and would become costlier after a year so, I should be able to pay 105% of original price.

2% phenomenon:

- A saver has ₹100 and deposits in bank and there is 10% inflation expected in next 5 years. So a ₹100 thing will cost ₹110 after 5 years. So, if bank pays me 10% interest for depositing, then after 5 yrs I may not earn any money. So, the interest rate should be at least 2% higher than inflation rate (i.e. 12%). This 2% higher rate is called real-interest rate & will help me to earn money (i.e. add value). Of course 5%, 10% real interest rates (i.e. 15%, 20%) interest rates are better but at that values borrower (i.e. bank) might suffer.

### \* RBI:

- In any country, technically only Reserve Bank of country is Central bank and controls all money flows. It's above bank that controls all other banks & interest rates. (which come under it) and stock also. RBI helps in maintaining optimal flow of money cycle by deciding interest rate relative to inflation rate.
- The amount of money that savers deposit in bank goes to RBI's tank. But, RBI doesn't allow lending of this entire amount in tank to corporates or other users. It can only lend 19% of this tank amount. This is SLR.

### \* Money supply valves:

|                                    | Sept   |
|------------------------------------|--|
| 1. SLR (Statutory Liquidity Ratio) | 19%  |
| 2. CRR (Cash Reserve Ratio)        | 4%   |
| 3. Repo rate                       | Feb - 6%      5.40%<br>↓ means slower eco. activity. |

Bank deposit their money to RBI and now when bank want ~~their~~ money, they go to RBI, and RBI lends to banks at Repo rate.

Lower eco. activity means user are not buying or borrowing so RBI decreases the interest rate so ppl starts borrowing.

4. Reverse Repo Rate: Rate at which RBI borrows from banks. It will be gen. 0.25% less than Repo rate for RBI to earn money.

| Feb  | Sept  |
|------|-------|
| 5.8% | 5.15% |

- Even bank will add its margin before lending it to people(users).
- Bank add margin on-lend: cost margin  
 risk margin  
 profit margin - to earn profit  
 based on whom its lending.

### GDP TWINS

\* GDP (= \$ value)

@ market exchange rate (MER)

(i.e. to convert India's net earning from goods & services into \$ we use MER of ₹ 74 = 1 \$.)

\* PPP (= \$ value)

@ Purchasing Power Parity (PPP)

Coke in US = \$ 1.25 = ₹ 80

(So Coke has higher purchasing power in India than US)

30

Basket of goods & services : Running items of household used worldwide

PPP = \$ value of this basket.

So, with GDP, the total earning of all goods & service was divided by 71 to get GDP (\$ value) of India.

But, with PPP, only  $35/40$  might be divided (to get PPP (in \$) of India).

## GDP COUSINS

① GNP (Gross National Product) (only for info.)

"val. added" by Indian nationals world over

$$\text{so, } \text{GNP} = \text{GDP} - \text{foreign national} + \text{Indian national}$$

② GDP per capita

$$= \text{GDP} / \text{population}$$

③ GDP growth rate

"rule of 70"

so, if India's growth rate is 5% for GDP, the amount of years for India's GDP to double

$$= 70/5 = 14 \text{ yrs.}$$

$\rightarrow \sim 25\%$  -  $30\%$  of India's GDP.

\* GDP 'distortion'

GDP is total value of only accounted goods & services. But the activities like earnings of Paan-wala's, roadside barbers, modhi, mazdoor, (micro activities) (rural activities)

housework (jatu-pocha-bartan), family care (dada-dadi looking after children). These activities are unaccounted towards GDP.

④ undisclosed GDP

- black market

- tax evasion

Engineers carry factorial with them, they should have need to add it.

$$(1+1+1)! = 6$$

$$2+2+2 = 6$$

$$3 \times 3 - 3 = 6$$

$$\sqrt{4} + \sqrt{4} + \sqrt{4} = 6$$

$$5 \div 5 + 5 = 6$$

$$7 - 7 \div 7 = 6$$

$$\sqrt[3]{8} + \sqrt[3]{8} + \sqrt[3]{8} = 6$$

$$\sqrt{(9+9)} \div \sqrt{9} = 6$$

### \* Bharat :

Bharat → Rural part to focus upon to real grow and reach heights

v/s  
India → Urban part

is behaviorally not digitized

Why Bharat not exploited? Myths

① They are rural

② Its relatively small, insignificant segm.

- Only 7% of Bharat using Internet, similarly very less mobile users - high scope
- Lack of basic schooling, healthcare, sanitat" ⇒ unproductive youth
- Lack of technology.
- Not to do charity work but harness its power/exploit it
- ∴ its huge market

↓           ↓           ↓  
Corporates   Government   Technology

- For IT engineers, aim is to work here because there is great growth opportunity. Working for MNC or other silicon valley comp. working for some MNC who in turn will be providing sol' to rural India.

Make a diff. (MAD)  
↓  
to

## Make an Awesome Difference (AAD)

PAGE NO.:

DATE: / /

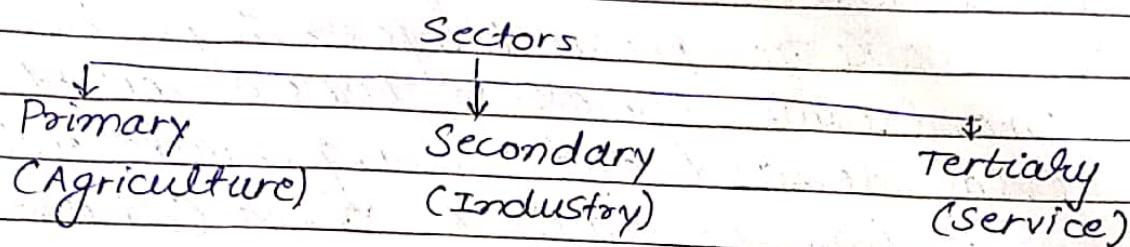
- Government is ineffective, they mainly work for infrastructure but not much helpful. So, we can't rely on govt. so, neither MNC/corporates rely or wait for govt. to make changes convenient for them. Rather we/corporates shd provide business sol" to unlock the Bharat.
- change shouldn't block away some market. It should cater to everyone's need. smart phns st usable by young, not old.
- smart cities doesn't mean urbanising & turning villages to cities & villagers migrate to cities rather its making the villages smart so they don't have to migrate.
- Education is good but we don't have time to educate everyone and then come up with sol" that only educated market can understand instead educational shd be made an eff ineffective factor & focus on sol" that anyone can understand.
- Also silicon valley counterparts don't really understand the problems that we can understand.

\* Muthi Ability: India is taking things loosely, working with open hands. But, to really progress further it should tighten up its fist (muthi).

$$* C = O_2$$

Every has Twice  
Challenge Opportunities

## \* Segments of GDP Pie:

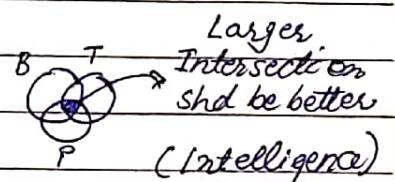


- We can increase our GDP Pie by bridging gap b/w potential & performance. IT can do this.
- ↓ in share% of agriculture over the years doesn't mean that overall agricultural prodn is decreasing. But, actually with ↑ in popul% its increasing but industry & service sectors contribution has increased significantly.
- Improvement of IT towards agriculture:  
Crops aren't able to efficiently reach market, so, IT and transportation can provide smart soln to monitor products & ↑ yield by simplifying life of farmers and ↑ agricultural efficiency.  
(Ex: Smart Irrigation in US).
- Government Initiative to boost Industry sector: Make in India
- Service improvement by IT:  
Tie-up between medical industry & Tourism can boost Tourism. So, foreign people can be accomodated in hospital and surgery can be performed in that hotel room.

- India being primarily private sector oriented needs to see where there is profit. But with upliftment of middle class, they will be able to afford things → They'll be consumers and demand will increase. So, there's a scope of incremental demand and growing market unlike US where it has saturated or China (which is about to reach saturation).
- Japan had work ethic of not having a supervisor to manage/supervise work of 10 employees; every Japanese feels their work as their responsibility. This isn't the case in US or India.
- We can import best medical machines & best surgeons who are more experienced (having dealt with more patients).
- Having met domestic demands, we can also meet export demands.
- Agriculture:
  - We are not lagging in arable land or water/water harvest can be much improved. But its yield is less.
  - Wheat - agricultural output
  - Bread, Cake - Industrial Output
    - Sold in Shop/Home delivery - Service Output
    - India's fresh fruits & vegetables productivity is higher than that of other countries. But problem is there's short shelf-life. India's 30% fruits, vegetables get spoilt. So, IT's solution to make efficient logistics so market can further ↑ productivity.

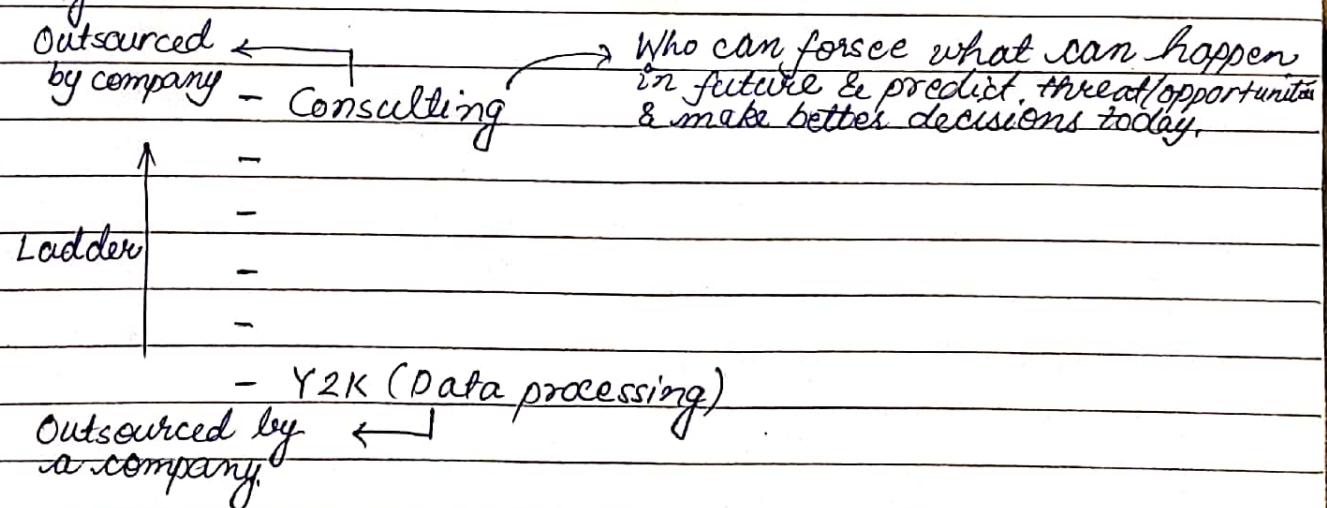
- Without being carried away by any mindset, we just need to bridge gap.
- In most countries as their GDP Pie increases in size, Europe - 2%. the share of Agriculture always ↑ and China - 10%. Industry sectors ↑.
- India - 14%.
- USA - 1%. India's service sector has IT services' contribution only abt 10%. but main contribution is by financial services (who CEO thinks how can I increase market by availing financial services to rural areas also).

→ Wealth v/s. Welfare:



→ Multiple Intelligence - Howard Gardner - BTP (IQ)

→ Y2K = Year 2000 → DD MM YY to DDM YYYY  
Helped India to ~~form~~ forefront its date processing skills at global level.



→ We should look at how to jump-start & move upwards in the ladder from whatever pt. we start in ladder.

PAGE NO.:

DATE: / /

CEO has plan to generate s-cash. But it initially requires a s-capital investment. (So, it generates this s-capital from investors in share markets). So, he look from 3<sup>rd</sup> dimension. so, shd we look from this angle abt whatever we do.