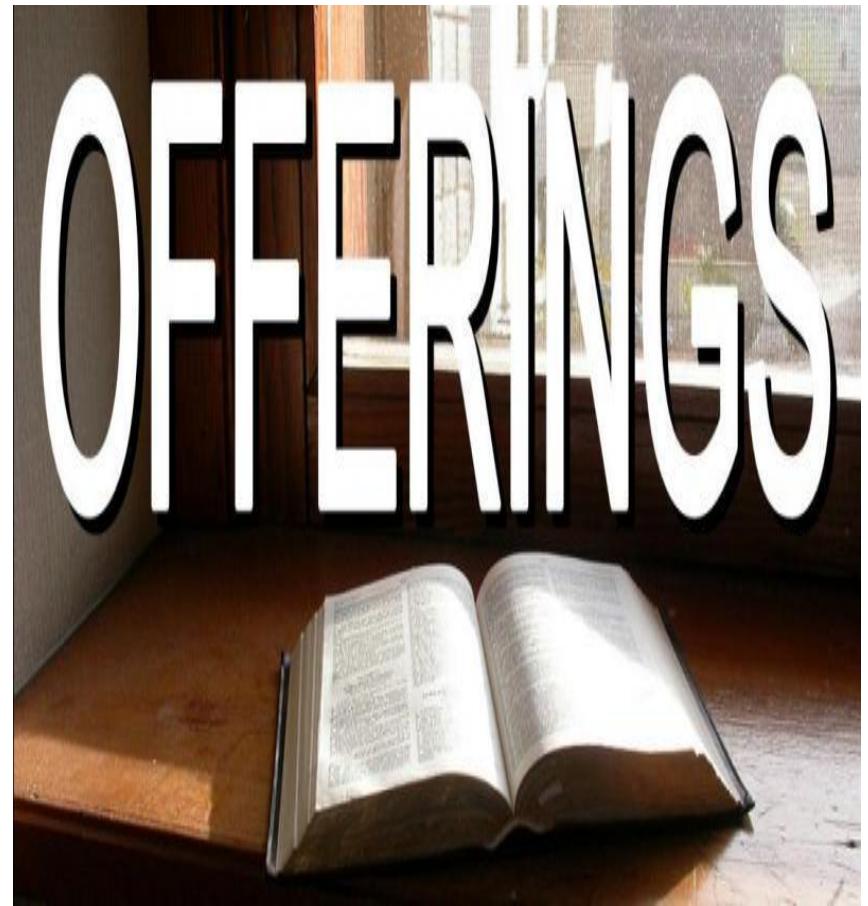
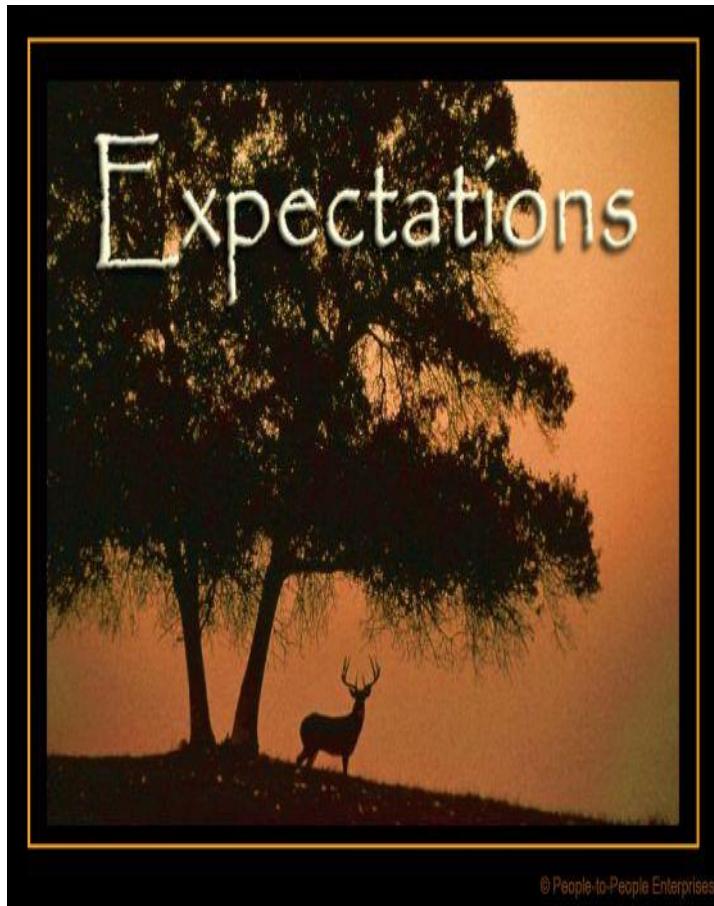


Let's hear your stories...

- What is TEL?
- How You are here?
- Why are You here?
- Why you should not join this course!





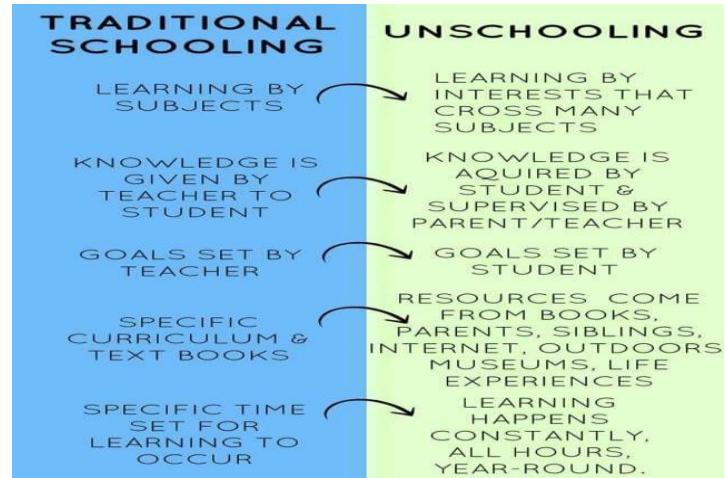
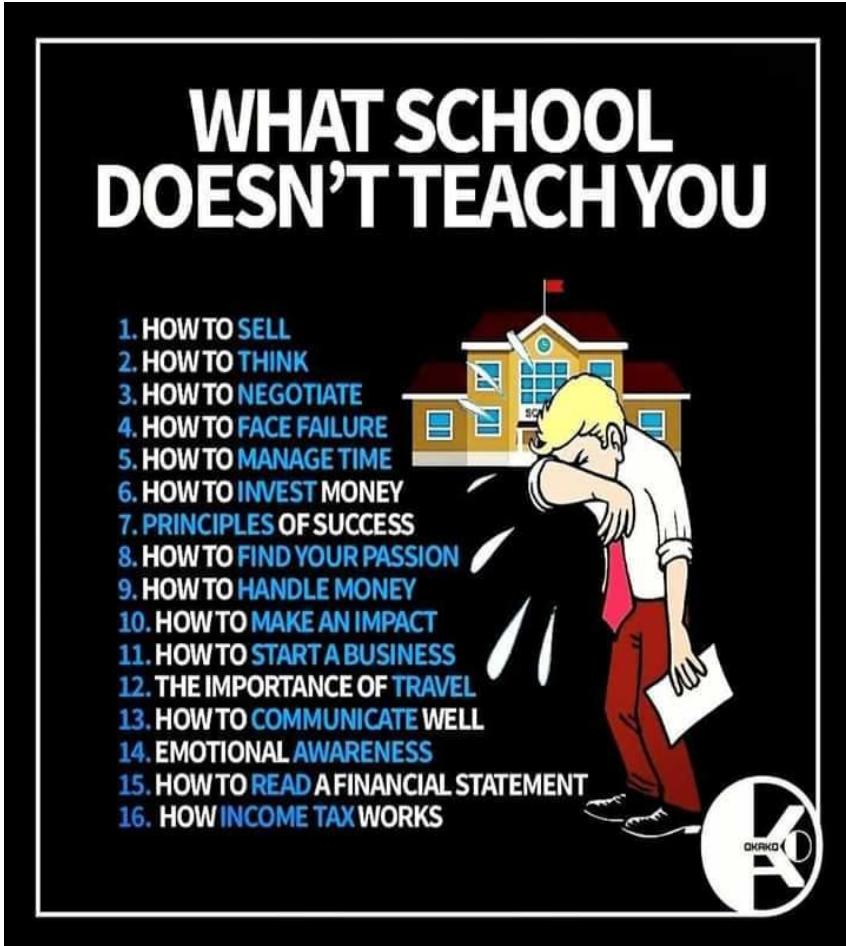
Expectations???

- Entrepreneurship?
- Big Business?
- Start-up funding?
- Leadership?
- Technology Leadership?



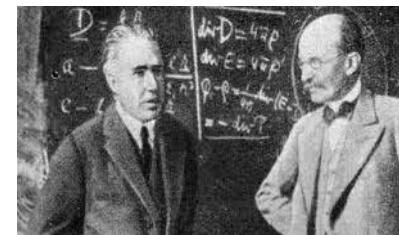
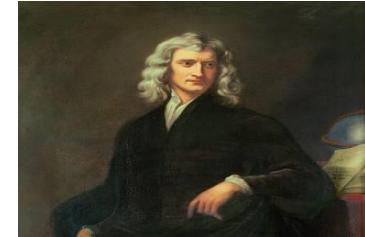
The Story of Turkey!!!

School is offering a different Schooling



Why TEL?

- Techno- Classical (1+1=2, Rational)
 - Newtonian Laws of motion
 - I see that's why I believe
- Entrepreneurial – Modern (1+1= X, Real but Variable)
 - Einstein Relativity
 - I see what I want to see
- Leadership- Quantum (1+ 1= 2, X, Co-existence of realities)
 - Bohr-Plank's Energy as 'Quanta'
 - I believe that's why I see



Integrating three philosophies Clarity Truthfulness Purpose

Initial Thoughts

- Once you are being clear about “Why”
(Create- Collaborate- Communicate)
 - Agree to participate
 - Agree to work in a TEAM
 - Agree to maintain a discipline
 - Agree to a multi-dimensional knowledge
(Cross Learning)
 - Agree to disagree!!!

Techno- Entrepreneurial - Leadership

- Leadership= f (Knowing self correct)

Remember the law of

Offerings?

- You will appreciate there is no single correct answer in life
- You will appreciate that most part of life decision making is in grey
- You will appreciate a new methodology- Case study
- You will realize the value of opinion- teams
- You will take decision based on triple bottom line approach
- You will appreciate ambiguity
- You will do a live projects

CDC

You will appreciate your Employer's requirement
Your Employer will appreciate You

Validity???





#MondayMotivation



SET A GOAL SO BIG
THAT YOU CAN'T
ACHIEVE IT UNTIL YOU GROW
INTO THE PERSON WHO CAN
- Unknown



ZeoAuto

route
planner



CORENET
G L O B A L

The Global Association for
Corporate Real Estate

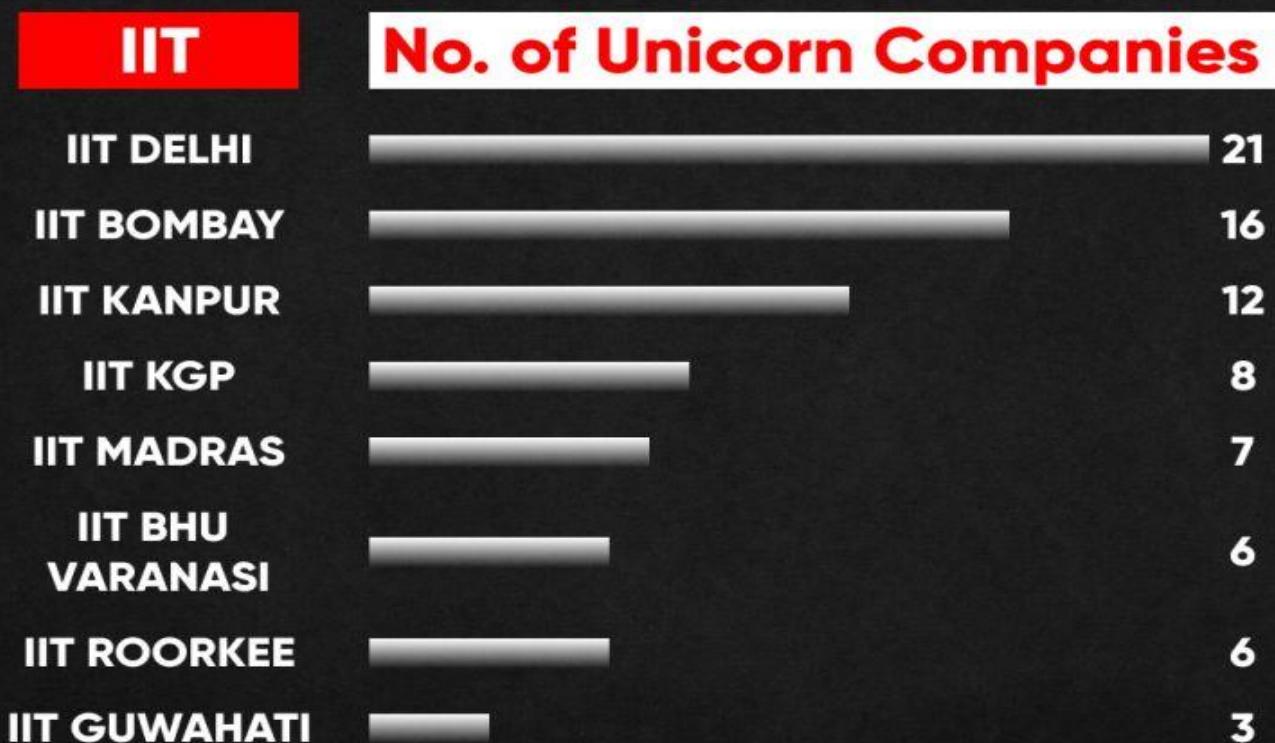


HULT
PRIZE

cuvette



BREAKUP ACROSS IITs FOR UNICORN COMPANIES!



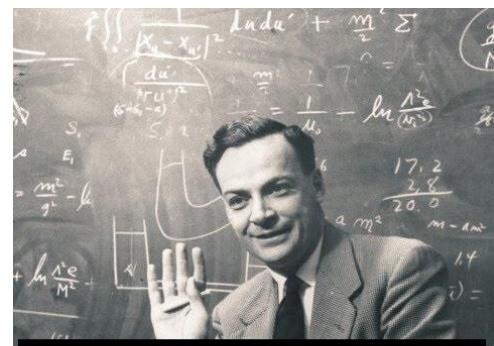
SOURCE: TRACXN & E-Cell IIT BHU

*Facts w.r.t Indian Scenario

Evaluation for the course

- Attendance & Quality participation- 10%
- Test and Quiz- 10%
- Terminal Exam- 50%
- Team Project- 10%
- Case Assignments- 20%

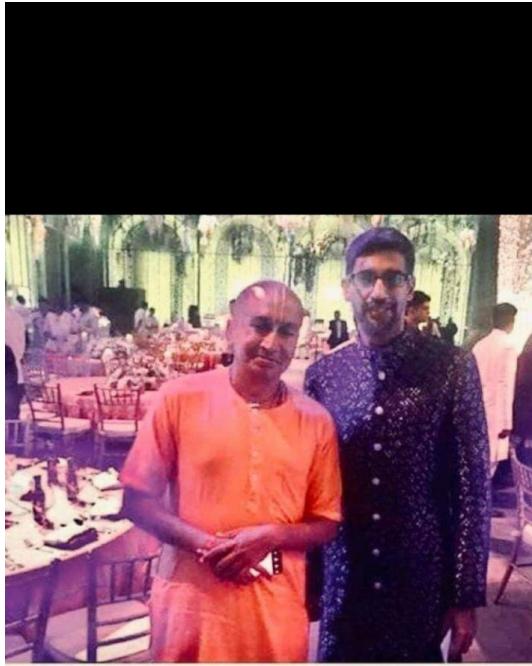
TEAM? The name of a ...



Students should be made to think, to doubt, to communicate, to question, to learn from their mistakes, and most importantly have fun in their learning.

—Richard Feynman

The Philosophy...



This Is Life!

Both graduated from IIT same year.
One (**Sundar Pichai Google CEO**)
is Leader in Materialistic world, the
other (**Gauranga Prabhu – ISKCON**)
is a Leader in Spiritual world.

How come Apple,
Facebook, 3M, Amazon,
Tesla are different??

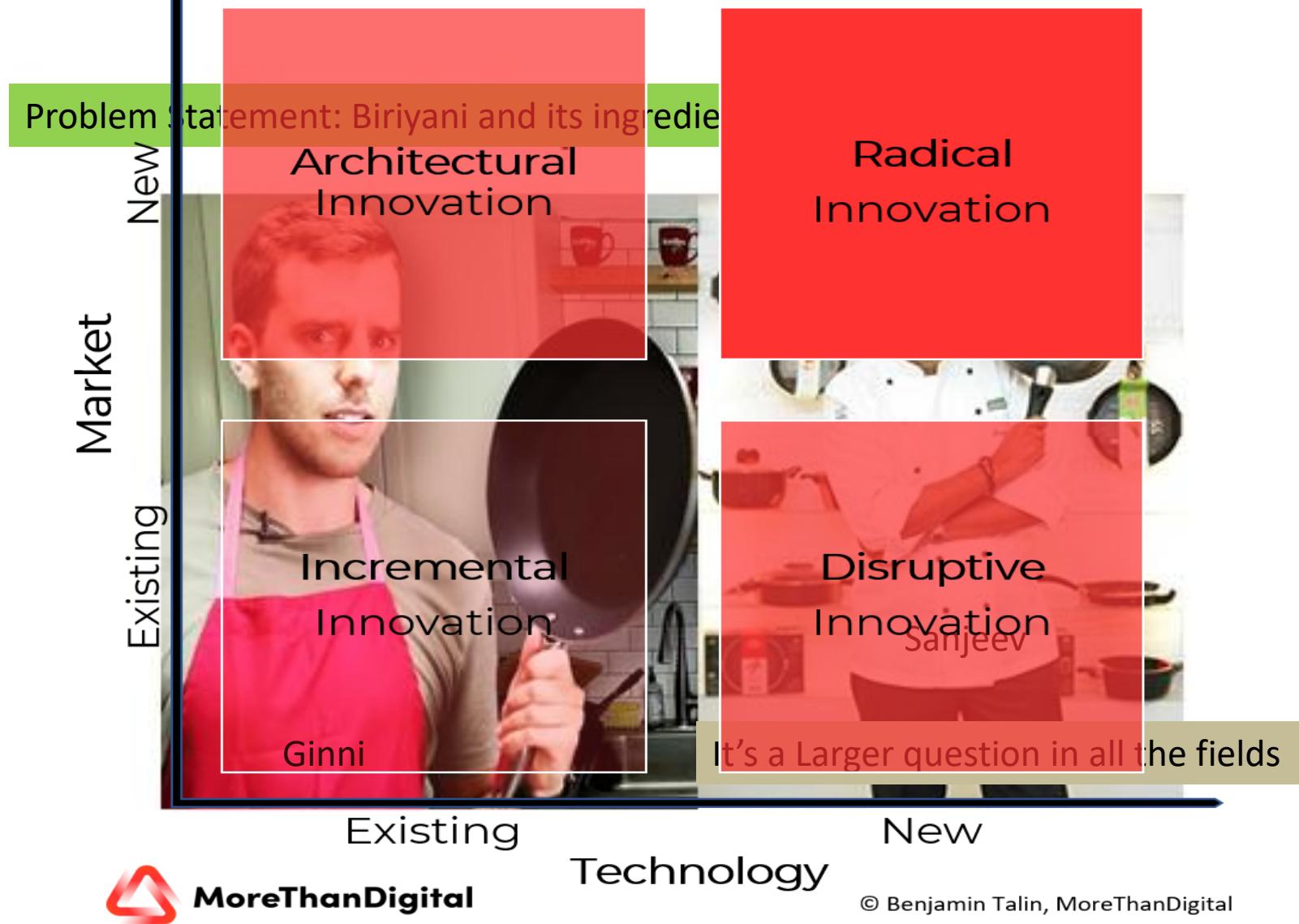
How come Elon Mask/
Bill Gates/ Steve Jobs/Jeff
Bezos/ Sundar Pichai/
Ritesh Agarwal/ Bhabesh
Agarwal/ Kunal Shah/
Sachin-Binny Bansals are
different and what
commonalities in them???
(Think-Act-Communicate)

Success- Sustenance-
Sustainability? What is
more important? How
should I define them?

Can we learn Leadership?
Or it's by birth?



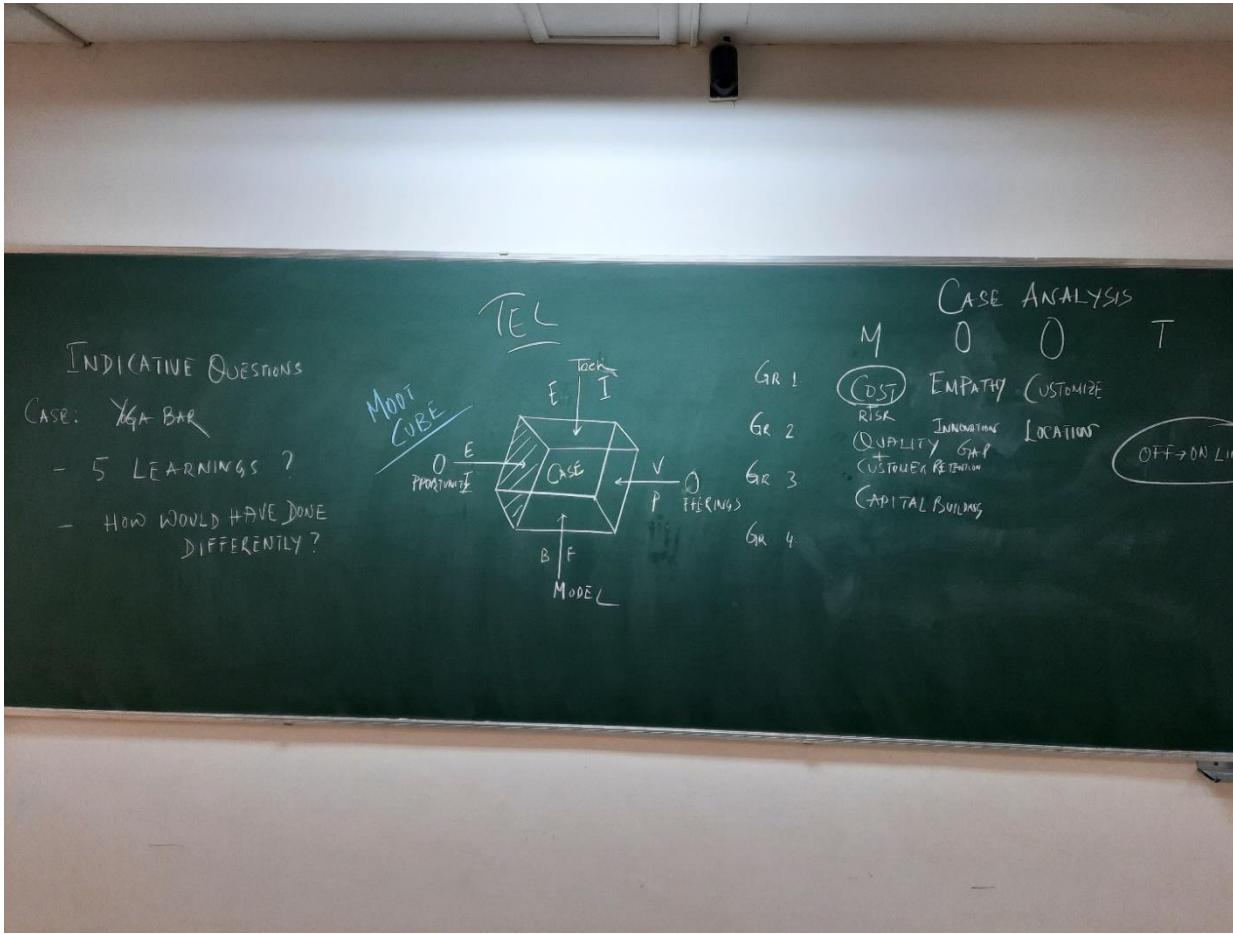
Teams?...



Case: Yoga Bar



MOOT Cube



Journey till week 0-1

- The concept of TEL
 - Your take??
 - This is different from Political, Religious, Army, Business Leaderships
 - It's driven by your concept of future (Effectual, Empathy, Emotion)
- Why we are here? Roles? Expectations? Evaluations?
- Importance of Team? Name?
- Approach of Problem solving? Live cases?



New Skillsets

World Economic Forum's Future of Jobs Report 2018

2022 Skills Outlook

Growing

- 1 Analytical thinking and innovation
- 2 Active learning and learning strategies
- 3 Creativity, originality and initiative
- 4 Technology design and programming
- 5 Critical thinking and analysis
- 6 Complex problem-solving
- 7 Leadership and social influence
- 8 Emotional intelligence
- 9 Reasoning, problem-solving and ideation
- 10 Systems analysis and evaluation

Declining

- 1 Manual dexterity, endurance and precision
- 2 Memory, verbal, auditory and spatial abilities
- 3 Management of financial, material resources
- 4 Technology installation and maintenance
- 5 Reading, writing, math and active listening
- 6 Management of personnel
- 7 Quality control and safety awareness
- 8 Coordination and time management
- 9 Visual, auditory and speech abilities
- 10 Technology use, monitoring and control



COMMITTED TO
IMPROVING THE STATE
OF THE WORLD

World Economic Forum 'The Future of Jobs Report 2018'

Globally What Is Being Valued Is
Changing



Case study

- What is a Case?
 - Executive summary
 - Your position as solving problem- ownership
 - Background search
 - Analysis of the context
 - Analysis of situation (Quantify)- Assumptions
 - Generating options
 - Criteria for evaluation (decision making)
 - Evaluation of options
 - Final decision
 - Limitations and risks
 - Plan B
- Why it is necessary as important methodology?
- How a case is written?
- How the case should be discussed?
- How a case should be presented?

Case- Learning Methodology

- Context is important
 - Question is important
 - Actors are important
 - Options are important
 - Criteria for evaluation
 - Tools and techniques
 - Decision is important
 - Back-up is important
 - Ownership is important
- Why case???
- Brief- Case (communicate)
 - Idea generation (exploration)
 - Idea screening (criteria)
 - Feasibility analysis (tools)
 - Quantitative analysis (tools)
 - Preparing the final presentation (selection of slides)
 - Role playing (Enhance communication)
 - Final presentation (PPT presentation)
 - Adjustments with class feedback (Feedback loop)

Leadership is a choice

- It's not a Position (Automatic/ Chance/ Thrown)
- Take accountability for your action...Give the credit to the followers
- It's not about strength/ Speed/ Smartness...it's about helping people!!!
- It's not only about listening.. Need to learn to speak at last (Understand Why and not just What)
- Humility and Gratitude (You and your position)
- Leader has followers who believe the vision that may not even exist... You need to articulate that

What is difference between Passion and Stress?

The Bigger question... Is Leadership Born or can be Acquired??

- Knowledge



- Attitude



- Skill Sets



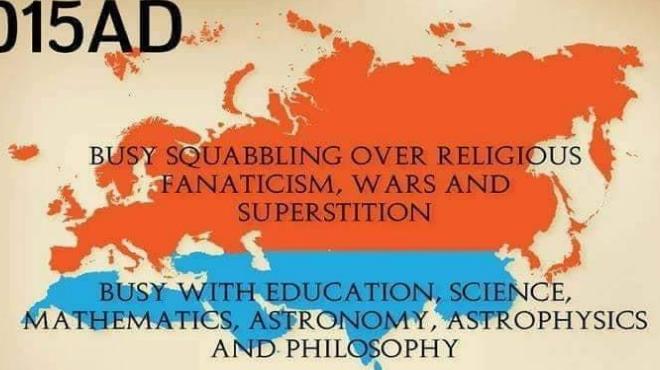
- Habits

From our Scriptures...

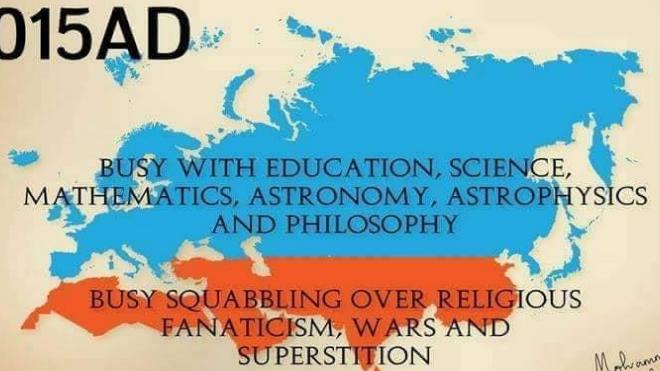
Truthfulness... Clarity... Purposefulness



1015AD



2015AD



Mohammed Ehsan
Khan
2015.09.15

Goals...Decisions... Resources... Communication

The Next Normal

Old Thinking	New Thinking	Next Thinking
Employees are biggest risk	Employees are biggest asset	Employees are partners in the journey of life
Top-Down Communication	Open Communication	Honest Communication
Skill over behaviour	Behaviour over skill	Interest in the behaviour
Rigid work schedule	Flexible working schedule	Focus on the work efficiency
Work for the weekend	Do something you love	Any work with heightened awareness
Enrich shareholders	Enrich lives	Enrich own mind
Employee seeking high salary	Employee seeking high decision-making role	Employee seeking meaning in the job and fulfilment of the ultimate objective of life through the work
Growth in position	Growth in career	Growth in physical fitness, peace of mind, joy & prosperity
Job as livelihood	Job as status & engagement	Job as an opportunity for the purification of the mind
Co-worker as a colleague	Co-worker as a competitor	Co-worker as a co-traveller on the path of self-realization

We will parameterise these in our Finance classes

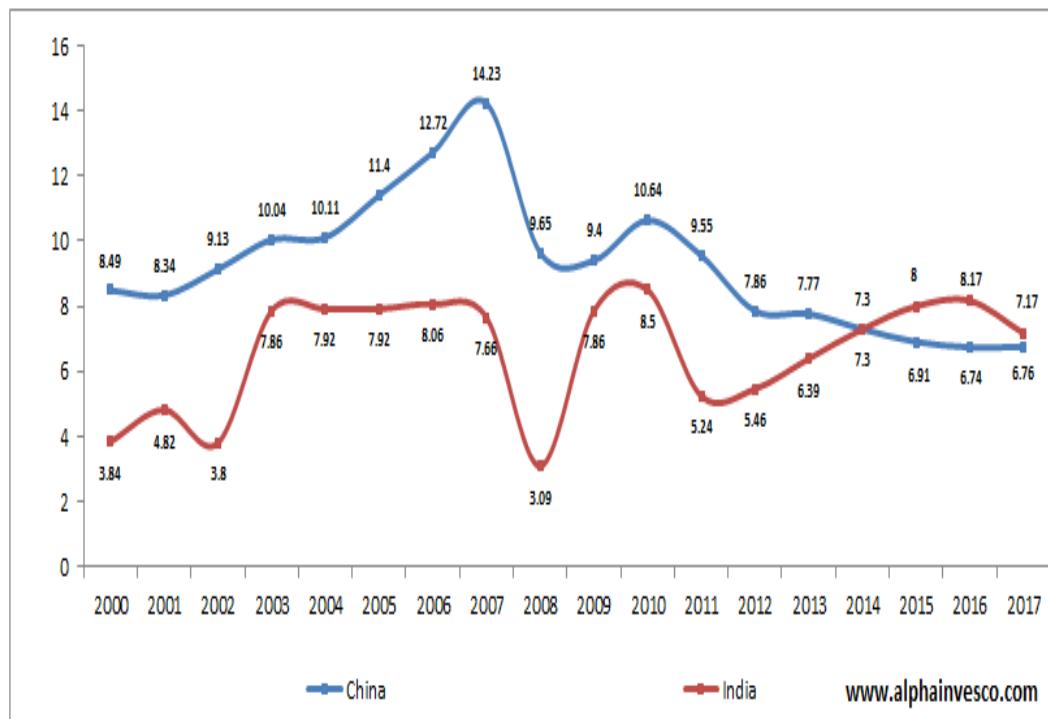
Warming up Case

- Why these happened in Srilanka? Pakistan?
- Can they recover from this? How?
- What is learning for third world countries?



GDP Framework

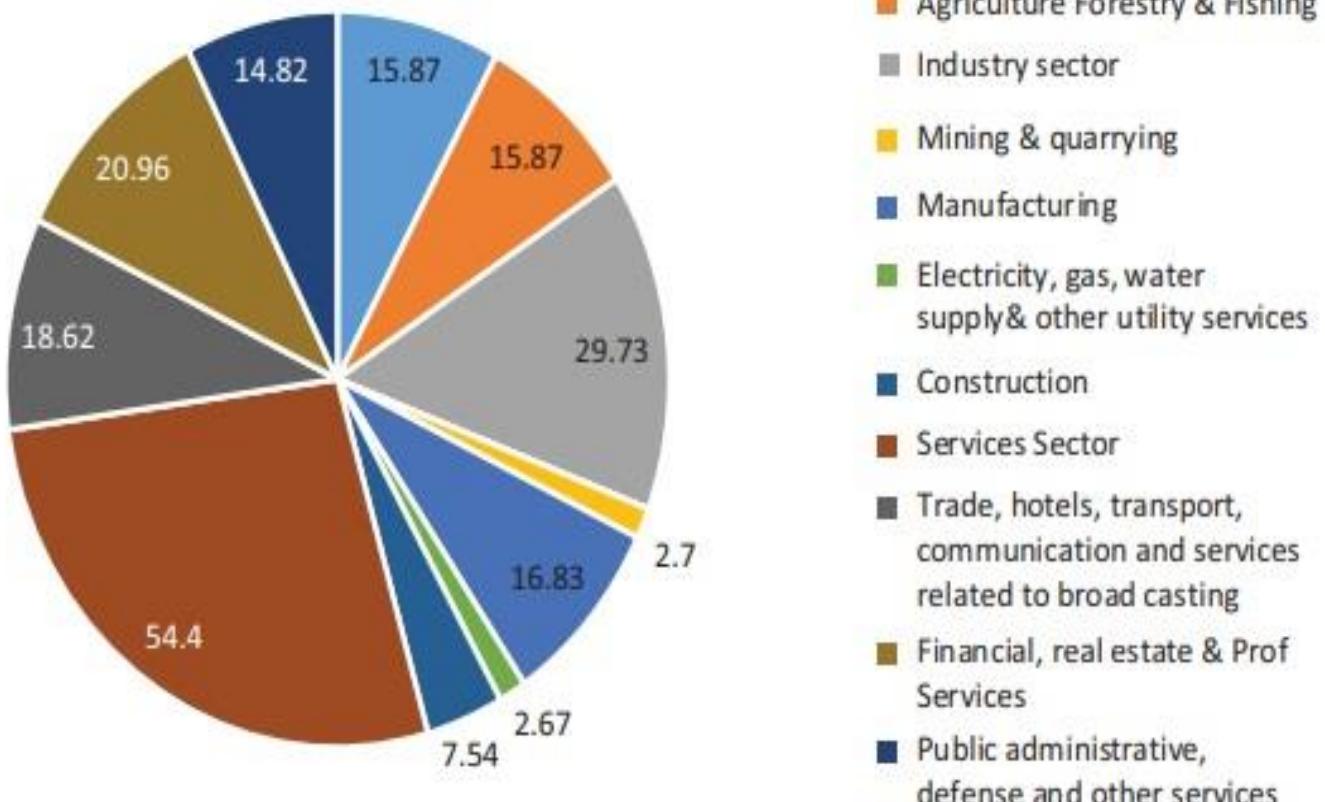
- Value of all goods & services produced (final/finished goods + capital goods)within the country during the year
 - GDP Factor cost= Income approach (Income by all factors of production- L (Rent)L (Wages)C (Interest)E (Profit))+Depreciation+ Net FFI
 - GDP market Cost= GDP Factor cost+ Indirect taxes- Subsidies
 - Expense approach (Money spent on goods & services) = Consumption+ Investments+ Govt spending + (Export- Import)



Issue of Black money/ Income from intermediate goods

Sector-wise contribution of GDP (2018-19)

Percentage share (%)



Source: Statistics times.com.

Note: The Diagram shows that Sector-wise contribution in GDP of India for the year 2018 - 2019.

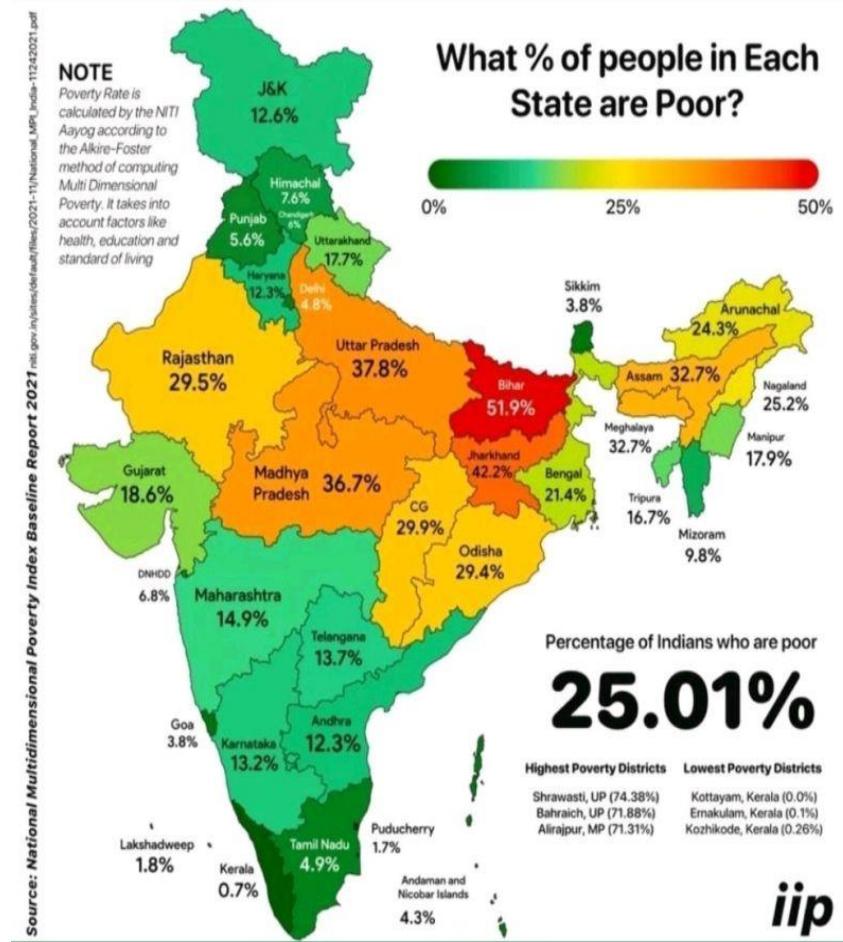
Journey so far... Week 2-3

- Leadership is important...
 - Introducing TEL
- Differentiating TEL with other concepts
 - EQ-IQ Hypothesis
 - Linking to CDC
- Team is essential...identification also (Rivers!!!)
 - Why river?
- We can solve many hard problems with group engagements.. Case 1 (Srilanka).
 - Importance of dealing Ambiguity
 - Importance with Harmony... Case 2 Meghna



Learnings...

- Actual Issues
- Portfolio of Investments
- Balance of Payments
- Industry Selection
- Stakeholder's Interest



Dealing with Ambiguity

General Motors Story

A story that originated in the early 70's details a time that somebody submitted a complaint to Pontiac. It was a tradition in his family to buy ice-cream for his family after dinner each night, but he was having problems starting his car after buying a certain type of ice cream.

The man had recently purchased the new car and hasn't had issues with the car starting on any of his other trips. Regardless, every-time he bought vanilla ice-cream, the car wouldn't start. He knew this sounded silly but was adamant that the car had no problems starting if he bought any other flavor in the store.

The president of Pontiac was understandably skeptical about the letter, but nonetheless sent an engineer to check it out anyway.

They agreed to meet one night after dinner, and the two hopped into the car to drive and pick up the ice-cream. It happened to be vanilla that night, and sure enough, after they came back, the car wouldn't start.

The Engineer returned for three more nights. The first night, they got chocolate. The car started. The second night, he got strawberry. The car started. The third night he ordered vanilla. The car failed to start.

The engineer, being a logical man, refused to believe that the man's car was allergic to vanilla ice-cream. He arranged to continue his visits for as long as needed and started to write down all sorts of data like the time of day, type of gas, time of driving etc..

In a few days, he found a clue: the man took less time to buy vanilla than any other flavor. It turned out the layout of the store had vanilla, the most popular ice-cream, at the front where it could be picked up quicker. The engineer realized it wasn't the ice-cream, but rather the shorter length of time between starting the engine that was the problem.

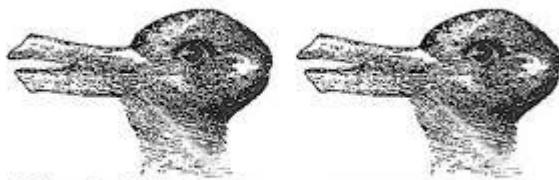
After further analysis, he concluded it was caused by vapor lock. The car's engine needed more time to dissipate the heat before it could start again.



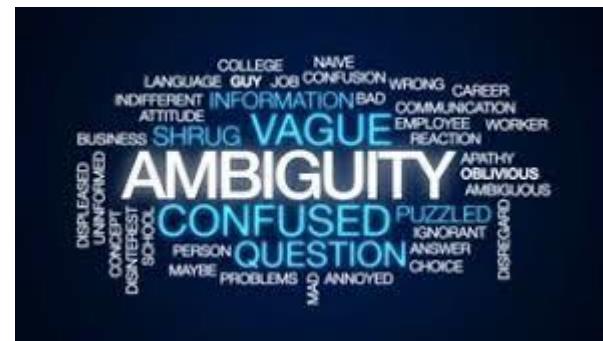
Please be careful about the 'Ambiguity' around

Reality is Between

- Factually right
- Actually wrong



What Do You See?
-Ducks, Rabbits or Both



What is $2+2 = ?$

Techno- Entrepreneurial - Leadership

- Leadership= f(Dealing with Ambiguity)



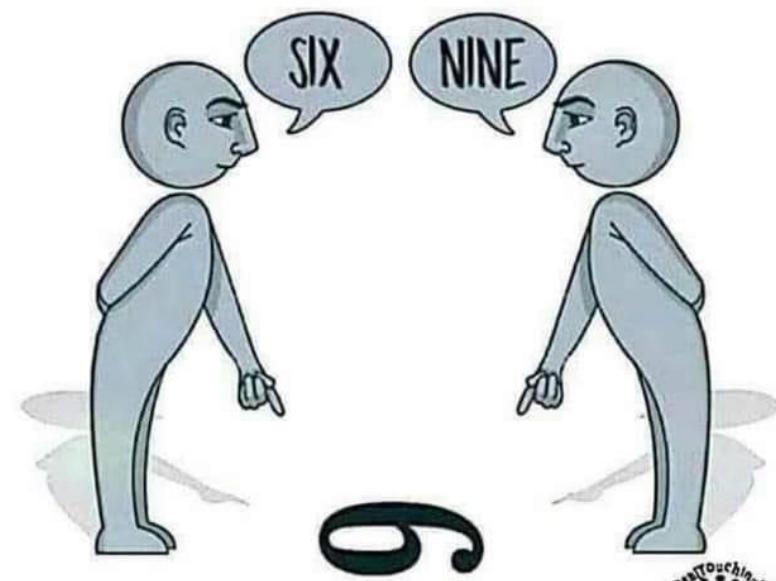
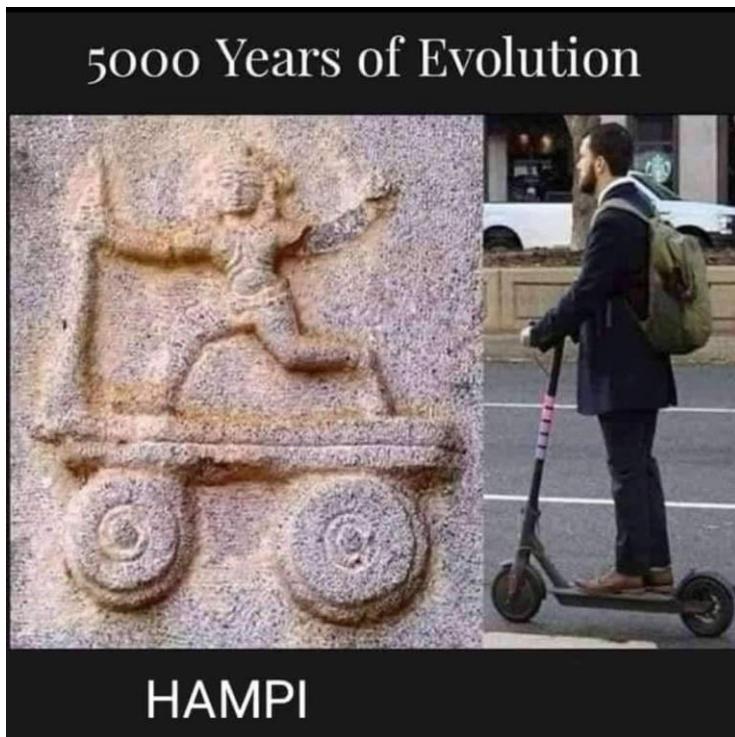


Before you act, listen
Before you react, think
Before you spend, earn
Before you criticize, wait
Before you quit, TRY!

- Ernest Hemingway

Before You Speak... Listen

This is one of the realist things I've read...



Just because you are right, does not mean, I am wrong. You just haven't seen life from my side.

Story... SUMO

to attract new investments.

Inspiring Story Behind the Naming of Tata Sumo

Do you know why Tata Sumo is named so? It has nothing to do with the Japanese style of wrestling

Every day top executives of Tata Motors used to take lunch together but they observed that Sumant Moolgaokar used to take his car and go out during lunch hour and come back as soon as the lunch break was over.

According to grapevine, it was said he was offered lunch at a 5-star hotel by some Dealers of Tata.

One day when some executives followed him during the lunch break, they were surprised to see that he stopped his car at one highway dhaba, ordered food and sat with the drivers of trucks who were eating food at that dhaba.

He discussed with them what was good and what was bad in a Tata Truck, jotted down and came back to his office. He used to improve upon the experiences of drivers.

Such was Sumant Moolgaokar's zeal for improving the Tata Vehicles.

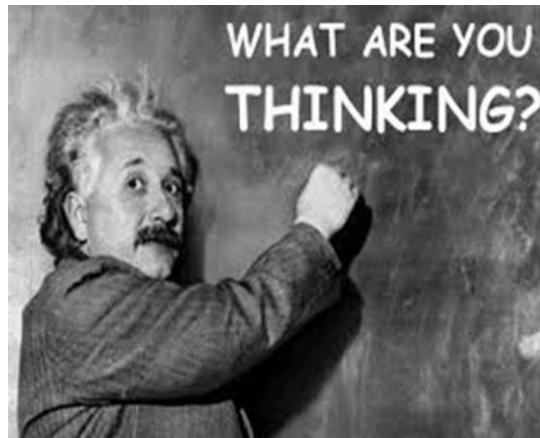
Tata Sumo is the biggest corporate tribute paid by any company to its executive. Su stands for Sumant and Mo stands for Moolgaokar in this brand name.

Sumo is an immortal example of Work is worship, for all entrepreneurs.



Knowing others (Game 1 Perception)

- Make four columns
 - Qualities
 - I think
 - Right or wrong
 - Correct me
 - Take your time and write
 - Exchange
- Language known
 - Favourite food dishes
 - Type of Movies like
 - Type of books like
 - Like gossips?
 - Like latest Gadgets?
 - Which Hobbies?
 - Which Sports?
 - Spending Saturday evening?
 - Spending a holiday?
 - Like political discussion?
 - Friendly or reserved?
 - Professional or casual?
 - Health conscious or not so?
 - Do exercise regularly or often?
 - Favourite Car model?
 - Favourite Film star?
 - Favourite Business Leader?
 - Favourite apparel brand?
 - Favourite career?



Techno- Entrepreneurial - Leadership

- Leadership= f (Knowing stakeholders correct)

How do You know your stakeholder? Labeling... Self analysis... Mob behavior

Indian-ness of Leadership

**OWNER OF JAGUAR AND
LAND ROVER : INDIAN**

MICROSOFT
CEO :
INDIAN

GOOGLE
CEO :
INDIAN

MASTER CARD
CEO :
INDIAN

Nikesh Arora

Shantanu Narayen

PEPSICO
CEO :
INDIAN

ADOBE
CEO :
INDIAN

SOFTBANK
CEO :
INDIAN

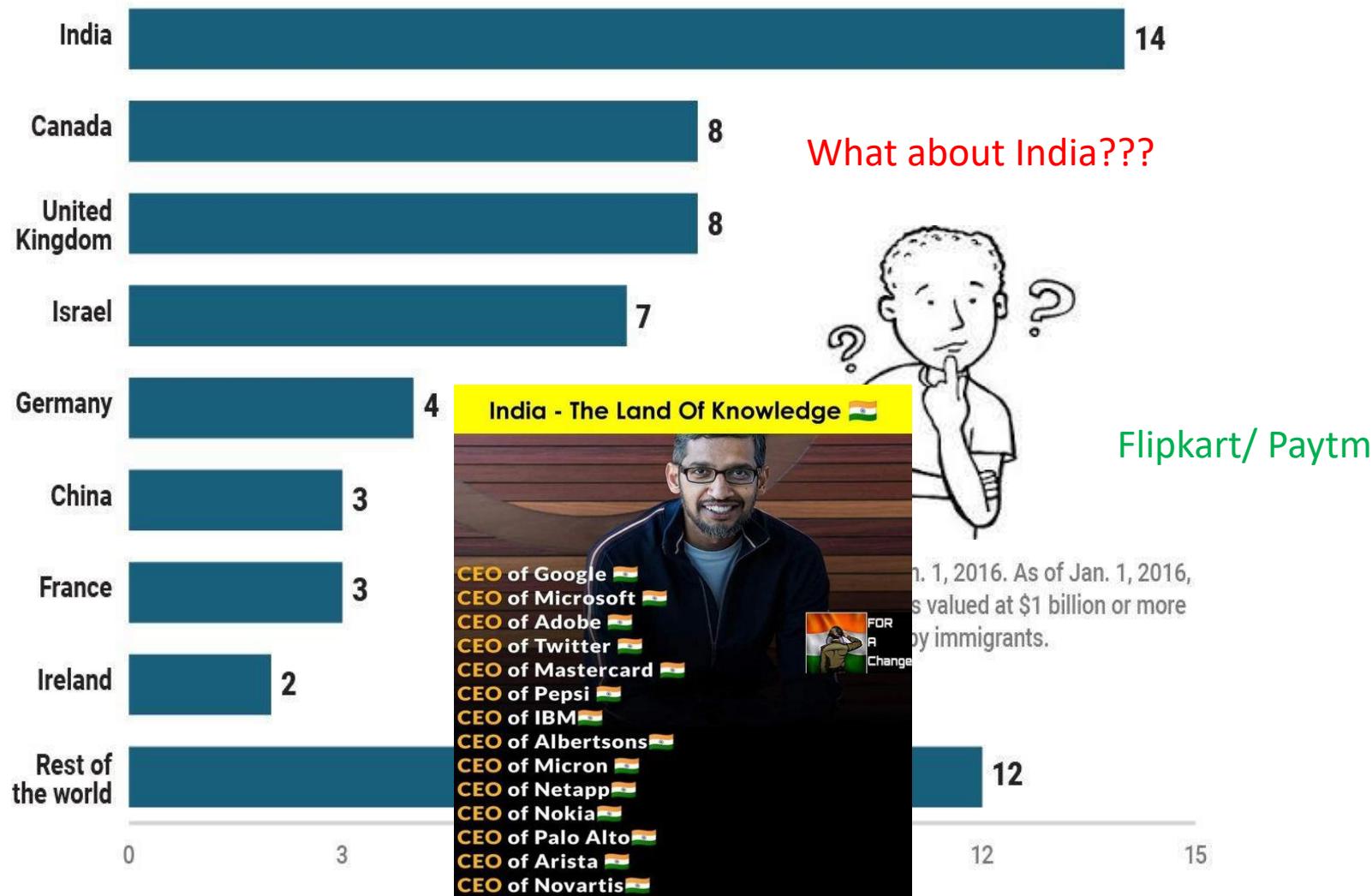
FEEL PROUD TO SHARE

Value based
Family organization
Resource constraint
Technology background
'Jugad'- frugal way
Inclusive & Diverse
Learning from life
Rich cultural heritage
Spiritual understandings
'IIT/IIM effect'

holistic engagement with employees, improvisation and adaptability, creative value propositions and broad mission and purpose.

A famous person said that the measure of a society is how it converts its pain and suffering into something meaningful and useful.

Origin countries of US' billion-dollar startup founders



Here We Introduce our Project...

- Select One area
- Collect data from Campus... Problem statement
- Make a Technology Solution... (Go beyond AI-ML)
- Demonstrate a Soft Prototype



Technologically Feasible/ Economically Viable/ Environmentally sustainable Solution

We must ask this question

What about India???



What

is INDIA ?

A nation where PIZZA reaches
home faster than AMBULANCE &
POLICE...

Where u get CAR LOAN @8% but
EDUCATION LOAN @12%.

Tomato Rs 200
Where 1 kg ONION is Rs.24 but
SIM CARD free.

Olympic shooter wins GOLD ,govt
gives 3 crore. another shooter
dies fighting with TERRORIST.

GOVT pays 1 lakh.

really, incredible INDIA. re-post

Vision India: A Re-look

Report Card:

- 77th Independence day celebrated
- Rs.77 = 1 \$
- 1300 million population
- 100+ position in Hunger index
- 100+ position in Entrepreneurship index
- 47th position in Innovation Index
- 500 million under the dark after sunset
- Every 12 minutes one mother die giving a birth to baby
- Every 20 minutes one student chooses to suicide across different campuses



India has Two Narratives



We are Emerging!!!

Write your Dream Statement: Be the Change that You want to see

Journey so far... Week 4-5

Dream/ Purpose... Understanding stakeholders... KASH... Data to Information... persistence

- Leadership is important...
 - Introducing TEL
- Differentiating TEL with other concepts
 - EQ-IQ Hypothesis
 - Linking to CDC
- Team is essential...identification also (Rivers!!!)
 - Why river?
 - What is Case study?
- We can solve many hard problems with group engagements.. Case 1 (Srilanka).
 - Importance of dealing Ambiguity
 - Importance with Harmony... Case 2 Meghna
- **Critical Vs. Design thinking**



Remember Mahabharata -Let's look into reasons for success once again

Case Study 2

(Realizing your Dream/ Purpose)

- **Envisioning a world where people live in harmony**



<http://maketheworldwonderful.org/>

Case study 2



Practice writing your Dream Statement and send it to me at bb.class.iitkgp@gmail.com

27.07.2018: flying to Singapore IIT Alumni meet

Re-Consider your Dream to Change

Dream is not that
you see in sleep,
dream is something
that does not let
you sleep.

~ A. P. J. Abdul Kalam

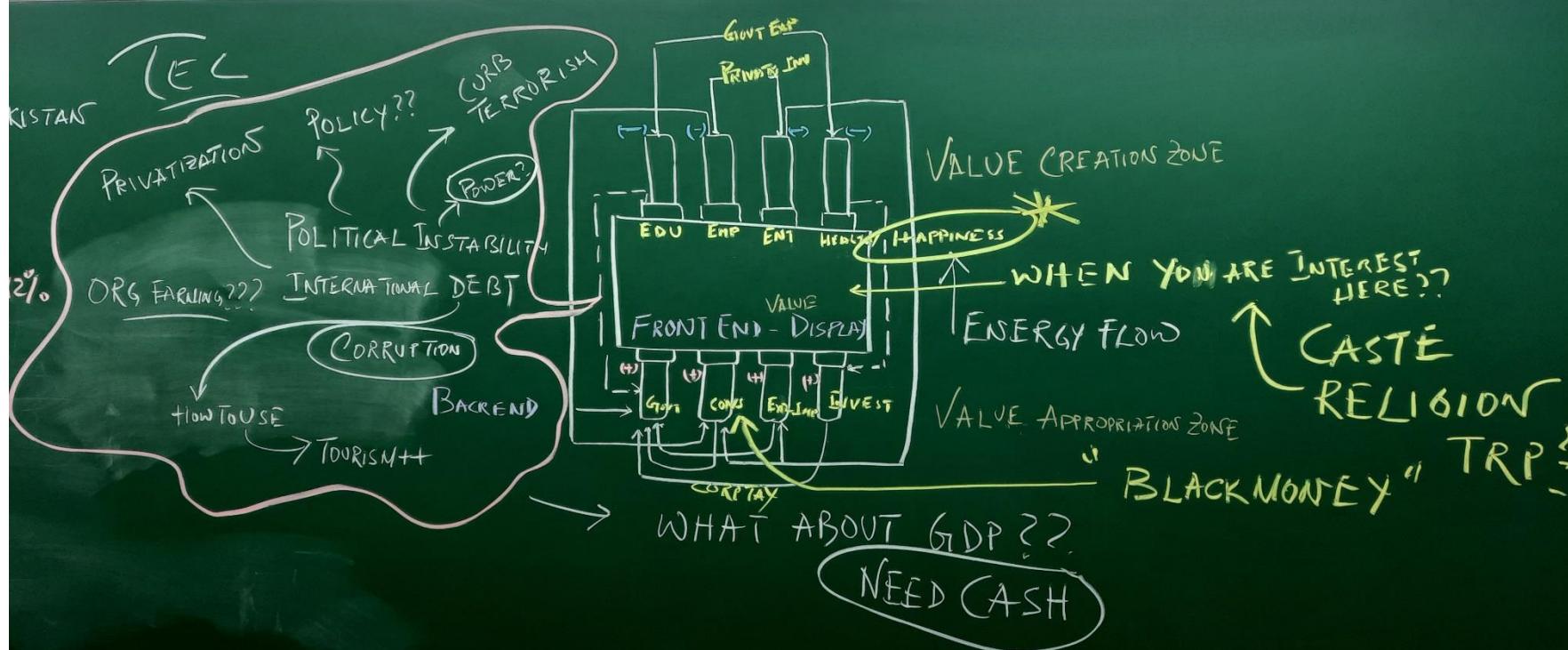


Techno- Entrepreneurial - Leadership

- Leadership= f (Knowing Your Dream & persisting till fulfilled)

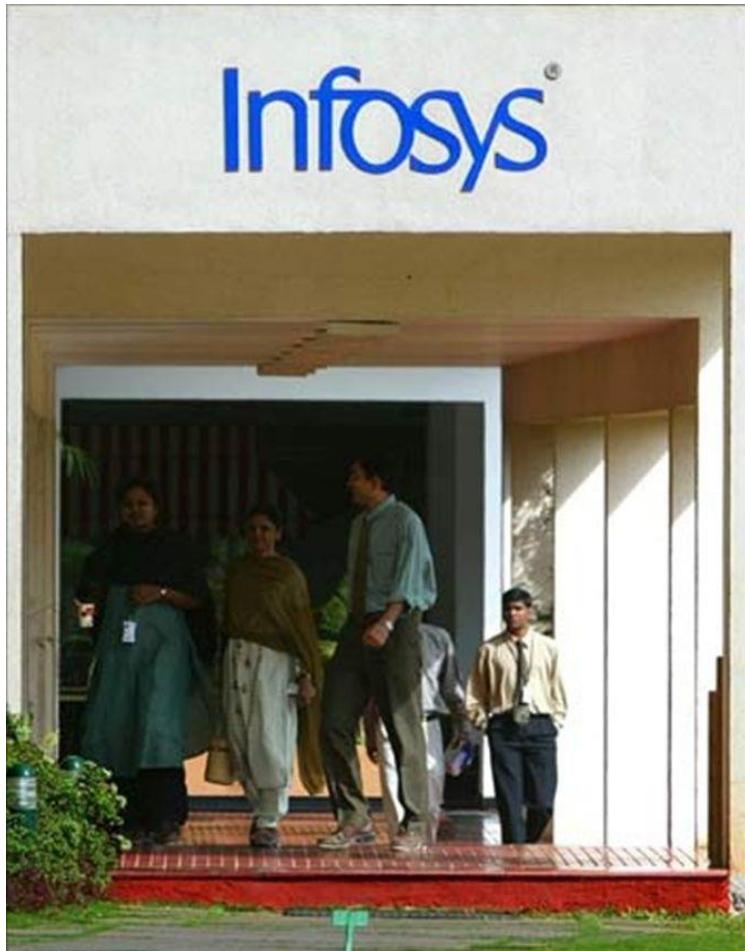


Some questions



Take up few questions at a time and play in Idea plane

Case 3: Infosys- Moral Compass



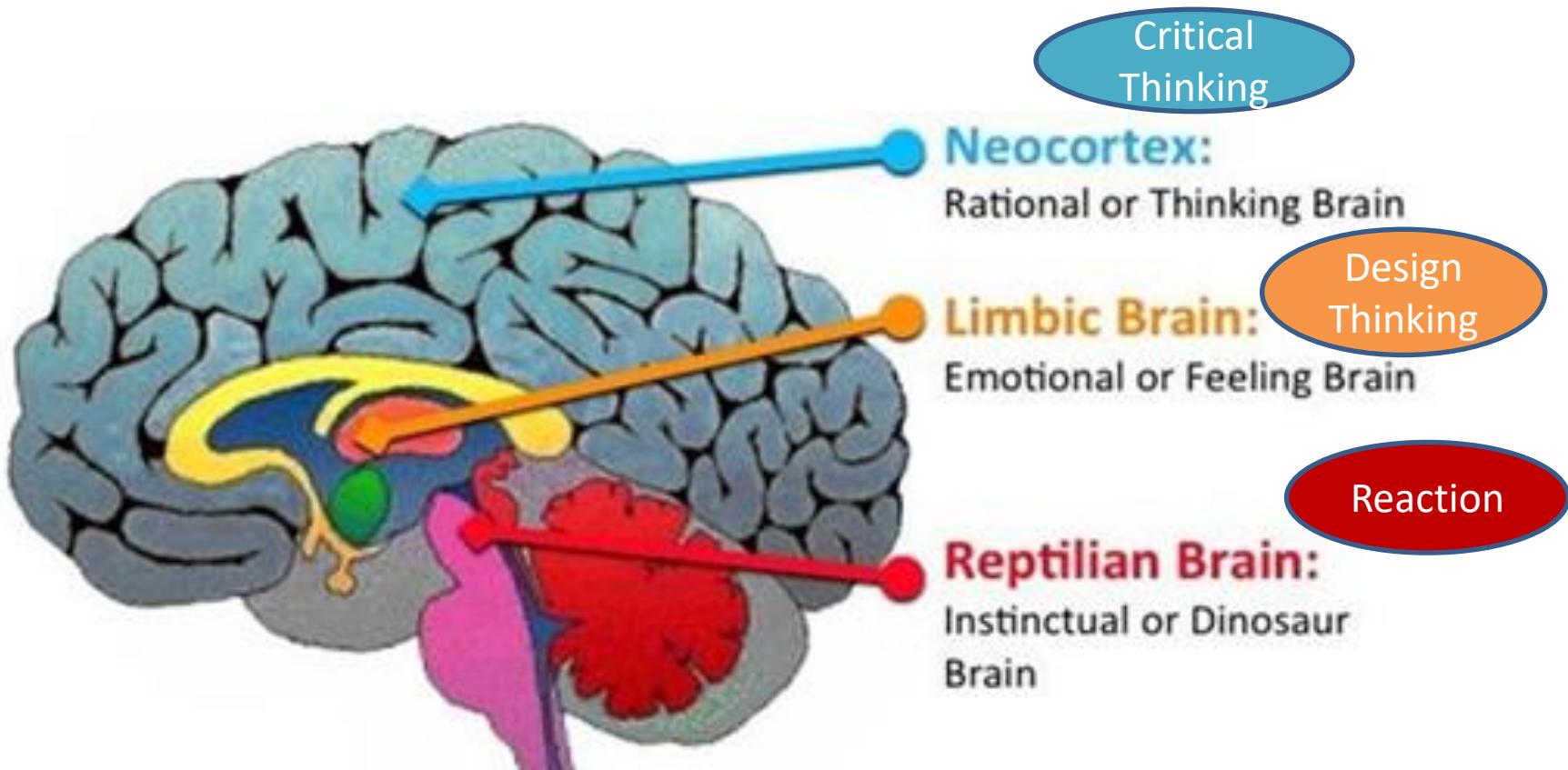
- How do You asses the Global delivery model of Infosys?
- Evaluate Competition, Growth & Value at Infosys
- How the Trust fostered at Infosys to establish their lead?
- Are the ‘Values’ valuable? Are they sustainable?

Game 2 (Concentration)

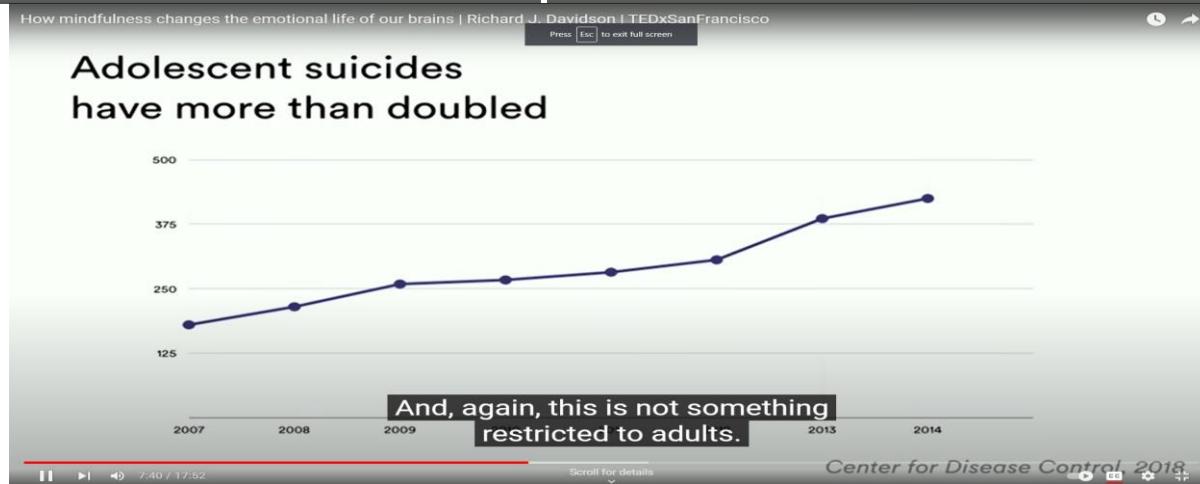
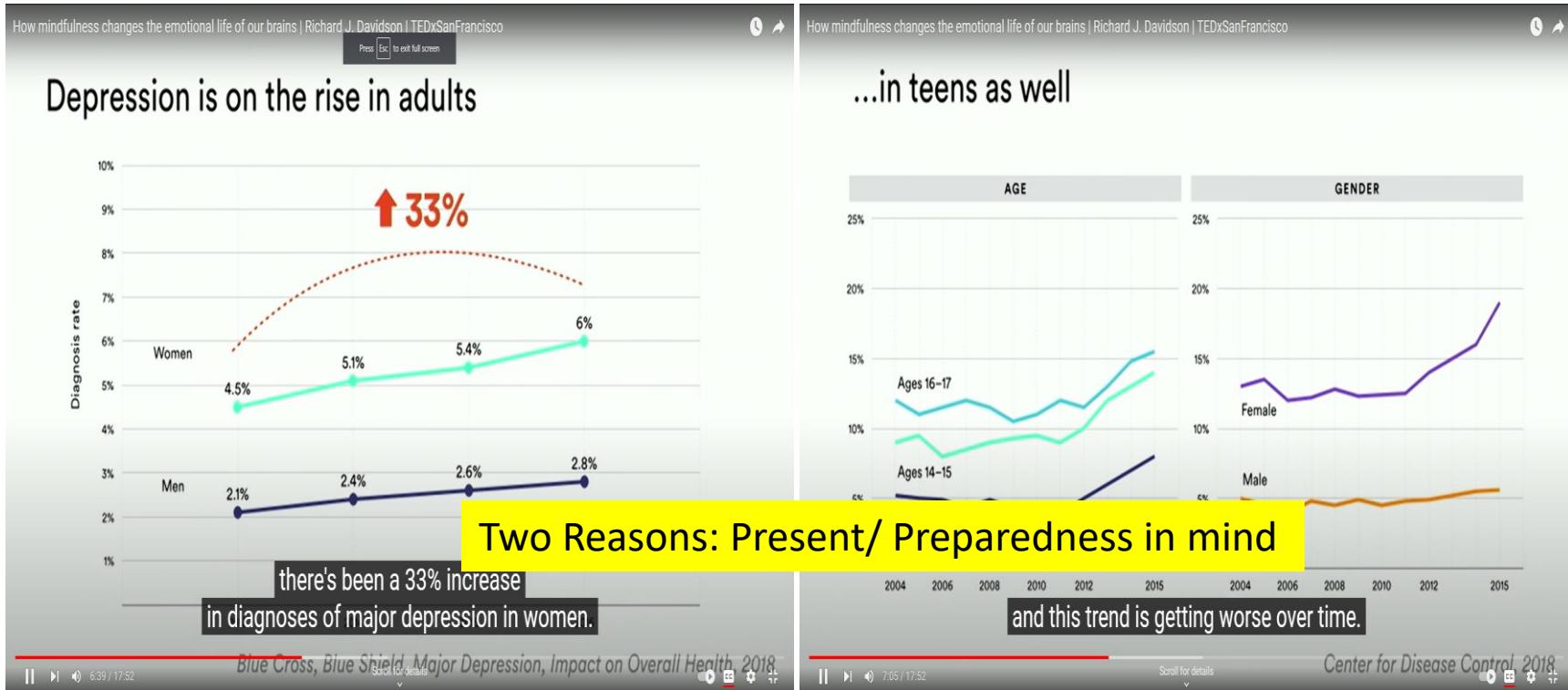
- Write 5 points which pains you much/
Negative...
- Write 5 points where
You are hopeful/
Positive ...
- What is the Learning?



Science of Thinking

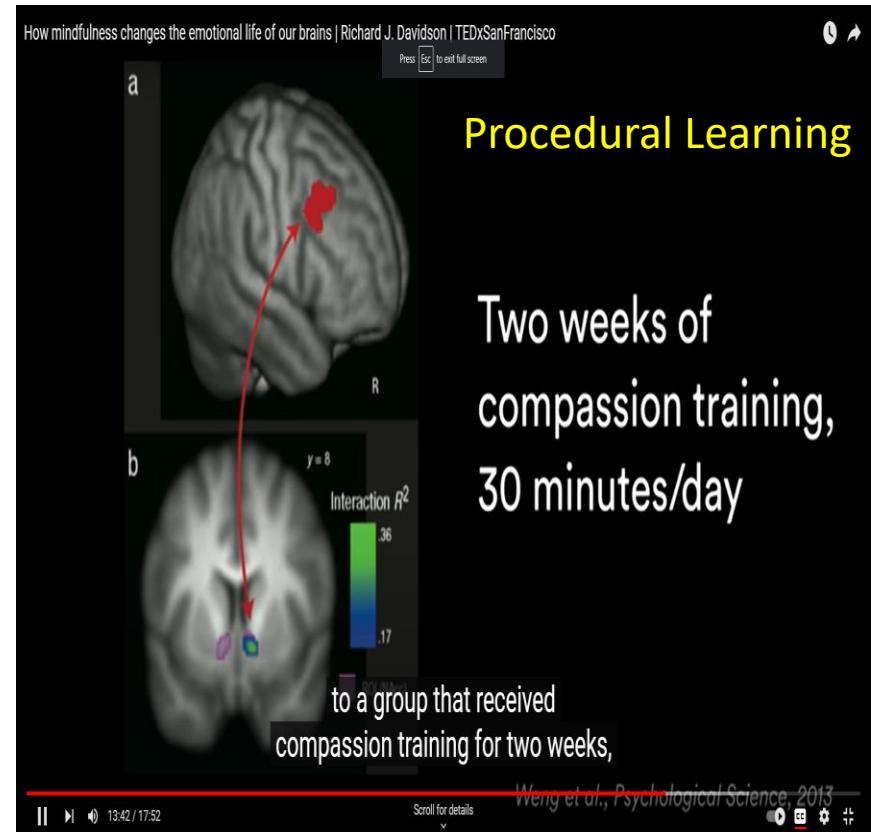
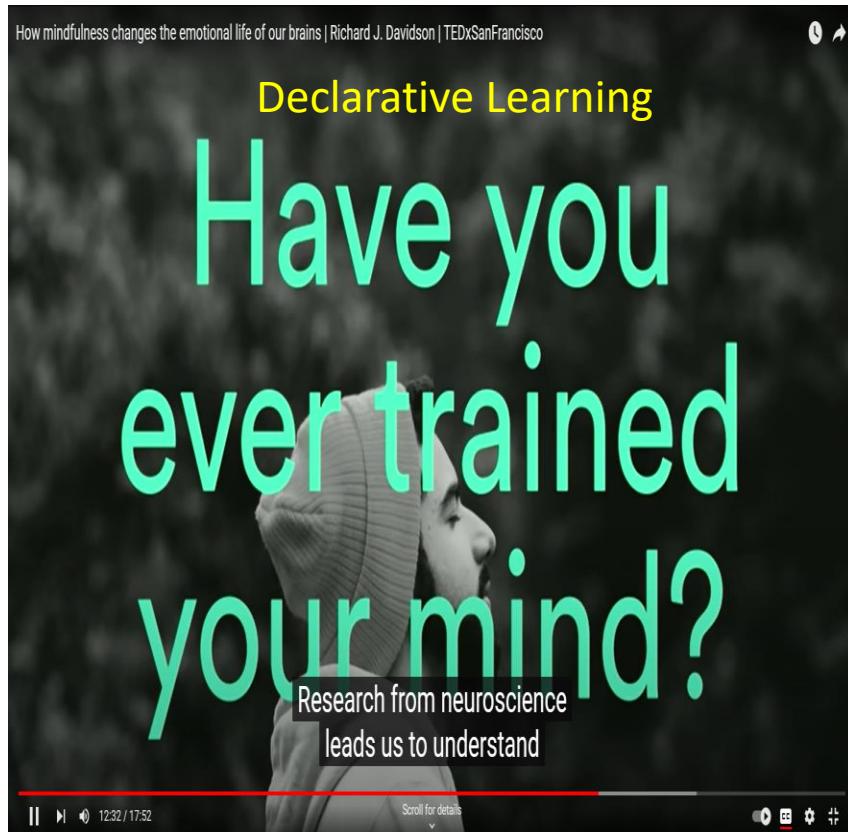


Some Results



Training your Mind...

Your psychological wellbeing with systemic health



From the concept of Brain influencing mind to Mind influencing Brain
Two studies from Harvard:

Exploring Me...

- Where is the ‘present’?
 - Awareness
 - Meta Awareness
 - Connections
 - Insights
 - Purpose (Harvard Study)
- Can we learn mindfulness? Breathing , Sound & ‘Gratitude’ techniques.



<https://www.youtube.com/watch?v=7CBfCW67xT8>

What are you doing right now? Where is your mind?



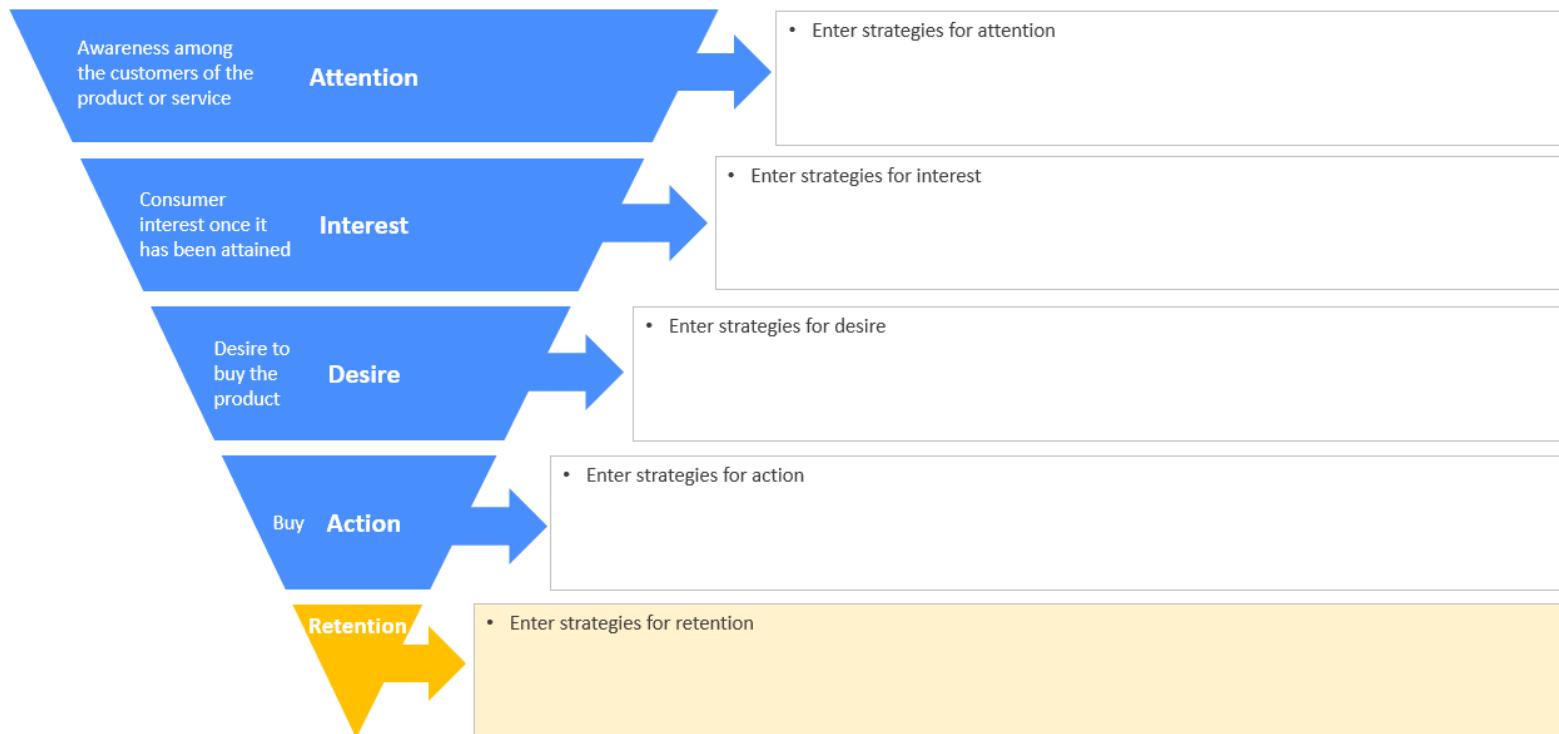
- How Do We connect these to Business?



Sales Technique

AIDA(R) Marketing Model

Review each element in the AIDA(R) Model.
Identify specific strategies to address
opportunities and gaps to address each element.



2

Want more best practices? Visit Praxie.com

Sell Your Idea...



- Why
- How
- What

*Ref: Start with Why
By Simon Sinek*

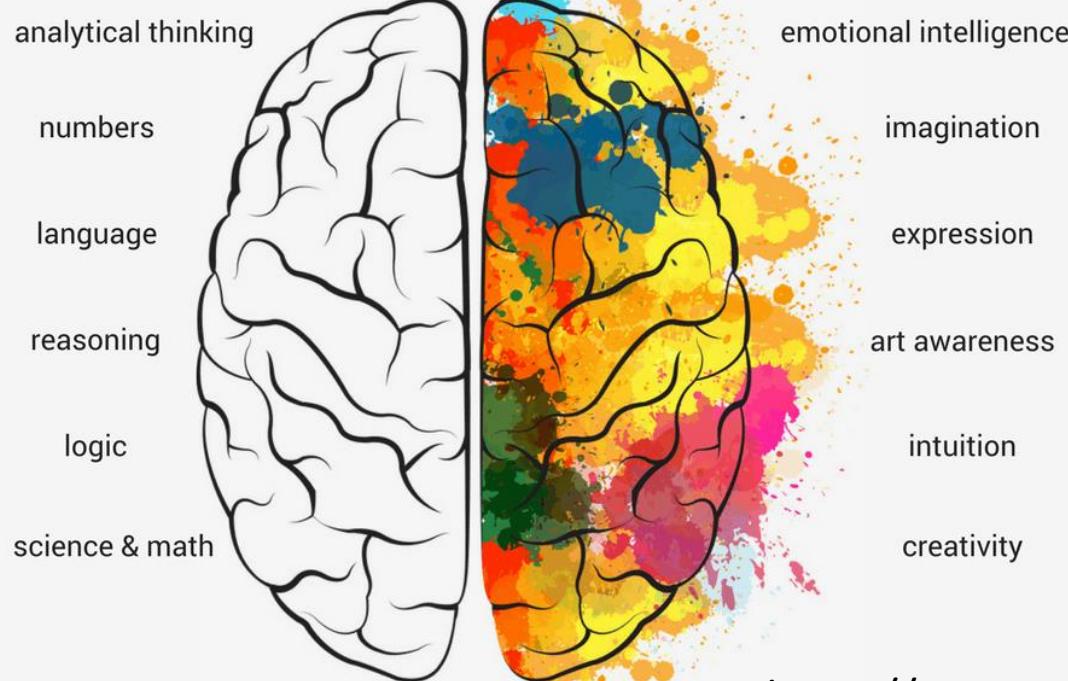
<https://www.youtube.com/watch?v=qp0Hf3SfI4>

Centre of activity...

IQ Vs EQ!!!

People Don't buy What You do but Why you do it!!!

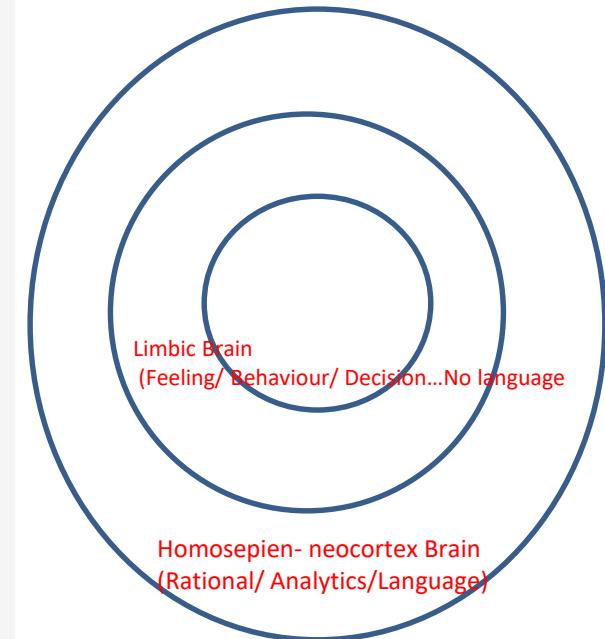
Left & Right



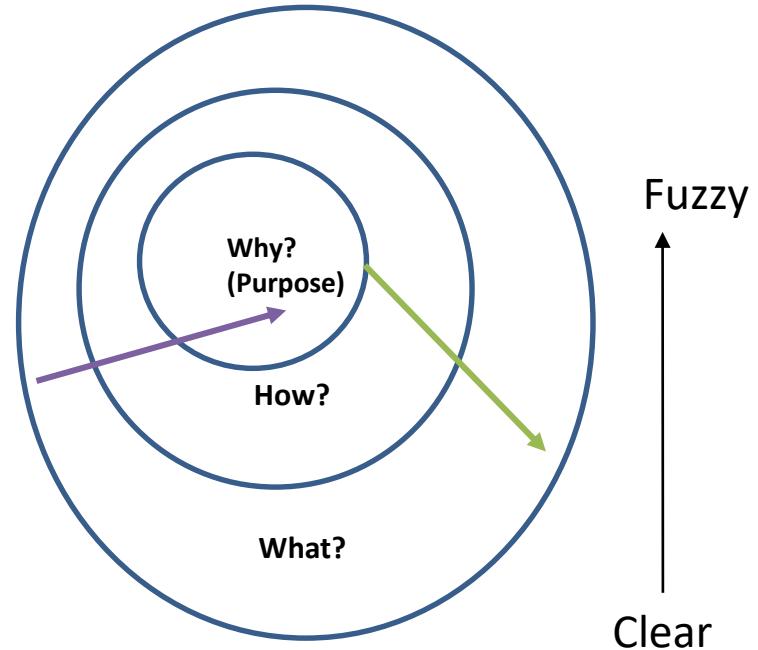
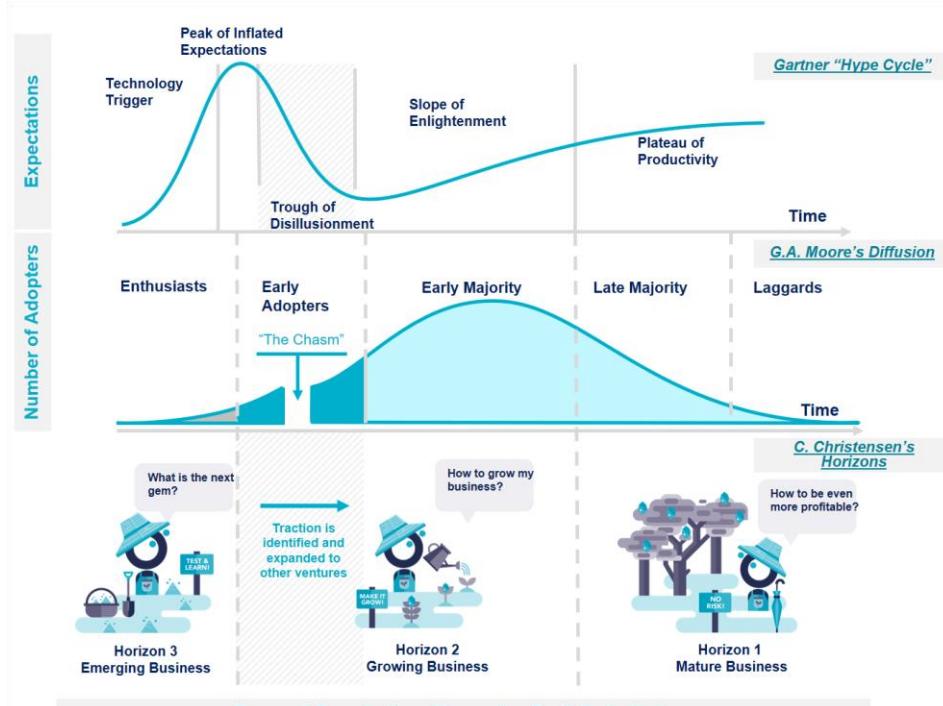
<https://www.youtube.com/watch?v=xK3x7EOA30s>

https://www.youtube.com/watch?v=MmtXIo/Q1M0&tbcid=IwAR1FTTghpFoBvpyyWMLht5H3y2WkdlcR1XeD6w_DBwOYQlq8tgg99GmXmM0

From Rule to Reason, From What to Why



Leadership and Organization



Effectual Logic

Empathy Culture

Emotional Intelligence

Techno- Entrepreneurial - Leadership

- Leadership= f (Mindfulness)

Journey so far... Week 6-7

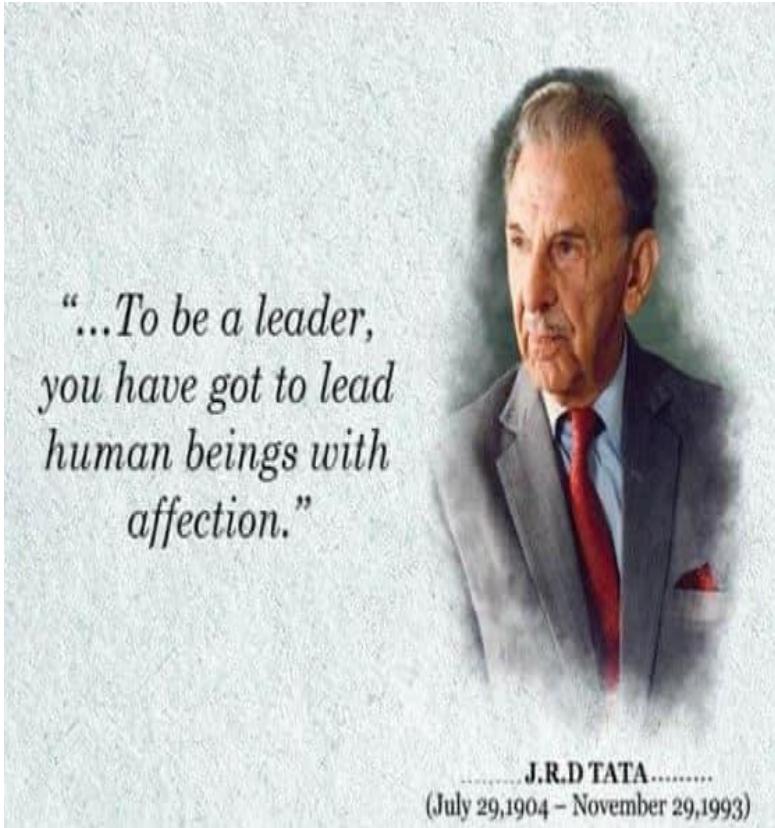
- Leadership is important...
 - Introducing TEL
- Differentiating TEL with other concepts
 - EQ-IQ Hypothesis
 - Linking to CDC
- Team is essential...identification also (Rivers!!!)
 - Why river?
- We can solve many hard problems with group engagements.. Case 1 (Srilanka).
 - Importance of dealing Ambiguity
 - Importance with Harmony... Case 2 Meghna
 - The Power of Indian Culture
 - Power of Mindfulness
 - Infosys Case 3.
 - Quiz 1 (Rickshaw puller)
 - Critical Vs Design thinking
 - DOC Model





- What is Technology? Stack?
- Innovation
- Incremental & Modular
- Importance of Radical innovation
- Creativity & Teamwork- Innovation ideas
- Ideas to solutions (DT approach)
- Science of thinking
 - Critical thinking
 - Design thinking
- Empathy- Idea- Creativity- Innovation path
- Complementarity of Technologies
- Technology for solving problems
 - Start-ups
 - Big organizations
 - **How to design a technology product**
- Effectual Logic Principles
- Finance as Business language
- New Definition
- Aligned with Industry requirement
- Analogy to Physics & Math
- Knowing yourself correct
- Kaizen approach
- Stories from within and outside
- Frameworks- MOOT
- KASH concept
- Case study approach
- Dealing with ambiguity
- Front-end & Back-end framework
- Knowing your stakeholders
- Dreaming your Ideas
- Importance of Cooperative formations
- Golden Circle Model
- Mindfulness & Trust
- TEL Dimensions
- Leaders Vs Managers

Leadership thus . . . Empowering those who makes the change



All successful endeavors are the result of human effort;
thus, the ability to influence others is a derivation of
Interpersonal Effectiveness

Communications

Decision making

Conflict Management (Ambiguity)

Problem solving

Bringing positivity



Interpersonal Effectiveness

Interpersonal effectiveness is the capability of an individual to do this, influence others, competently.

Leadership is a direct function of three elements of interpersonal effectiveness

- Awareness of Information
- Ability to collaborate
- Commitment to finish

— Mahabharata



Awareness to information

Awareness is a state of consciousness.

It is the ability to recognize yourself, others, events and situations in real time.

It is the ability to assess the impact of actions on situations and others, and be critically self-reflective.

It is a development process that is a function of experience, communication, self discovery and feedback.



The Ship and Hammer story



Implications: Knowledge story

Ability to collaborate

Ability to learn and understand technical issues is the basis of our skill-sets.

Ability to lead is a function of influence:

- Ability to communicate
- Ability to resolve conflicts
- Ability to solve problems and make decisions

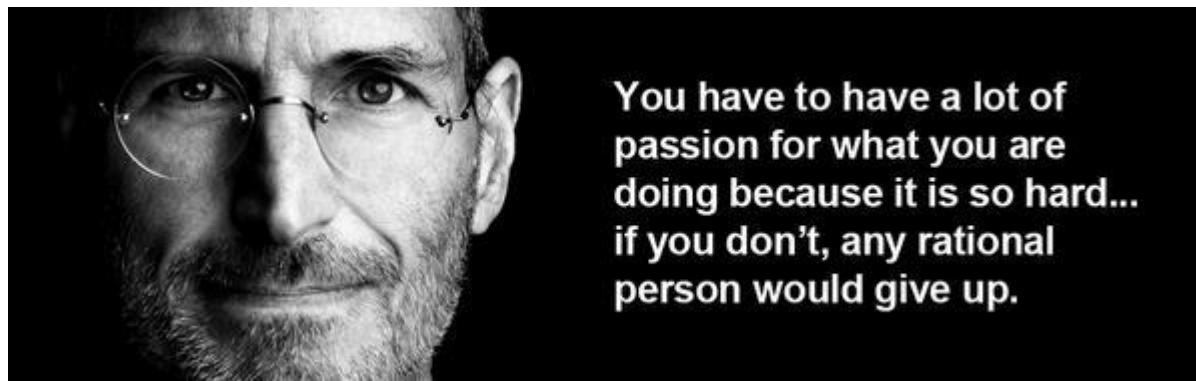
As a member of a team, we influence others in a collaborative effort to find better ideas or solve problems.



Commitment to finish till end

For leaders, the “one thing” that leads to maturity is the fully aware recognition that one’s decisions make a difference, both positively and negatively, in the lives of others, and that any attempt to solve a problem might have a decided negative impact on some, while helping others.

In no-win scenarios, one must still make a hard decision.



You have to have a lot of passion for what you are doing because it is so hard... if you don't, any rational person would give up.

Techno- Entrepreneurial - Leadership

- Leadership= $f(KASH)$
- Leadership= $f(\text{Dealing with Ambiguity})$
- Leadership= $f(\text{Knowing Stakeholders correct})$
- Leadership= $f(\text{Knowing your Dream})$
- Leadership= $f(\text{Mindfulness})$
- Leadership= $f(\text{Interpersonal effectiveness})$
 $= f(\text{Ability} * \text{Awareness} * \text{Commitment})$
- Leadership= $f(\text{Doing right things})$
 $= f(\text{Understanding Technology}) * f(\text{Understanding Entrepreneurship})$
-goes on



Types of Leaders

How to achieve ...

- Leader by the position achieved
- Leader by personality, charisma
- Leader by moral example
- Leader by power held
- Leader by Intellect
- Leader by achieving tasks



Rs. 80.00

Rs. 45.00

Rs. 60.00

Rs. 40.00

FLAT 14.33% CASHBACK

Is this enough!!!

Dynamic Leadership



- Dynamic leadership influences the attitudes of the people being led!
- Leaders inspire individuals, develop trust, and encourage creativity and personal growth
(Bass and Avolio, 1994)
- Leaders must be ***charismatic, inspirational, respectful, and stimulating*** when leading!

Empowering Leadership

- Leadership is broadly distributed rather than assigned to one person, so that people within the team and organization lead each other

Pearce & Conger (2003)



... Lead by making others powerful.

Facilitative Leaders

Facilitative leaders *coach*, *mentor*, *sponsor*, *teach*, and *lead*. At the core of each of these new roles is the skill of *facilitation*. Today's leaders constantly practice facilitation and feedback techniques, and hone skills for use at the job.



Definitions of leadership

- Leadership is organizing a group of people to achieve a common goal



- Leadership is about influencing, motivating and enabling others to contribute towards the effectiveness and success of the organizations of which they are members

House, Javidan, Dorfman (2001)

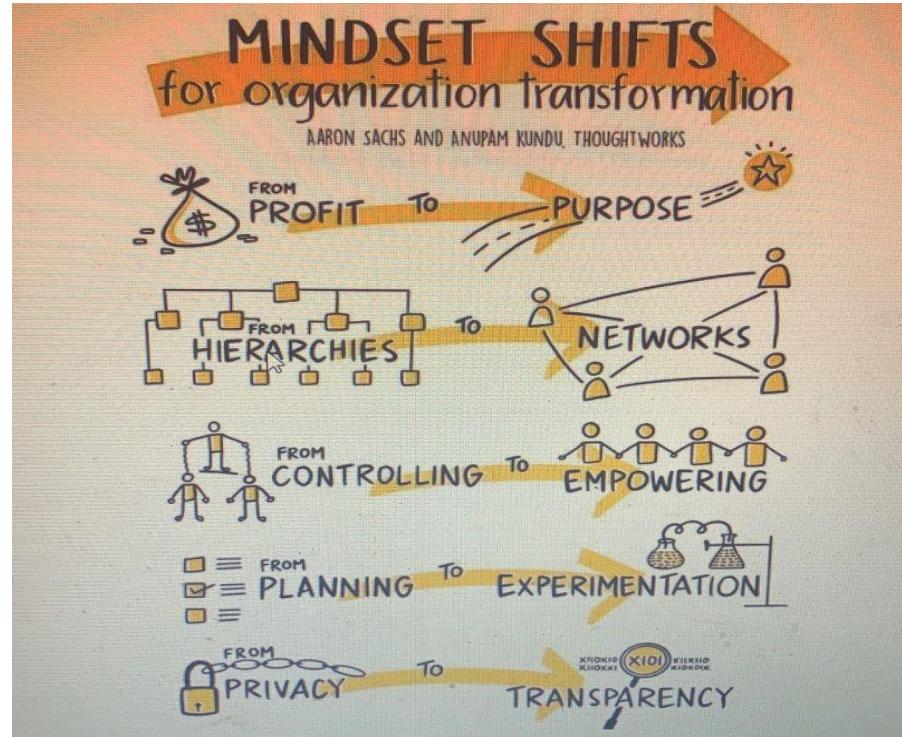
Leader vs Manager

Leaders:

Do the right thing

Manager:

Do things right



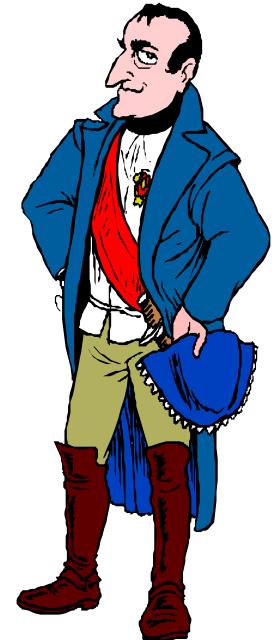
What are leadership activities?

Leading people

Influencing people

Commanding people

Guiding people (Motivating)



Common Activities

After being a
successful team
member

- **Planning**
- **Organizing**
- **Directing**
- **Controlling**



Managers vs. Leaders

Managers

- Focus on things
- Do things right
- Plan
- Organize
- Direct
- Control
- Follows the rules

Leaders

- Focus on people
- Do the right things
- Inspire
- Influence
- Motivate
- Build
- Shape entities

Planning

Manager

- Planning
- Budgeting
- Sets targets
- Establishes detailed steps
- Allocates resources



Leader

- Devises strategy
 - Sets direction
 - Creates vision
 - Align others

Organizing

Manager

- Creates structure
- Job descriptions
- Staffing
- Hierarchy
- Delegates
- Training

Leader

- Gets people on board for strategy
- Communication
- Networks
- Innovates...

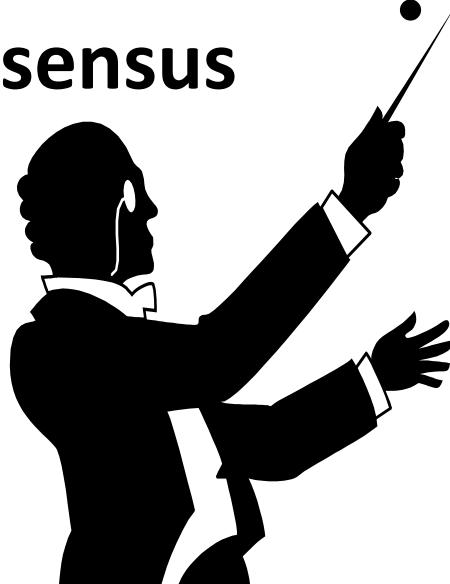
Directing Work

Manager

- Solves problems
- Negotiates
- Brings to consensus

Leader

- Empowers people
- Cheerleader



Controlling

Manager

- **Implements control systems**
- **Performance measures**
- **Identifies variances**
- **Fixes variances**

Leader

- **Motivate**
- **Inspire**
- **Gives sense of accomplishment**

Leadership Skills

*"Leadership is a **function** of knowing yourself and the ability to develop a vision (Dream), that is well **communicated**, building trust among colleagues, and taking effective action to realize your own leadership potential."*

Prof. Warren Bennis

12 Unique Insights On Leadership, According To Bob Danzig

1. Become a “destiny architect”
2. Encourage “elasticity of thinking” -- be a “destiny pursuer” versus an “operational comfort seeker”
3. Identify, assess, and engage the very best talent
4. Become “strategic” rather than “operational”
5. Create a “climate or spirit of celebration and applause” -- spirited organizations excel
6. Be committed every day to putting the pickaxe to the mountain, find new ways to lift yourself and others higher

12 Unique Insights On Leadership

7. Be the source of “possibility thinking”
8. Let your co-workers know they are “worthwhile” and full of promise
9. Find disciplined, organized ways to focus on integrity, trust, credibility, and the commitment to do the right thing
10. Know that management is about today -- and leadership is about tomorrow!
11. Know that management is about process -- leadership is about purpose
12. Recognize “success” is not about perfection, it's about “progress”



Seven Styles of Leadership

Wisdom/ Visionary
Mentor/ Partner
Integrator/ Inspirer
Facilitator/ Influencer
Manager/ Organizer
Relationship Manager
Crisis Director



Positive Focus / Excessive Focus

Service to Humanity

Long-term perspective,
Future generations. Ethics.

Collaboration with Customers & the Local Community

Strategic alliances. Employee fulfillment.
Environmental stewardship.

Development of Corporate Community

Positive, creative corporate culture.
Shared vision and values.

Continuous Renewal

Promotes learning and innovation.
Team builder. Empowers others.

Being the Best. Best Practice

Productivity, efficiency, quality, systems and processes.
Bureaucracy. Complacency.

Relationships that Support Corporate Needs

Good communication between employees,
customers and suppliers.
Manipulation. Blame.

Pursuit of Profit & Shareholder Value

Able to manage adversity. Directive.
Willing to take charge.
Exploitation. Over-control.

Let's Discuss Project

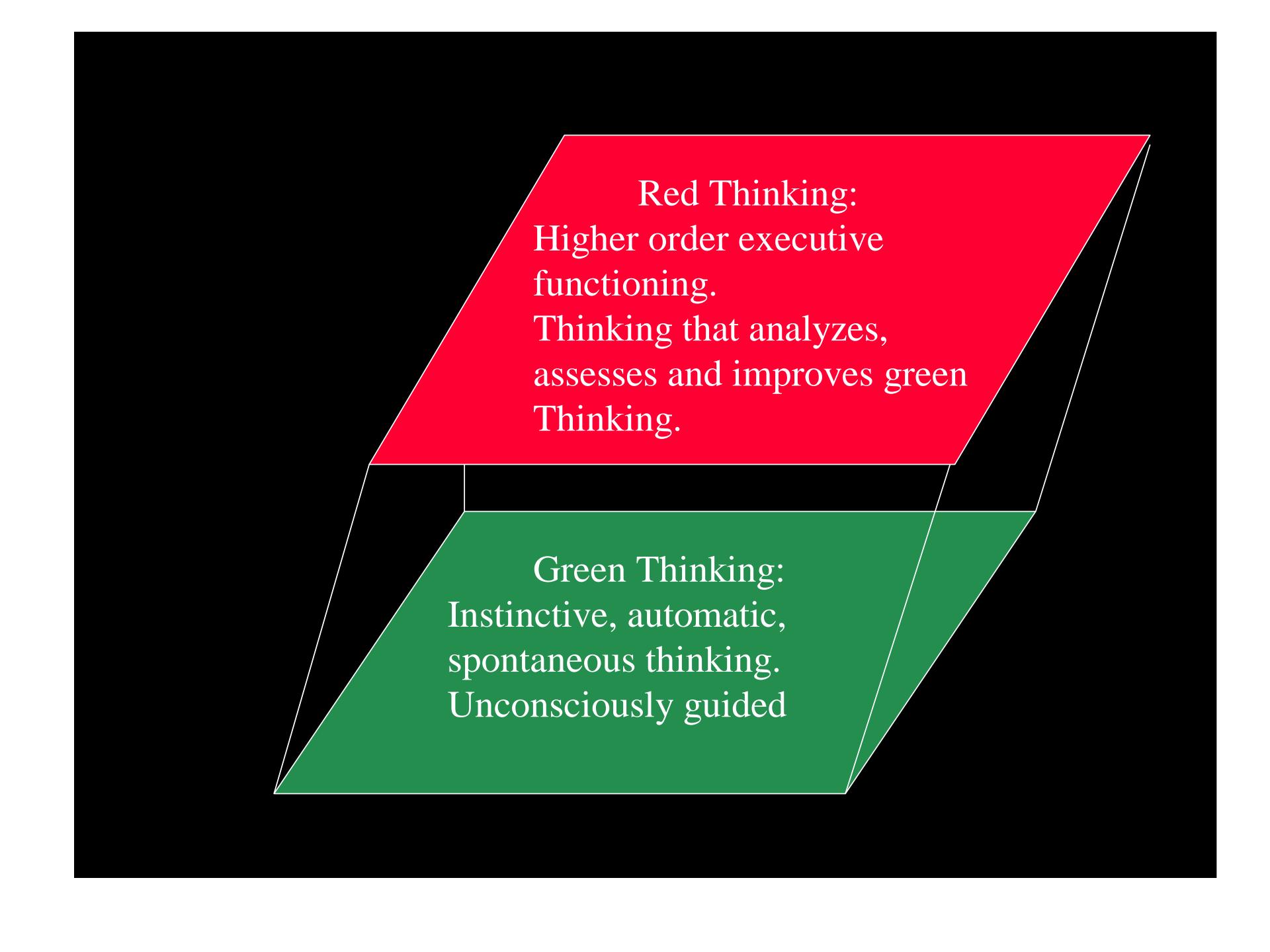
- Select One area
- Collect data from Campus... Problem statement
- Make a Technology Solution... (Go beyond AI-ML)
- Demonstrate a Soft Prototype



- ▶ What is your problem statement?
- ▶ How do you know?
- ▶ Who is impacted / target group?
- ▶ Who do you have to consider?
- ▶ Why should you solve the problem?

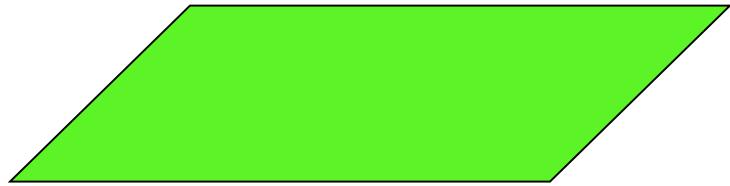
Critical Thinking
Is a **Self-Directed Process**
By Which We Take **Deliberate**
Steps
To Think at the **Highest Level**
of Quality.

Formative Vs. Reflective



Red Thinking:
Higher order executive
functioning.
Thinking that analyzes,
assesses and improves green
Thinking.

Green Thinking:
Instinctive, automatic,
spontaneous thinking.
Unconsciously guided



Green Thinking

Unconscious Mixture Of High Quality

And Low Quality Thinking

Spontaneous

Subconscious

Uncontrolled

Impulsive

Self protecting

Unanalyzed

Reflexive

Self validating

Includes ideas that are valid, as well as nonsense, confusion, stereotypes, prejudices. The key is that we cannot distinguish the difference between high and low quality thought in green thinking mode.

Green thinking goes without assessing itself.

Red Thinking

Red Thinking stops and assesses itself before going forward.

Disciplined Seeks the truth Self assessing

Critical Thinking Self correcting Probing

In red thinking mode, we actively work to eliminate prejudices, biases, dysfunctional thinking from our thinking. We actively work on our thinking.

We rigorously apply intellectual standards to our thinking.

Identifying types of arguments and considering the strength of each type

- In critical thinking we distinguish between different types of arguments that draw upon different types of evidence as some forms of evidence are better than others.
- Personal Experience
- Common Belief
- Expert Opinion
- Statistics
- Research
- Consider the example we used in the first session: *Dogs are peoples' best friend.*



Let's Design our own Restaurant!!!

Was the concept available before this?

Critical Vs. Design

- Opportunity oriented
- Analytical
- Quality first (incremental)
- Break down
- Existing idea
- Formative
- Empathy oriented
- Engagement
- Direction first (Radical)
- Build-up
- New idea
- Reflective

Rickshaw Puller Story...



- Can you identify 3 problem statements require sustainability solutions from this?
- Can you tell us, how those problem statements be approached? (Roadmap)
- What are the data sources from where you would like to access data about these?

‘Why’ we are interested about Wealth inequality?

- It can cause the unstable economies leading to financial crisis
- Low income leads to low consumption
- Low income leads to high borrowing
- Low income leads to low education and capacity development
- Low income leads to societal imbalances
- Societal imbalances leads to corruption and high governance expenses... increased crime... low trust
- Low income leads to class discriminations
- Low income leads to displacement of labours

Growth

- Growth through soft skill building and Hard skill training
 - Evolution
 - Maturation
 - Progression
 - Formulation
 - Construction
 - Enhancement
- Community development through
 - Representative participation
 - Community member learning the socio-political environment
 - Incorporate diverse interests
 - Enhance leadership capacity
 - Action strategies for sustainability

PRADAN

<https://www.pradan.net/what-we-do/>



Social Mobilization/ Food security/ Natural resources/ Livelihoods/ Market linkage/ Governance

Husk Power System

<https://huskpowersystems.com/what-we-do/>



100% renewable energy 'pay-as-you-go' service, using a mobile-enabled smart metering system. With a 24-hour onsite service team and a maximum four-hour response time when issues arise, we provide reliable, low-cost AC power that matches the aspirational needs of our customers; for households, community services, small businesses and factories. Our grid-compatible 100% "theft proof" power generation and transmission lines meet global standards and can be rolled out rapidly and cost effectively to help meet national electrification goals.

Mitti Cool

<https://mitticool.com/product/mitticool-clay-refrigerator50-liter/>



This all-natural clay refrigerator is a flagship product by MittiCool, a venture that is rooted in the concept of going back to our roots to revisit a healthier, more robust lifestyle. Made from terracotta clay, the MittiCool refrigerator is ideal for storing water, milk, fruits and vegetables. This award-winning product provides efficient cooling without electricity.

Runs without electricity

Modern design

Naturally cool vegetables, fruits, Milk, Water etc.

Very easy to use

Variety of health benefits

Digital Green

<https://www.digitalgreen.org/ourwork/>



Together with our grassroots partners, we create digital solutions for rural communities around the world. How do we know what's appropriate? Simple.

We listen closely – to people, and to data. Then we build technology that's of the community and for the community.

Ekgao

Amazon-wala for Rural Artisan/ Agricultural Products



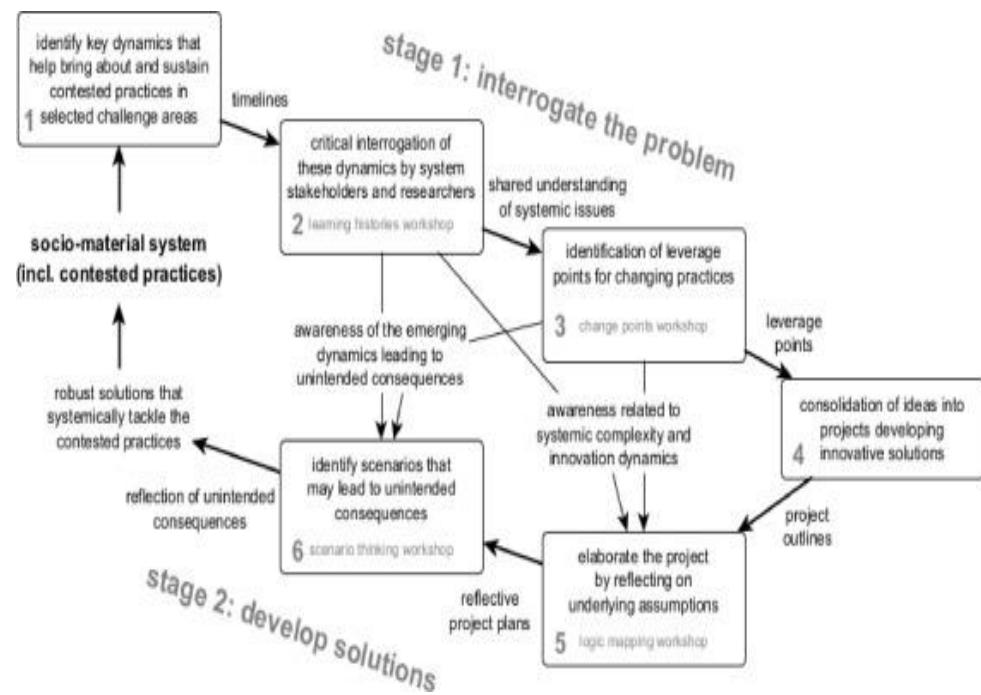
<https://www.ekgaon.com/index.php>

Some experiences... Sundarbans WB

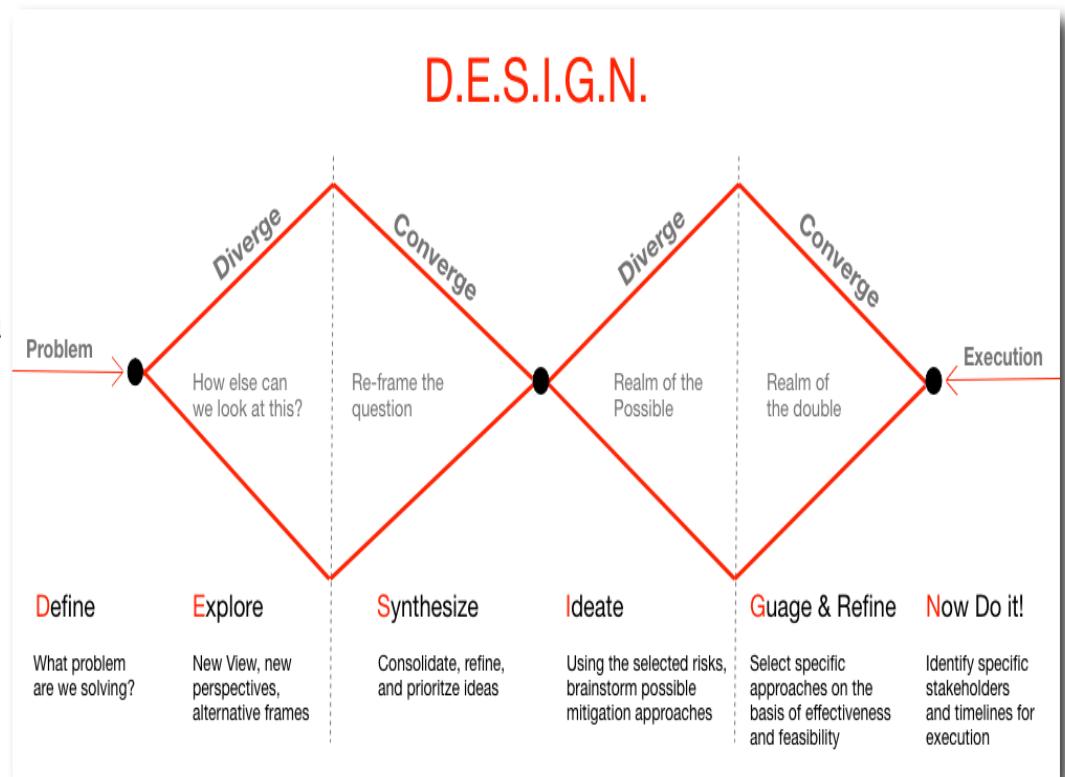
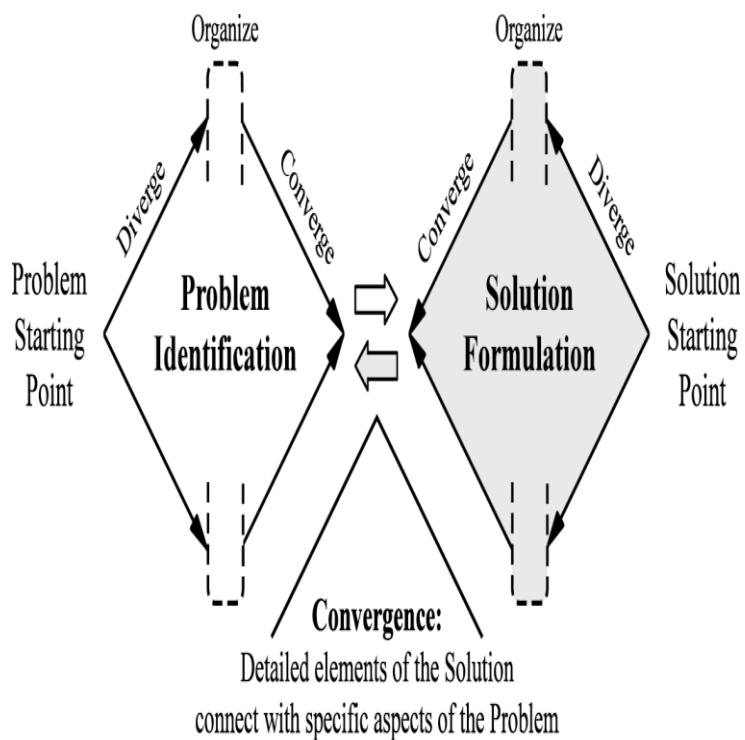


Responsive Innovation

- Establishing 360 degree vision (Chameleon)
- Forming the team
- Be mindful of your assumptions
- Using new knowledge and converging technologies
- Constant vigilance

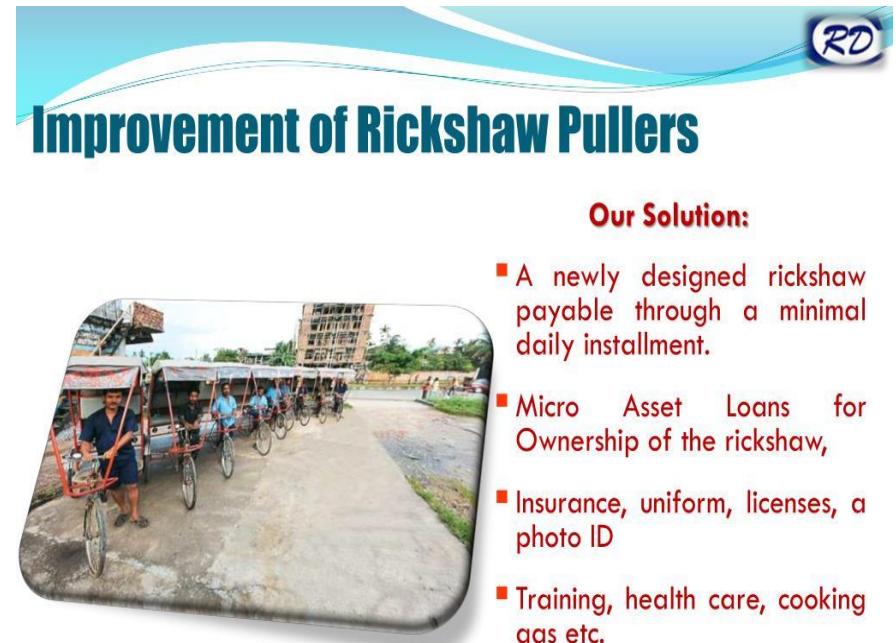


DOC Framework



How the Innovation is rated?

- Solution
 - New / perceived new
- Adoption
 - Real change
- Impact
 - Measurable in financial terms/ market terms/ satisfaction terms



Improvement of Rickshaw Pullers

Our Solution:

- A newly designed rickshaw payable through a minimal daily installment.
- Micro Asset Loans for Ownership of the rickshaw,
- Insurance, uniform, licenses, a photo ID
- Training, health care, cooking gas etc.

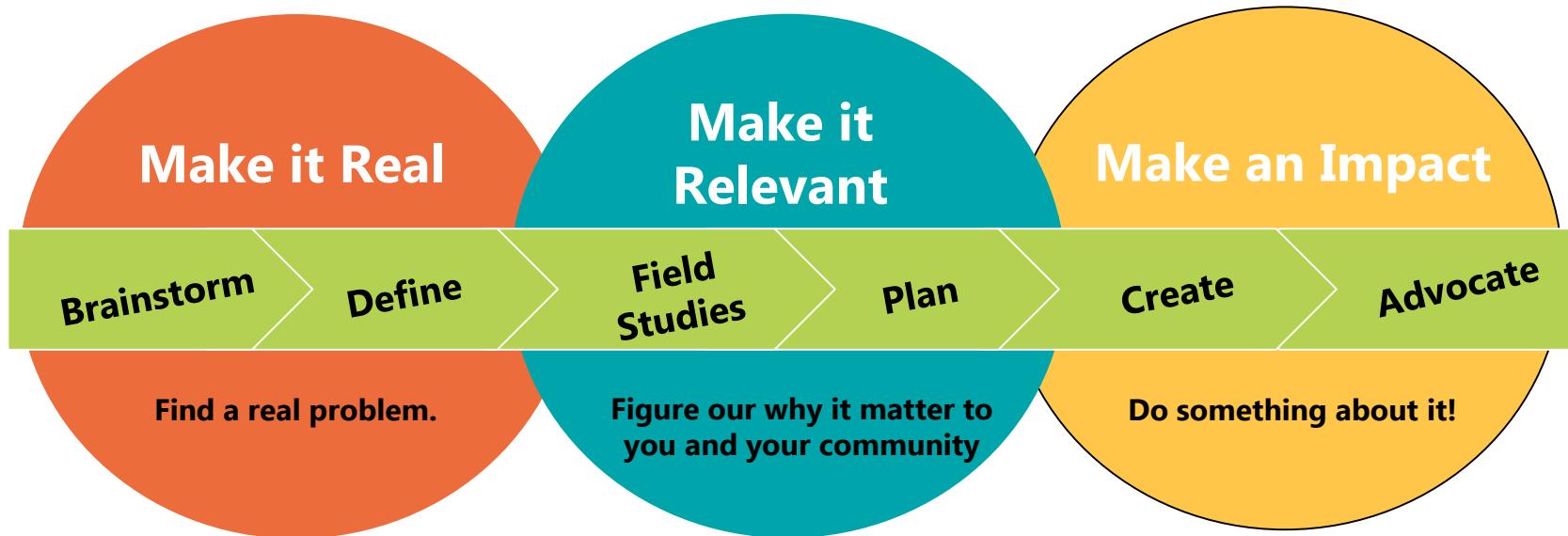
Rickshaw Bank

Case Apple



- Why has been Apple so successful?
- What can be attributed to the success?
- Is there a systematic approach of innovation at Apple?
- Can it be imitated? Why or Why not?

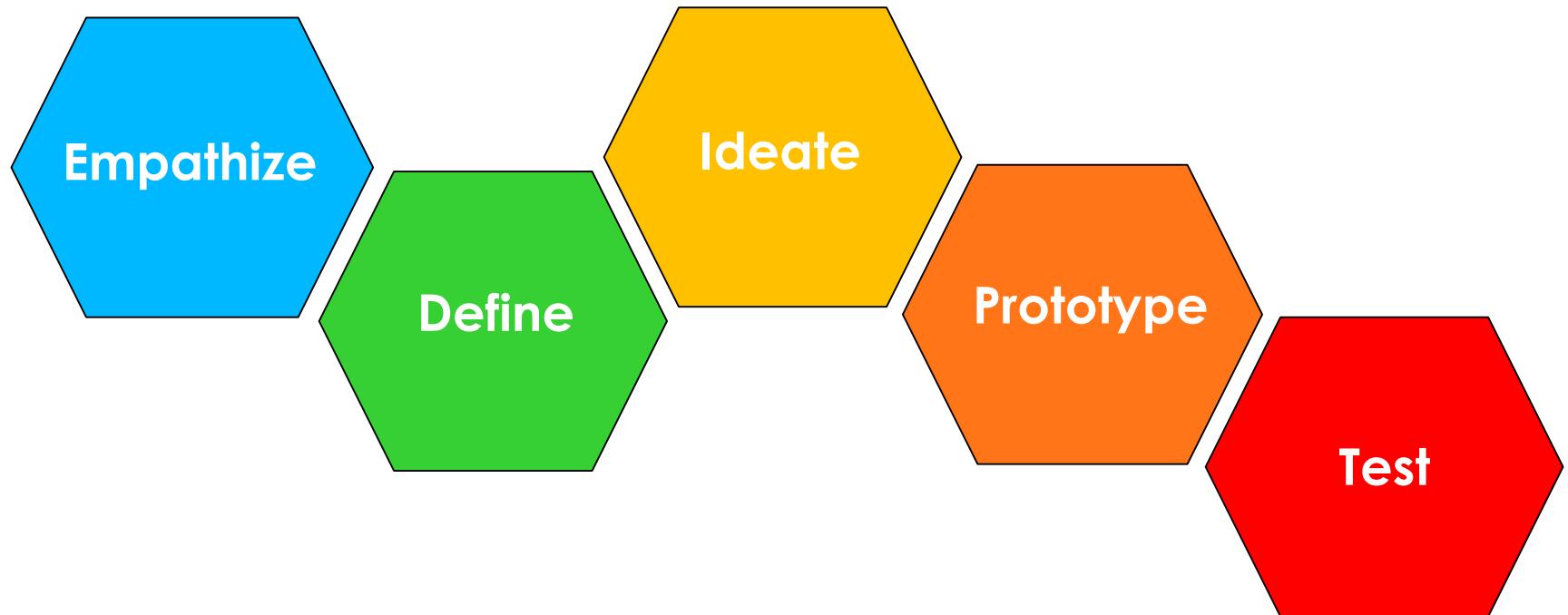
Design Thinking



What is Design Thinking?

- Design thinking is, then, always linked to an improved future..
- Unlike critical thinking, which is a process of analysis and is associated with the 'breaking down' of ideas, design thinking is a creative process based around the 'building up' of ideas.
- There are no judgments in design thinking. This eliminates the fear of failure and encourages maximum input and participation. **Wild ideas are welcome**, since these often lead to the most creative solutions.

Design Thinking Process



What's your process..?

- Design is about exploring one's self, everyone has a methodology, a preferred angle and even their own bias; but as a rule you follow these steps:
- **Define | Research | Ideate | Prototype | Choose | Implement | Learn.**
- Perhaps this is what makes design a fascinating and evolving subject.

Solving problems..

- Within these seven steps, problems can be framed, the right questions can be asked, more ideas can be created, and the best answers can be chosen. The steps aren't linear; they can occur simultaneously or be repeated.
- Although design is always subject to personal taste, design thinkers share a common set of values that drive innovation: these values are mainly creativity, ambidextrous thinking, teamwork, end-user focus, curiosity.
- This method of thinking and cognition is a big area of academic research – approaches and knowledge in this area are largely **Tacit** and therefore difficult to define.

Research..

- Review the history of the issue; remember any existing obstacles.
- Collect examples of other attempts to solve the same issue.
- Note the project supporters, investors, and critics.
- Talk to your end-users, that brings you the most fruitful ideas for later design
- Take into account thought leaders opinion

Define..

- Decide what issue you are trying to resolve.
- Agree on who the audience is.
- Prioritize this project in terms of urgency.
- Determine what will make this project successful.
- Establish a glossary of terms.

Ideate

- Identify the needs and motivations of your end-users.
- Generate as many ideas as possible to serve these identified needs
- Log your brainstorming session.
- Do not judge or debate ideas.
- During brainstorming, have one conversation at a time

Prototype..

- Combine, expand, and refine ideas.
- Create multiple drafts.
- Seek feedback from a diverse group of people, include your end users.
- Present a selection of ideas to the client.
- Reserve judgment and maintain neutrality.

Choose..

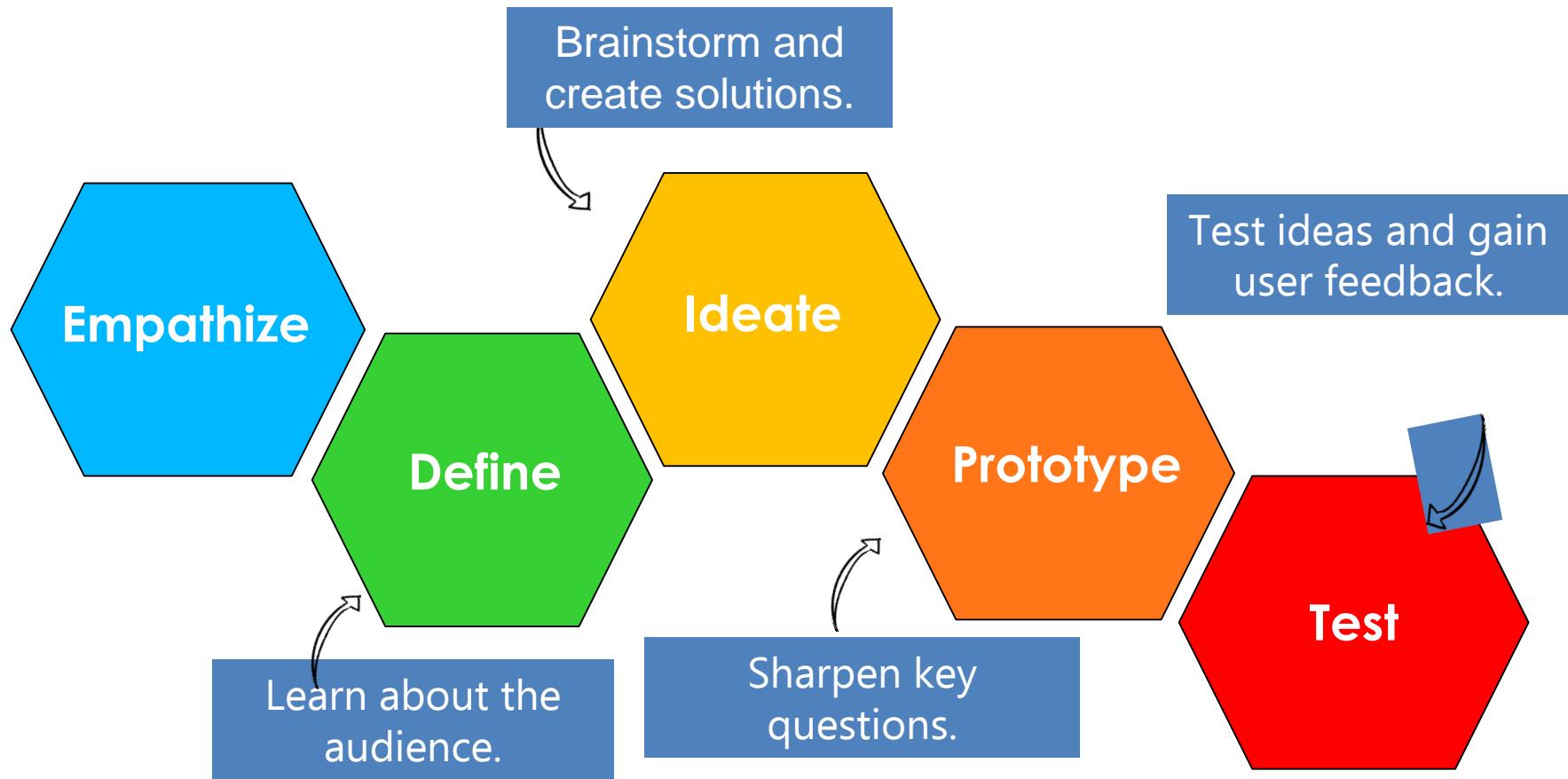
- Review the objective.
- Set aside emotion and ownership of ideas.
- Remember: the most practical solution isn't always the best.
- Select the powerful ideas.

Implement

- Follow the Prototype
- Identify the Resources
- Identify the Logistics
- Reach out to Customers

Learn..

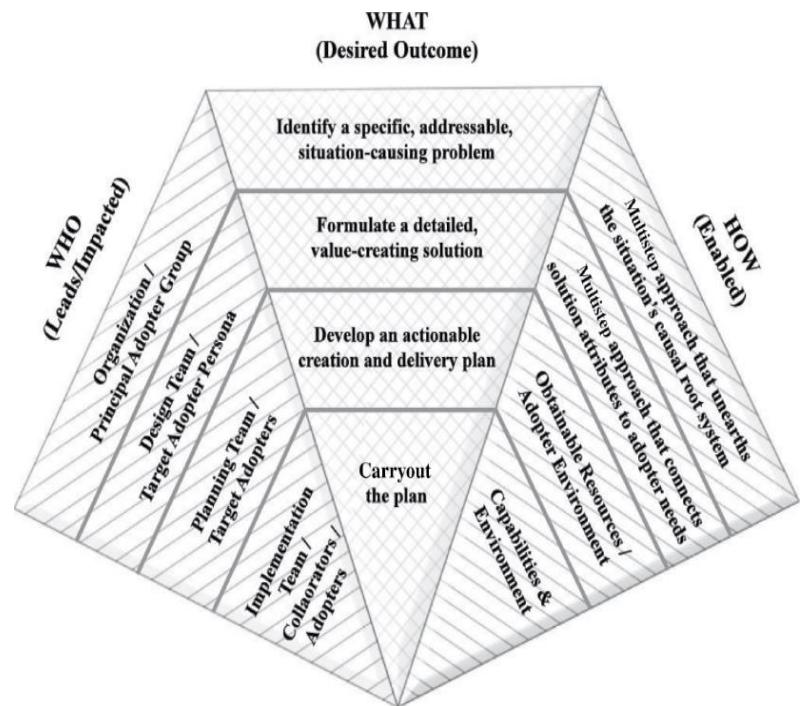
- Gather feedback from the consumer.
- Determine if the solution met its goals.
- Discuss what could be improved.
- Measure success; collect data.
- Document.



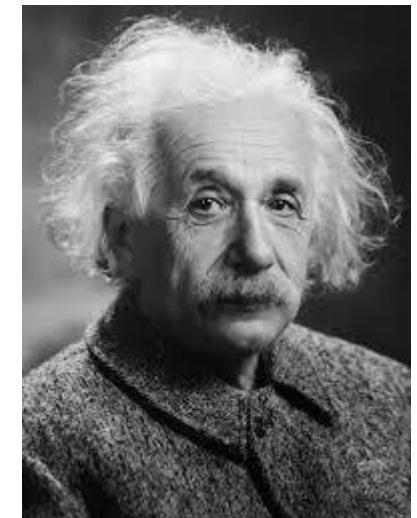
Design Thinking

- The value of design is huge – we already know it contributes to:
- Better standard of life
- Adapting technologies for consumption
- Innovation and competitiveness
- Improving processes and performance.
- Better strategies
- Sustainability
- Why??!
- Because designers use thinking to apply to a plethora of situations to solve problems.. Not just products but services, experiences, systems and organisations. This is your skill.

Innovation Pyramid



Techno-Entrepreneurial Leadership



MODULE 2: Entre Leadership1
BB

<https://www.facebook.com/gaurgopal/videos/413242892638495/UzpfSTYyNDI0NTM2MDoxMDE2MjE4NjYwMTk1NTM2MQ/>

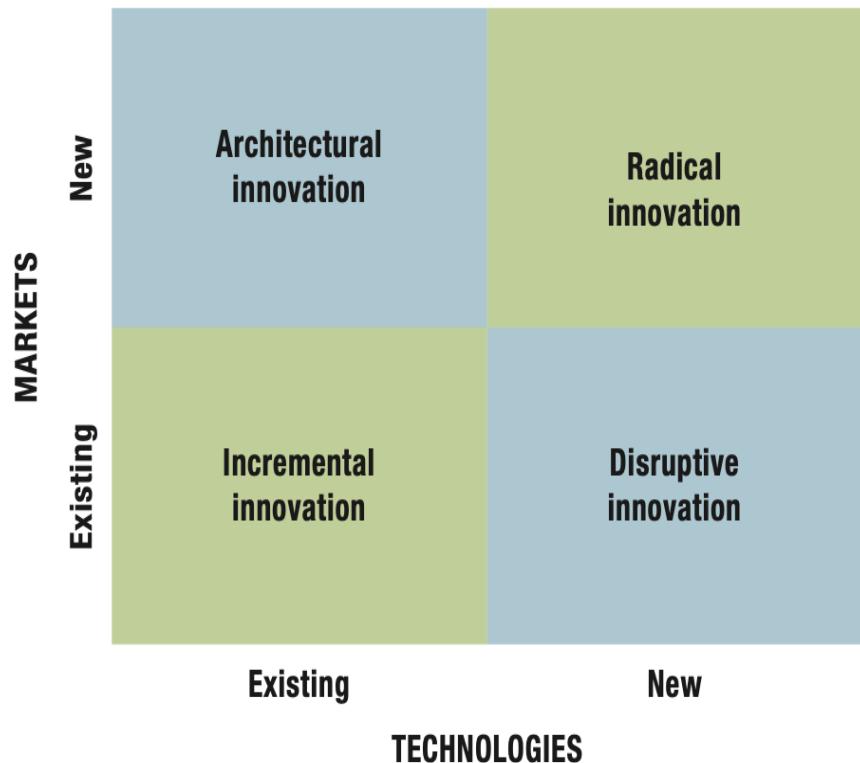
Case Apple



- Why has been Apple so successful?
- What can be attributed to the success?
- Is there a systematic approach of innovation at Apple?
- Can it be imitated? Why or Why not?

What is Innovation?

- Invention/ Discovery
- Novelty+ Value
- Incremental
- Modular/ Architectural
- Radical
- Disruptive



Apple, Google, 3M, BMW, IDEO, GE/ P&G

Innovation Management

- A steady breakthrough products, services & Businesses
- High margin of Growth due to first mover advantages
- High speed and Productivity
- Investment in disruptive technologies
 - New markets
 - New technologies

Growing through innovation... challenges

- Strong incentives to short term focus for management
- Knowledge of breakthrough technology & products
- Incentive to incremental changes and discouraging risk taking / experimentation
- Ability to manage uncertainty/ ambiguity-fundamental to innovation

Managing Innovation & Uncertainty

- Sources of Uncertainty
 - Technical/ Functional
 - Productization/ Production
 - Need recognition
 - Market size Vs resource investment
- How it can be resolved
 - Experimentation
 - Experience
 - Exposure

There is no Innovation without Business Experimentation

Experimentation by	Production/ Process	Products/ Services	Market/ Channels	Business models
Industry				
Firm				
Business Unit		Where do you fit in Ápple'?		
Team				
Individual				

Edition Innovation Factory



- First Industrial R&D complex (1878)
- System design for rapid experimentation, prototyping, and innovation
- Electric bulb involved more than 1000 experiments with materials, regulators, and vacuum technologies
- Organized for quick and iterative experimentation

You want to Launch e-scooter



Class workshop...



- What are the different dimensions of this picture?
- Can you pick up a problem statement?
- How do you approach to solve it?

End Week Assignment...

- Write a Business Idea keeping Effectuation in Focus.
(One Slide Presentation... 3 Minutes Pitch)



Workshop

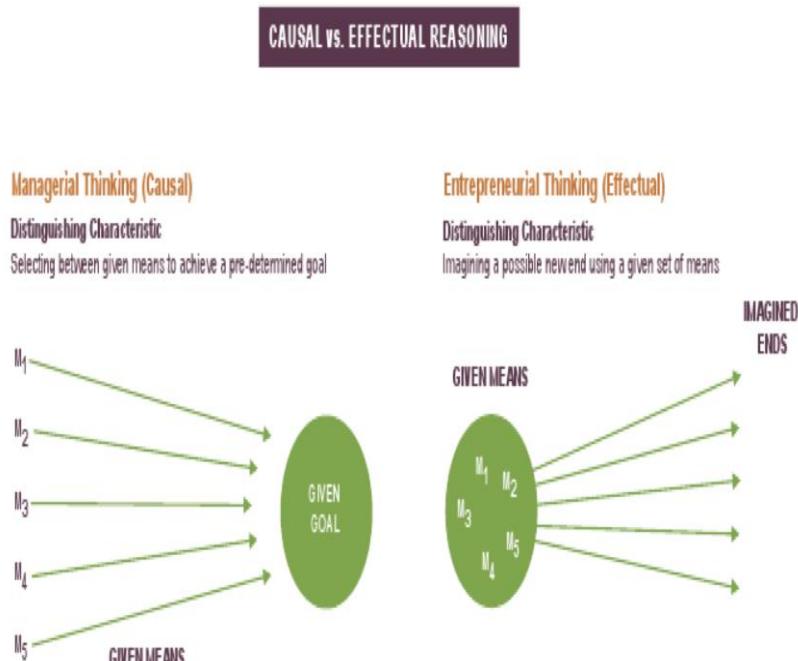
- In today's fast-paced digital world, individuals are bombarded with an overwhelming amount of information from various sources, including emails, calendars, social media, news, and personal notes. Managing this information efficiently and keeping it organized has become a significant challenge. This workshop aims to explore the design and development of a 'Personal Digital Organizer' (PDO) that seamlessly connects and integrates all sources of information to enhance productivity, streamline daily tasks, and improve the overall quality of life for users.
- The Personal Digital Organizer (PDO) should offer a unified platform that allows users to aggregate, categorize, and access information from multiple sources in a user-friendly and intuitive manner.

Key Dimensions of PDO

- The Personal Digital Organizer (PDO) should offer a unified platform that allows users to aggregate, categorize, and access information from multiple sources in a user-friendly and intuitive manner. The key objectives of this workshop are as follows:
- **Integration of Diverse Data Sources:** Design a system that can effectively connect and integrate various data sources, such as emails, calendars, social media accounts, news feeds, and personal notes, into a single interface.
- **User-Centric Interface:** Develop a user-friendly and customizable interface that prioritizes user preferences and adapts to individual needs and preferences.
- **Intelligent Organization:** Implement intelligent algorithms that can categorize and prioritize information based on relevance, urgency, and user-defined criteria.
- **Cross-Platform Accessibility:** Ensure that the PDO is accessible across different devices and platforms, including smartphones, tablets, desktops, and web browsers.
- **Data Security and Privacy:** Address concerns regarding data security and privacy by implementing robust encryption, access controls, and user consent mechanisms.
- **Seamless Synchronization:** Enable real-time synchronization of data across all connected sources to ensure users always have access to the latest information.
- **Customization and Personalization:** Provide users with the ability to customize the PDO to align with their unique preferences, work habits, and organizational methods.
- **Usability Testing:** Conduct usability testing and gather user feedback to refine the PDO's design and functionality continuously.

- Quantum Entrepreneurship

Module :Effectual Reasoning



- Re-thinking Pivots
- Effectuation reduces cost of failure
- It acts as purpose beyond profit

Quantum Entrepreneurial Mindset

- 1. Bird in Hand
- 2. Affordable loss
- 3. Lemonade
- 4. Crazy Quilt
- 5. Pilot in the plane



Bird in Hand



- Restaurant- Project report- Approaching investors- Success???
- Other options: Food critique- Street food blogger- Home kitchen- Cookery lessons (I-Phone)
- Resource optimization theory versus Objective planning (Goal or Resource first)
- Case: Palak Paneer...Palak Pasanda

Bird in Hand Principle – Start with your means

-

Entrepreneurs start with what they have: Who they are, what they know and who they know – For example, if a cook were to act entrepreneurially, he or she would concoct an unknown dish with whatever ingredients were available in the kitchen pantry, not follow a known recipe (nor necessarily a vision).

- The bird in hand principle or “making do with resources at hand” was first introduced by Levi-Strauss in 1967 specifically in the context of Arts, Crafts and Science and has since been carried to the field of entrepreneurship by a slew of other scholars and practitioners.
- This principle essentially says ‘Just Start!’, instead of waiting for the perfect conditions to arrive (which is not the same as advising to ‘Just Do It!', meaning to faithfully following your gut towards an inflexible end goal without a care for proof along the way).

Affordable loss

- Unknown Risk? Or Calculated Risk
- Project report- Minimum (Projected) profit or Maximum (Anticipated) Loss

Affordable Loss Principle – Set affordable loss

- Traditional analysis of markets start with estimating the upside, the proverbial market sizing exercise (TAM, SAM, SOM, bla, bla). But entrepreneurs usually pursue unknown markets.
- Clayton Christensen said it best “unknown markets cannot be analyzed”. Turns out entrepreneurs are more concerned with analyzing the down-side of their actions to manage their risk, which can often be accurately calculated – If they can afford the cost (of an experiment), they jump into the venture and if they can’t, they choose something else they can afford.
- This is also the basis for the VC industry (staged risk), although they still make prospective portfolio companies provide ridiculous spreadsheet projections, maybe so they can have a good laugh when people leave the room – those masochists!

- **TAM** or Total Available Market is the total market demand for a product or service.
- **SAM** or Serviceable Available Market is the segment of the TAM targeted by your products and services which is within your geographical reach.
- **SOM** or Serviceable Obtainable Market is the portion of SAM that you can capture.

Lemonade



- Chaos reading
- Opportunity seeking
- Case: Bleeding Madras Shirts (Unique...Print after washing)
- Value creation



Lemonade Principle – Leverage contingencies

- The Lemonade Principle is my favorite (I know, I don't get out enough if I have favorite principles from a relatively obscure theory). Obviously inspired by the aphorism "If life deals you lemons, make lemonade" (I presume life also gives you the sugar, but I digress), this principle basically states that entrepreneurs must be flexible above all else, not recalcitrant – **that entrepreneurs must expect to exploit the unexpected, not existing knowledge.**
- The way this principle is stated also emphasizes the upside of being flexible or open to change, not simply the notion that flexibility is primarily designed to avoid failure – flexibility is also the best way to fight complacency – to constantly seek something better (play offense, not simply defense). The Lean Startup movement has unfortunately taken on the meaning of an effective philosophy to 'avoid failure' – "When are things going so wrong that one needs to pivot?" – Is often the question asked vs. "How do we know when we've exhausted the upside of this beautiful thing called a strategic pivot and should finally focus on the current direction?".
- Innovation in general, for that matter, is usually brought about in a negative, "innovate or die" dictum vs. "***Who cares about your eroding competitive advantages or threat of disruption – The world needs additional sources of human happiness – so please get out there and innovate more!***"

Crazy Quilt

- Fixed set of stakeholders!!! Preconceived
- Computer: Idea to Cook, Sportsmen, Artist...how they can contribute (Self Advocacy)
- Medical solution: Designer, Microchip tech
- Each will look from their perspective
- Stakeholders are self selected
- Networking theory



Crazy-Quilt Principle – Form partnerships

I have no idea why this principle is called the crazy-quilt principle, but it sounds pretty cool. This principle basically encourages entrepreneurs to be networking machines – period. You never know what may come of talking to customers, experts and other companies – a much better use of time than insipid market research or planning exercises based on competitive paranoia (**as a startup, you're an ant – you have no competitors**).

Partnerships can fuel a given business model design as well as provide inspiration for a new business model altogether (they can create new means to new ends). Partnerships (and key commitments, of course) can also provide the missing proof of business-model scalability that gains the confidence of investors.

Market making, industry-control issues are certainly important in the growth of a startup (so careful with partnering terms), but avoiding contact in the early stages has never been proven as a formula for toughness and resilience. Just like in international affairs, alliances trump isolationism (sorry North Korea).

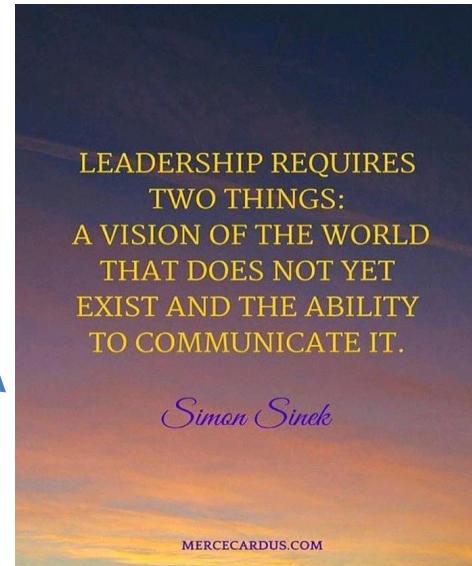
Pivot: Pilot in the Plane

- Proactive to change
- Case Jio: Phone calls over IP based networks/
Whatsapp calls...Investing in optical
fiber...invested in the data
- Driving the industry towards his vision

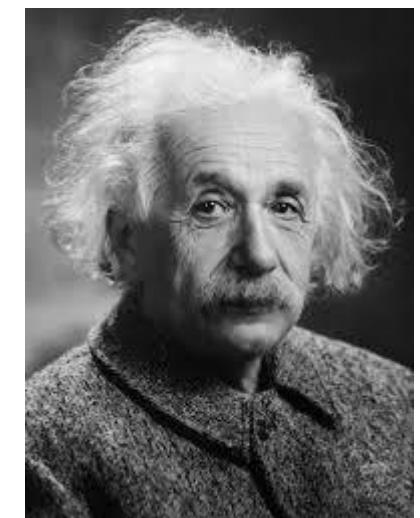


Techno- Entrepreneurial - Leadership

- Leadership= $f(KASH)$
- Leadership= $f(\text{Dealing with Ambiguity})$
- Leadership= $f(\text{Knowing Stakeholders correct})$
- Leadership= $f(\text{Knowing your Dream})$
- Leadership= $f(\text{Mindfulness})$
- Leadership= $f(\text{Interpersonal effectiveness})$
 $= f(\text{Ability} * \text{Awareness} * \text{Commitment})$
- Leadership= $f(\text{Doing right things})$
 $= f(\text{Understanding Technology}) * f(\text{Understanding Entrepreneurship})$
 $= f(\text{Understanding Technology}) * f(\text{Understanding Venture}) * f(\text{Identifying & Serving Value})$
 - Innovation
 - Industry 4.0
 - Scaling up
 - Structure
 - Strategy
 - Value identification
 - Value Chain
 - Value Appropriation
-goes on



Techno-Entrepreneurial Leadership



MODULE 3: LEADERSHIP FINANCE

BB

Identity

- Sole Proprietorship
- Partnership
- Company (Pvt Limited/ Public Limited)
 - MoA
 - Article of Association
 - Certificate of Incorporation
- Limited Liability Partnership (LLP)
- Conglomerate (Parent & Subsidiary)

Introduction to Finance

- Language to Business.
- Syntax (The concepts)
- Grammar (The structure)
- Story to tell
 - Management
 - Control



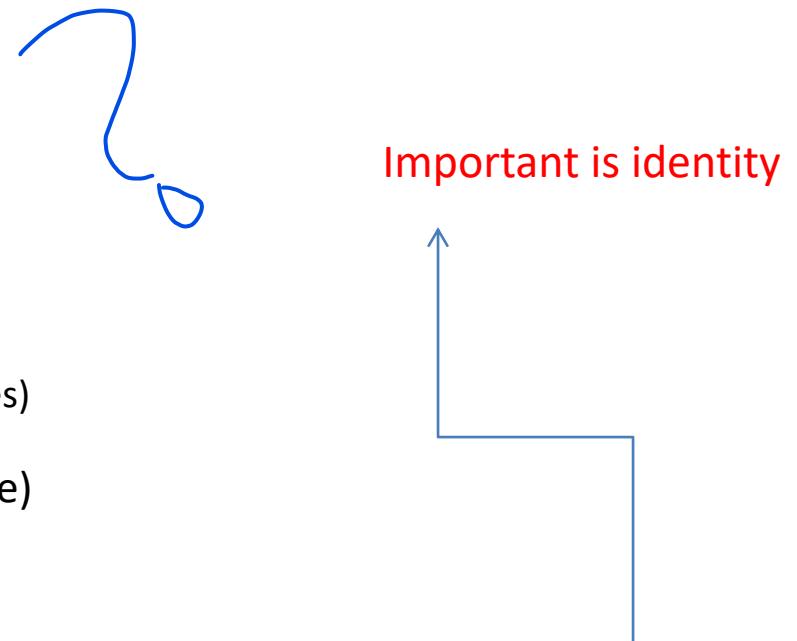
Introduction to Financial Management

- Investment decisions (Fund out flow)
 - Capital budgeting
 - Working capital management
- Financing decisions (Fund inflow)
 - Debt equity management
 - Capital Structure
 - Retention decisions
- Project Financing decisions (Fund Utilization)
- Mergers and Acquisitions-Exit (Valuation Techniques)

(External-Financial Accounting+ Corporate finance)

- Accounting standards and procedures
 - Journal-Ledger-Trial Balance
 - FSA-P&L- BS-CF
- Costing techniques

(Internal-Managerial Accounting + Costing)



Outline

- Meaning of Financial Statements and Financial Statement Analysis
- Significance of Financial Statements
- Types of Financial Statements
 - Income Statement
 - Balance Sheet (S/R- Owes/Owns)
 - Cash Flow Statement
 - Statement of Retained Earnings
- Ratio Analysis including Du Pont Analysis
- Limitations of Financial Statement Analysis

2.1 Firms' Disclosure of Financial Information

- Reports about a company's performance must be understandable and accurate.
- **Generally Accepted Accounting Principles (GAAP)** provide a common set of rules and a standard format for public companies to use when they prepare their reports.
- This standardization also makes it easier to compare the financial results of different firms. Investors also need some assurance that the financial statements are prepared accurately.
- Corporations are required to hire a neutral third party, known as an auditor, to check the annual financial statements, to ensure that the annual financial statements are reliable and prepared according to GAAP.

Concept of Financing and Accounting

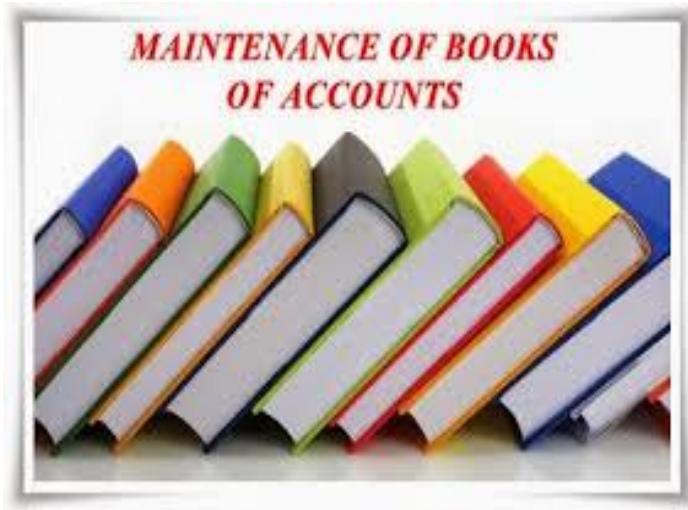
- You remember the chain...
Vision...Mission...Goal...Strategy...Resources...**Assets**
- **Entity convention:** An accounting entity is an area of economic interest of a particular individual or group

All transactions are recorded from the point of view of the entity itself

- **Going concern convention:** An entity is a going concern if it is not expected to have the legal insolvency
- **Accrual convention:** Income is recognized as it is earned, and expenditure is recognized, either as an asset or as an expense, when it is incurred.
- Income is recognized when right to cash arises, and expenditure is recognized when the obligation to pay cash arises, without waiting for actual receipt or payment of cash.
- **Matching Convention:** India- Apr-Mar USA- Jan- Dec EU July-Jun

Books of Accounts

- Journal (Daily)
- Ledger (Weekly)
- Trial Balance (Monthly)
- Balance Sheet (Yearly)
- P&L Account (Quarterly)
profit and loss
- Cash Flow Statement
(Yearly)



Accounting Equation: A= L+E

Assets = liability+equity

Journal

daily

General Journal					
Date	Account Title and Explanations	Ref	Amount (Rs.)		
			Debit	Credit	
2016					
Aug.	Cash Furniture Owner's Equity _ Sardar Hammad (Reinvest by owner in the business)		80,000		
			20,000	100,000	
			10,000		
	Cash Account Receivable Sales (Cash and credit Sales)		12,000	22,000	
			60,000		
			15,000		
	Purchases Cash Note Payable _ Ahmed Co. (Purchases by cash and credit from Ahmed)		45,000		
			99,000		
			19,000		
9	Office Equipment Cash Account Payable _ Waseem Shah (Purchase O. equipment on installments by Waseem)		80,000		
			12,000	12,000	
			20,000	20,000	
Total			Rs. 313,000	Rs. 313,000	

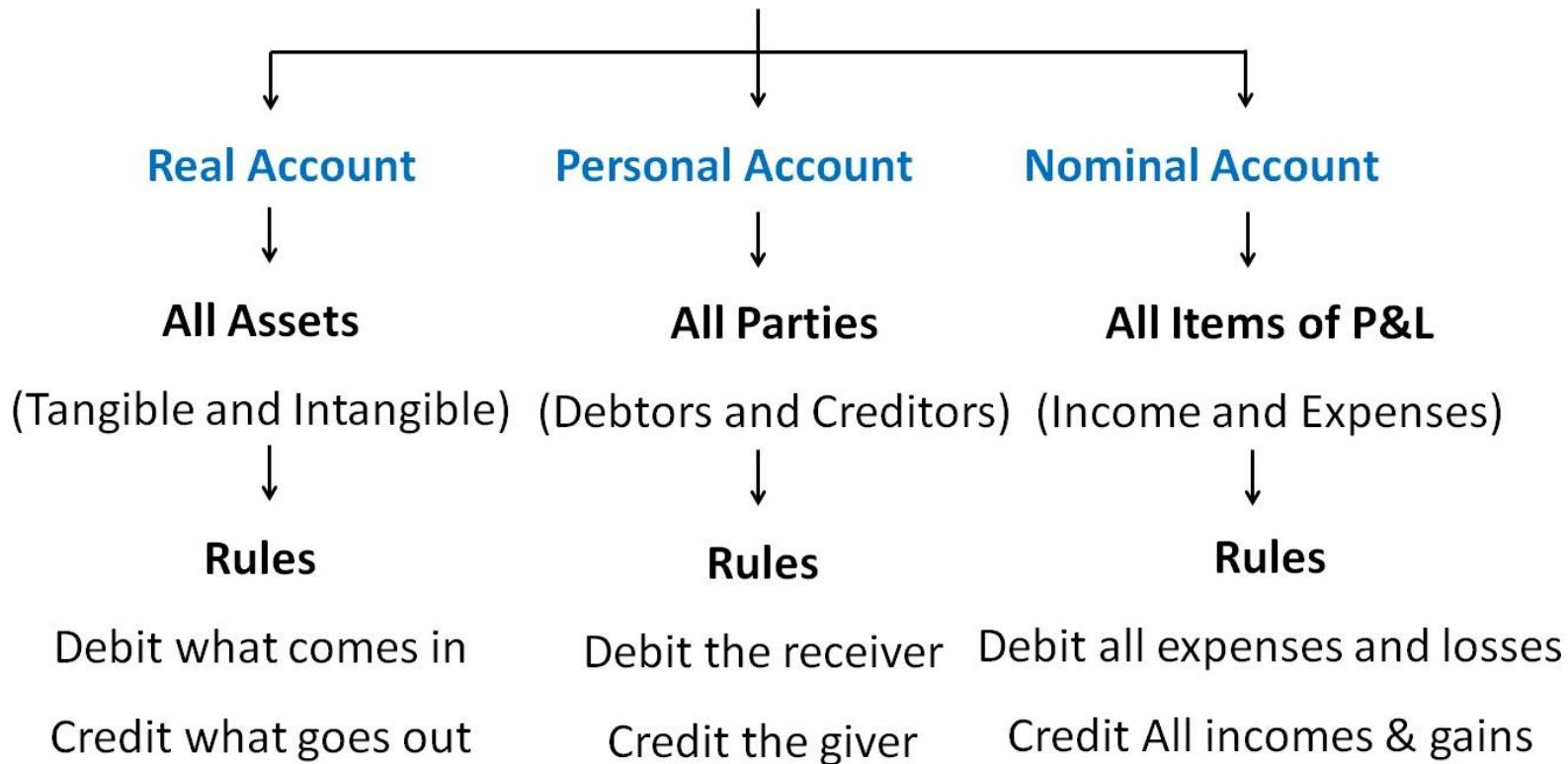
Date	Particulars	L.F.	Amount	
			Debit Rs.	Credit Rs.
2005	Cash A/c To Capital A/c (Being commencement of business)	Dr.	20,000	20,000
	Purchases A/c To Vivek A/c (Being goods purchased from Vivek)		5,000	5,000
	Vivek's A/c To Cash A/c To Discount received A/c (Being amount paid to Vivek who allowed discount)		5,000	4,900
	Furniture A/c To Cash A/c (Being furniture purchased)	Dr.	2,000	100

Three Types of Accounts	Respective Rules
Real	Debit What comes in Credit What goes out
Personal	Debit the receiver Credit the giver
Nominal	Debit expense & loss Credit income and gain

Golden Rules

teachoo.com

Types of Accounts



Ledger

General Journal				
Year	Transaction Details	GL Ref	D	C
Month				
Dec 15	Cash	101	12000	
	Share Capital	301		12000
	Establishment of XYZ			
Dec 17	Land	201	15000	
	Accounts Payable	401		15000
	Buildings	202	10000	
	Cash	101		10000
	Acquisition of fixed assets			
Dec 19	Supplies	103	1200	
	Inventory	102	6000	
	Accounts Payable	401		7200
	Acquisition of inventory			
Dec 20	Cash	101	570	
	Revenues	500		570
	Services provided			

Cash Acc. No. 101				
Year	Transaction Details	D	C	Balance
Month				
Dec 15	Establishment of XYZ	12000		12000
Dec 17	Acquisition of fixed assets		10000	2000
Dec 20	Services provided	570		2570

Revenue Acc. No. 500				
Year	Transaction Details	D	C	Balance
Month				
Dec 20	Services provided		570	(570)

Ledger							
Cash Account							
Dr.	Particulars	F	Amount	Date	Particulars	F	Cr.
2010	To Capital A/c		₹	20,000	Jan. 3	By Bank A/c	5,000
	"Sales A/c			8,000	Jan. 6	"Purchase A/c	7,000
					Jan. 25	"Drawings A/c	500
					Jan. 31	"Salaries A/c	800
					Jan. 31	"Balance C/d	14,700
							28,000
	To Balance b/d			14,700			
Feb. 1							

Trial Balance

MOON SERVICE INC.
Unadjusted Trial Balance
November 30, 2015

Account Name	Debit	Credit
Cash	\$ 401,570	
Accounts receivable	4,000	
Office supplies	250	
Office equipment	4,500	
Vehicle	25,000	
Notes payable		\$ 15,000
Accounts payable		4,500
Dividends payable		3,000
Dividends	3,000	
Share capital		400,000
Client revenue		24,000
Office rent expense	500	
Salaries expense	7,500	
Utilities expense	180	
Totals	\$ 446,500	\$ 446,500

ABC Company
Adjusted Trial Balance
31 December, 2017

Account Name	Ref	Debit	Credit
Cash		\$ 400,000.00	
Accounts Receivable		\$ 30,000.00	
Office Suppliers		\$ 45,000.00	
Office Equipments		\$ 15,000.00	
Vehicle		\$ 40,000.00	
Building		\$ 300,000.00	
Accounts Payable			\$ 100,000.00
Noted Payable			\$ 50,000.00
Common Stock			\$ 500,000.00
Retained Earnings			\$ 20,000.00
Sales Revenues			\$ 700,000.00
Cost of goods sold		\$ 400,000.00	
Salaries expenses		\$ 50,000.00	
Rent expenses		\$ 20,000.00	
Supplies expenses		\$ 10,000.00	
Advertising		\$ 30,000.00	
Insurance		\$ 30,000.00	
Total		\$ 1,370,000.00	\$ 1,370,000.00

2.1 Firms' Disclosure of Financial Information

- Types of Financial Statements
 - Balance Sheet
 - Income Statement
 - Statement of Cash Flows
 - Statement of Stockholders' Equity

The Balance Sheet

- A summary of the assets, liabilities, and equity of a business at a particular point in time, usually at the end of the firm's fiscal year.

Assets	=	Liabilities	+	Equity
(Resources of the business enterprise)		(Obligations of the business)		(ownership left over Residual)
Fixed Assets Long-term (Plant, Machinery, Equipment Buildings)		Common stock outstanding (Notes, bonds, & Additional paid-in capital Capital Lease Retained Earnings		
Current Assets (Cash, Marketable Securities, Account Receivable, Inventories)		Obligation) Current Liabilities (Accounts Payable, Wages and salaries, Short-term loans Any portion of long-term Indebtedness due in one-year)		

Balance Sheet

Assets

→ **Current Assets:**

Cash or expected to be turned into cash in the next year

- Cash
- Marketable Securities
- Accounts Receivable
- Inventories
- Other Current Assets
 - Example: Pre-paid expenses

Balance Sheet

Assets

→ **Long-Term Assets** (e.g. Net Property, Plant, & Equipment)

Depreciation (and Accumulated Depreciation): The firm reduces the value of fixed assets (other than land) over time according to a depreciation schedule that depends on the asset's life span. Depreciation is not an actual cash expense that the firm pays; it is a way of recognizing that buildings and equipment wear out and thus become less valuable the older they get.

Book Value = Acquisition cost – Accumulated depreciation

→ **Goodwill and intangible assets**

Amortization: If the firm assesses that the value of these intangible assets declined over time, it will reduce the amount listed on the balance sheet by an amortization or impairment charge that captures the change in value of the acquired assets. Like depreciation, amortization is not an actual cash expense.

→ **Other Long-Term Assets** (e.g. Investments in Long-term Securities)

GLOBAL CONGLOMERATE CORPORATION		
Consolidated Balance Sheet		
Year Ended December 31 (in \$ million)		
Assets	2012	2011
Current Assets		
Cash	21.2	19.5
Accounts receivable	18.5	13.2
Inventories	15.3	14.3
Other current assets	2.0	1.0
Total current assets	57.0	48.0
Long-Term Assets		
Land	22.2	20.7
Buildings	36.5	30.5
Equipment	39.7	33.2
Less accumulated depreciation	(18.7)	(17.5)
Net property, plant, and equipment	79.7	66.9
Goodwill and intangible assets	20.0	20.0
Other long-term assets	21.0	14.0
Total long-term assets	120.7	100.9
Total Assets	177.7	148.9

Balance Sheet

Liabilities

- Current Liabilities: Due to be paid within the next year
 - Accounts Payable
 - Short-Term Debt/Notes Payable
 - Current Maturities of Long-Term Debt
 - Other Current Liabilities
 - Taxes Payable
 - Wages Payable

Balance Sheet

- Net Working Capital

=Current Assets – Current Liabilities

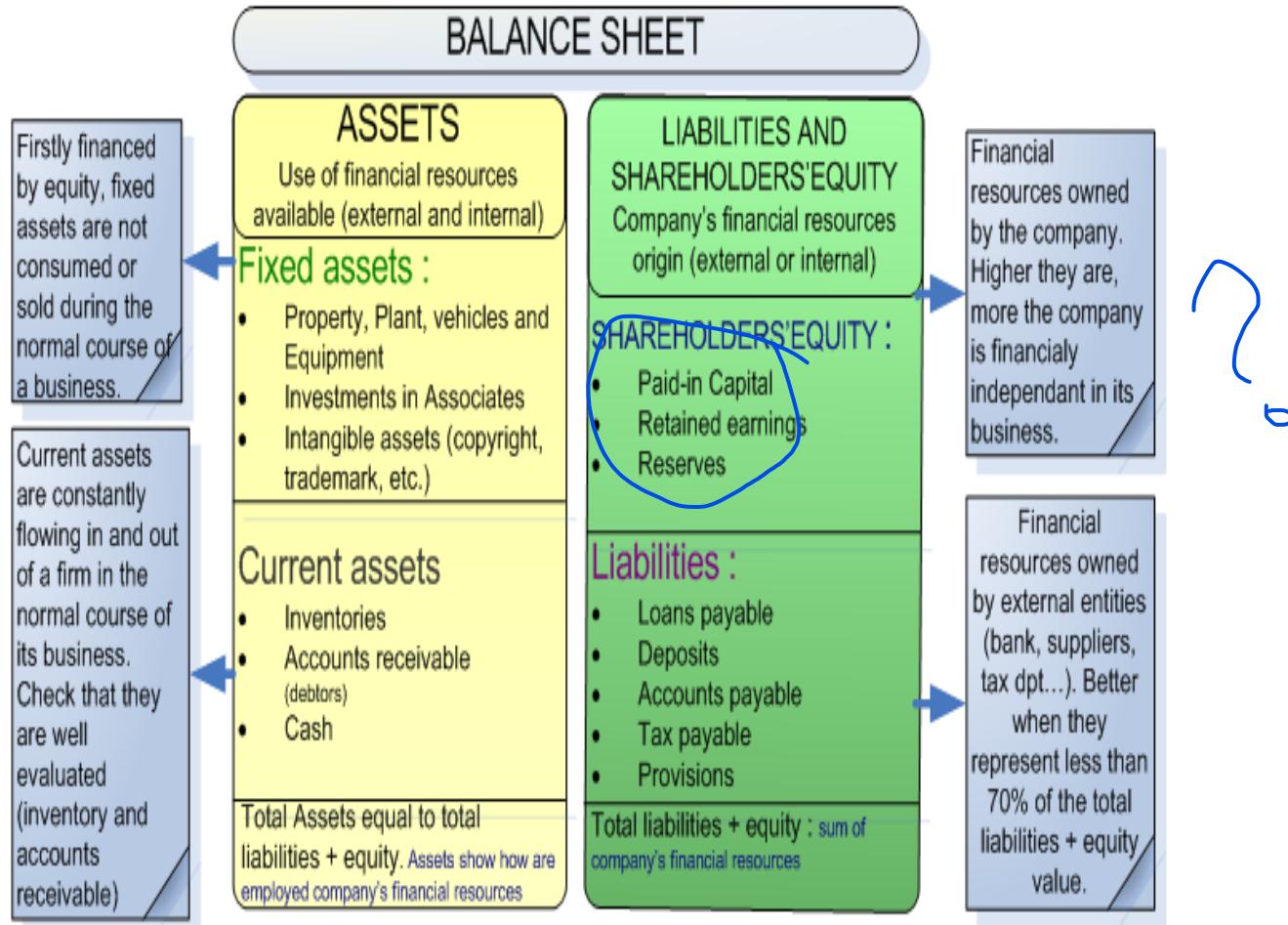
Balance Sheet

Liabilities

– Long-Term Liabilities

- Long-Term Debt
- Capital Leases
- Deferred Taxes
- Deferred taxes are taxes that are owed but have not yet been paid. Firms generally keep two sets of financial statements: one for financial reporting and one for tax purposes. Because deferred taxes will eventually be paid, they appear as a liability on the balance sheet

Balance Sheet



Example Corporation
Balance Sheet
December 31, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 2,200
Short-term investments	10,000
Accounts receivable - net	39,500
Other receivables	1,000
Inventory	31,000
Supplies	3,800
Prepaid expenses	1,500
Total current assets	<u>89,000</u>
Investments	<u>36,000</u>
Property, plant & equipment - net	
Land	5,500
Land improvements	6,500
Buildings	180,000
Equipment	201,000
Less: accumulated depreciation	(56,000)
Property, plant & equipment - net	<u>337,000</u>
Intangible assets	
Goodwill	105,000
Other intangible assets	<u>200,000</u>
Total intangible assets	<u>305,000</u>
Other assets	<u>3,000</u>
Total assets	<u>\$ 770,000</u>

LIABILITIES

Current liabilities	
Short-term loans payable	\$ 5,000
Current portion of long-term debt	15,000
Accounts payable	20,900
Accrued compensation and benefits	8,500
Income taxes payable	6,100
Other accrued liabilities	4,000
Deferred revenues	<u>1,500</u>
Total current liabilities	<u>61,000</u>
Long-term liabilities	
Notes payable	20,000
Bonds payable	375,000
Deferred income taxes	<u>25,000</u>
Total long-term liabilities	<u>420,000</u>
Total liabilities	<u>481,000</u>
Commitments and contingencies (see notes)	
STOCKHOLDERS' EQUITY	
Common stock	110,000
Retained earnings	220,000
Accum other comprehensive income	9,000
Less: Treasury stock	(50,000)
Total stockholders' equity	<u>289,000</u>
Total liabilities & stockholders' equity	<u>\$ 770,000</u>

The accompanying notes are an integral part of this statement.

2.2 Balance Sheet

- Market Value Versus Book Value
 - Market Value of Equity (Market Capitalization)
 - Market Price per Share \times Number of Shares Outstanding
 - Cannot be negative
 - Often differs substantially from book value

2.2 Balance Sheet

- A firm's market capitalization measures the market value of the firm's equity, or the value that remains after the firm has paid its debts.
- But what is the value of the business itself?
- The enterprise value of a firm (also called the total enterprise value or TEV) assesses the value of the underlying business assets, unencumbered by debt and separate from any cash and marketable securities.
- Enterprise Value, Total Enterprise Value (TEV)

Enterprise Value = Market Value of Equity + Debt – Cash

**The enterprise value business. can be
interpreted as the cost to take over the**

2.3 Income Statement

- When you want somebody to get to the point, you might ask him or her for the “bottom line.” This expression comes from the **income statement**. The income statement or statement of financial performance lists the firm’s revenues and expenses over a period of time.
- The last or “bottom” line of the income statement shows the firm’s net income, which is a measure of its profitability during the period.
- The income statement is sometimes called a profit and loss, or “P&L” statement, and the net income is also referred to as the firm’s earnings.
- Whereas the balance sheet shows the firm’s assets and liabilities at a given point in time, the income statement shows the flow of revenues and expenses generated by those assets and liabilities between two dates.

Profit and loss account

Gross revenues (turnover)

- Cost of goods sold
- Selling, General and administrative expenses
- Depreciation / amortization
- = Earnings before interest and taxes « EBIT »
- Interest income or expense
- Taxes expense
- = Net income

The gross revenues gives information to us about the size of the business and about the evolution of its activity from year n-1 to year n. Is it increasing or declining ?

Link with the balance sheet: what financial resources the company owns to support the evolution of its gross revenue ?

The EBIT shows the profitability of the activity of the business by comparing the operational revenues with the operational expenses. The viability of any business is linked to a durable positive EBIT

The Net income is the result of revenues generated during the financial year less the total expenses supported by the company. Link with the balance sheet: A positive Net income reinforces the shareholders equity of the business (except if payment of dividends) and improves financial structure. If it is negative, it reduces shareholders equity and weakens the financial structure.

2.3 Income Statement

- Total Sales/Revenues
 - *minus*
- Cost of Sales
 - *equals*
- Gross Profit

2.3 Income Statement

- Gross Profit
 - *minus*
- Operating Expenses
 - Selling, General, and Administrative Expenses
 - R&D
 - Depreciation & Amortization
- *equals*
- Operating Income

2.3 Income Statement

- Operating Income
 - *plus/minus*
- Other Income/Other Expenses
 - *equals*
- Earnings Before Interest and Taxes (EBIT)

2.3 Income Statement

- Earnings Before Interest and Taxes (EBIT)
 - *plus/minus*
- Interest Income/Interest Expense
 - *equals*
- Pre-Tax Income

2.3 Income Statement

- Pre-Tax Income
 - *minus*
- Taxes
 - *equals*
- Net Income

**Multi-step Company
Income Statement**
For the year ended December 31, 2019

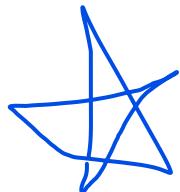
Revenue	
Sales	\$850,000.00
Less: Sales Return	\$10,000.00
Less: Discounts and Allowances	\$6,000.00
Net Sales	\$834,000.00
Cost of Goods Sold	
Materials	\$90,000.00
Labor	\$200,000.00
Overhead	\$50,000.00
Total Cost of Goods Sold	\$340,000.00
Gross Profit	
	\$494,000.00
Operating Expenses	
Wages	\$250,000.00
Advertising	\$15,000.00
Repairs & Maintenance	\$20,000.00
Rent/Lease	\$100,000.00
Delivery/Freight Expense	\$15,000.00
Utilities/Telephone Expenses	\$5,000.00
Insurance	\$5,000.00
Office Supplies	\$1,500.00
Depreciation	\$15,000.00
Meals	\$1,000.00
Entertainment	\$2,000.00
Other Expenses	\$1,000.00
Total Operating Expenses	\$430,500.00
Operating Income (Loss)	
	\$63,500.00
<i>Add: Non-Operating Income</i>	
Interest Income	\$5,000.00
Other Income	\$3,000.00
Profit (Loss) Before Taxes	
	\$71,500.00
Less: Tax Expense	\$7,000.00
Net Income (Loss)	
	\$64,500.00

The Income Statement

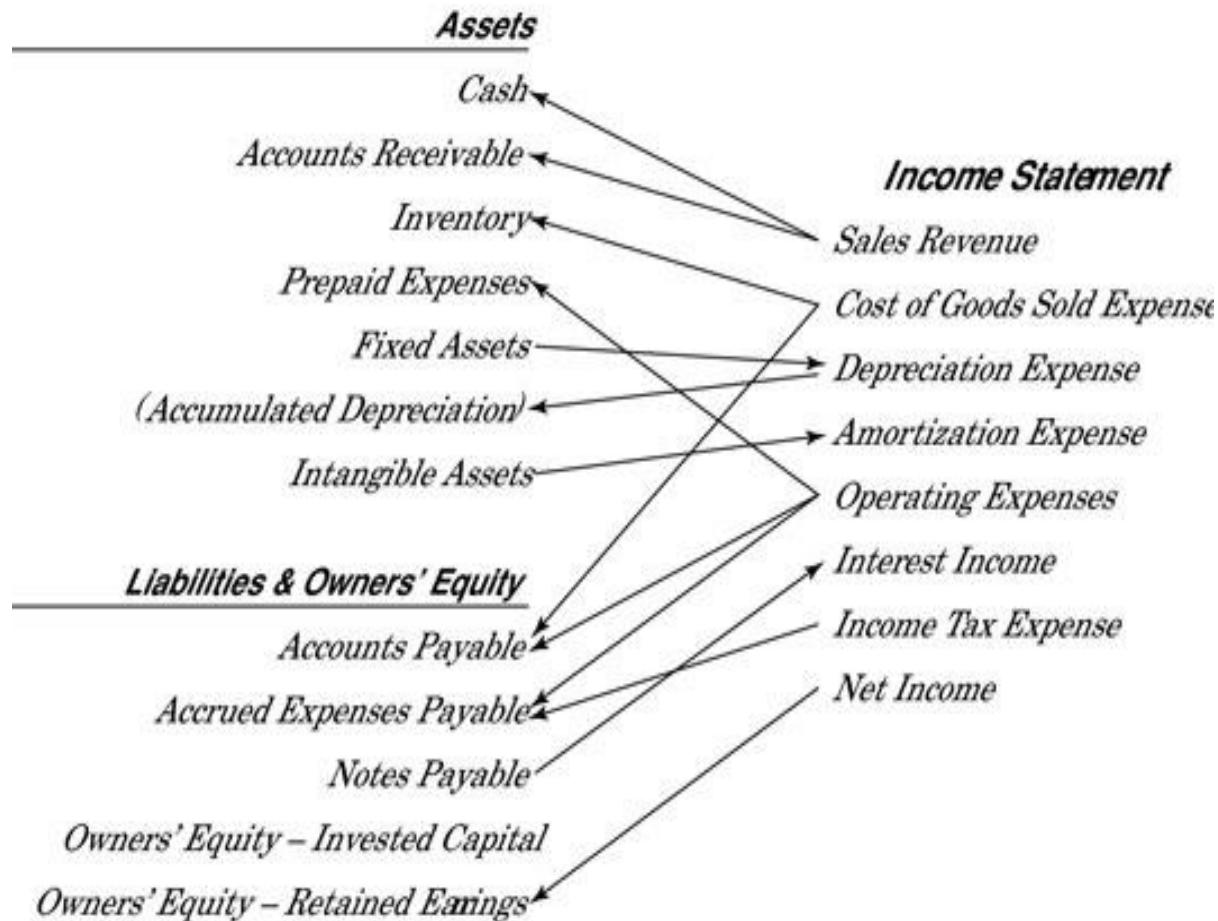
- An income statement is a summary of the revenues and expenses of a business over a period of time, usually either one month, three months, or one year.
- Summarizes the results of the firm's operating and financing decisions during that time.
- Operating decisions of the company apply to production and marketing such as sales/revenues, cost of goods sold, administrative and general expenses (advertising, office salaries)
- Provides operating income/earnings before interest and taxes (EBIT)
- Results of financing decisions are reflected in the remainder of the income statement.
- When interest expenses and taxes are subtracted from EBIT, the result is net income available to shareholders.
- Net income does not necessarily equal actual cash flow from operations and financing.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) INCOME STATEMENT

	T=0	T=1	T=2	T=3	T=4
NET SALES					
COGs (direct: variable + fixed)					
GROSS MARGIN					
SG&A					
Salaries, wages and Social Security paid					
Rentals					
Facilities and supplies					
Insurance premiums					
Business licenses					
Distribution and transportation					
Local taxes and fees					
External Service Providers					
Marketing, Advertising, Promotion, Advertising and Public Relations					
Other SG&A					
EBITDA					
D&A (including D&A from A/I robots)					
EBIT=OPERATING PROFIT (BAII)					
Financial interest expenses					
EBT (BAI)					
Corporate taxes (25%)					
NET INCOME (Resultado del ejercicio)					
Earnings per share (EPS)					
PO=Pay-out (dividends paid)					
Reinvestment					
Equity (E)					



Balance Sheet



Example Corporation
Balance Sheet
December 31, 2020

ASSETS

Current assets	
Cash and cash equivalents	\$ 2,200
Short-term investments	10,000
Accounts receivable - net	39,500
Other receivables	1,000
Inventory	31,000
Supplies	3,800
Prepaid expenses	1,500
Total current assets	<u>89,000</u>
Investments	<u>36,000</u>
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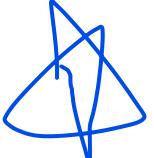
LIABILITIES

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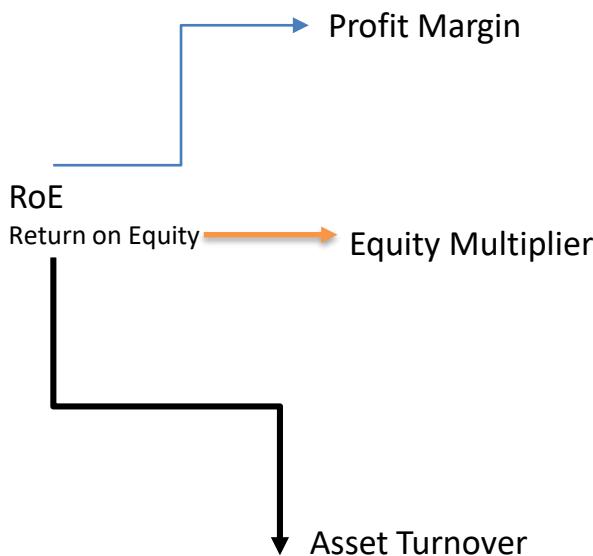
The accompanying notes are an integral part of this statement.

**Multi-step Company
Income Statement**
For the year ended December 31, 2019

Revenue	
Sales	\$850,000.00
Less: Sales Return	\$10,000.00
Less: Discounts and Allowances	\$6,000.00
Net Sales	\$834,000.00
Cost of Goods Sold	
Materials	\$90,000.00
Labor	\$200,000.00
Overhead	\$50,000.00
Total Cost of Goods Sold	\$340,000.00
Gross Profit	
	\$494,000.00
Operating Expenses	
Wages	\$250,000.00
Advertising	\$15,000.00
Repairs & Maintenance	\$20,000.00
Rent/Lease	\$100,000.00
Delivery/Freight Expense	\$15,000.00
Utilities/Telephone Expenses	\$5,000.00
Insurance	\$5,000.00
Office Supplies	\$1,500.00
Depreciation	\$15,000.00
Meals	\$1,000.00
Entertainment	\$2,000.00
Other Expenses	\$1,000.00
Total Operating Expenses	\$430,500.00
Operating Income (Loss)	
	\$63,500.00
<i>Add: Non-Operating Income</i>	
Interest Income	\$5,000.00
Other Income	\$3,000.00
Profit (Loss) Before Taxes	\$71,500.00
<i>Less: Tax Expense</i>	
	\$7,000.00
Net Income (Loss)	
	\$64,500.00



Performance diagnosis



$$\begin{aligned} \text{ROE} &= \frac{\text{Net profit (income)}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Total equity}} \\ &= \text{Net profit margin} \times \text{Total asset turnover} \times \text{Equity multiplier} \\ &= \text{ROA} \times \text{Equity multiplier} \end{aligned}$$

Types of Ratios

- Liquidity Ratios
 - Current Ratio
 - Quick Ratio/Acid Test Ratio
- Asset Management Ratios
 - Inventory Turnover Ratio
 - Days Sales Outstanding
 - Fixed Assets Turnover Ratio
 - Total Assets Turnover Ratio
- Debt Management Ratio
 - Total Debt to Total Assets Ratio
 - Times Interest Covered Ratio
- Profitability Ratios
 - Profit Margin on Sales
 - Return on Assets
 - Return on Equity
 - Basic Earning Power Ratio

Liquidity Ratios

- Current Ratio
- Quick Ratio
- Profit before depreciation and amortization to current liabilities (PDACL)
- Operating cash flow to current liabilities (OCFCL)
- Cash balance to total liabilities (CBTL)

Liquidity Ratios

- **Current Ratio:** The ratio is mainly used to give an idea of the company's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables).

$$\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Liquidity Ratios

- **Quick Ratio:** The quick ratio measures the dollar amount of liquid assets available for each dollar of current liabilities.

$$\text{Quick Ratio} = \frac{\text{Cash in hand} + \text{Cash at Bank} + \text{Receivables} + \text{Marketable Securities}}{\text{Current Liabilities}}$$
$$= (\text{current assets} - \text{inventory}) / \text{Current liabilities}$$

Liquidity Ratios

- Profit before depreciation and amortization to current liabilities (PDACL): Measures how many times company's net operating profit (before tax and interest) covers current liabilities.

$$\text{PDACL} = \frac{\text{Profit before depreciation and amortization}}{\text{Current Liabilities}}$$

Liquidity Ratios

- Operating cash flow to current liabilities (OCFCL):
Refers to the cash generated from the operations of a company (revenues less all operating expenses, plus depreciation), in relation to short-term debt obligations..

revenue - operating expenses + depreciation

$$\text{OCFCL} = \frac{\text{Operating Cash Flow}}{\text{Current Liabilities}}$$

Liquidity Ratios

- Cash balance to total liabilities (CBTL): Refers to the company's cash balance in relation to its total liabilities.

$$\text{CBTL} = \frac{\text{Cash Balance}}{\text{Total Liabilities}}$$

Leverage (Capital Structure) Ratios

- ◆ Debt to equity ratio (DE ratio)
- ◆ Total liabilities to total tangible assets (TLTAI)
- ◆ Interest cover ratio
- ◆ Net debt to equity ratio
- ◆ Equity multiplier

Leverage (Capital Structure) Ratios

- ◆ **Debt to equity ratio (DE ratio):** It refers to a company's capital structure and whether the company is more reliant on borrowings (debt) or shareholder capital (equity) to fund assets and activities.

$$\text{Debt/equity ratio} = \frac{\text{Total debt}}{\text{Total equity}}$$

Leverage (Capital Structure) Ratios

◆ Total liabilities to total tangible assets (TLTAI):

This ratio provides the relationship between a company's liabilities and tangible assets. Tangible assets are defined as physical assets, such as property, cash, inventory and receivables.

$$\text{TLTAI} = \frac{\text{Total liabilities}}{\text{Total tangible assets}}$$

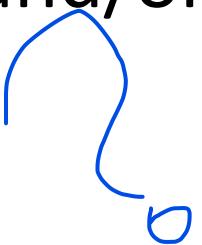
Leverage (Capital Structure) Ratios

- ◆ **Interest cover ratio:** measures company's ability to meet interest expenses on debt using profits.

$$\text{Interest cover ratio} = \frac{\text{EBIT (Earnings before interest and taxes)}}{\text{Interest}}$$

Leverage (Capital Structure) Ratios

- ◆ **Net debt to equity ratio:** This represents the level of risk associated with the company's funding source. It is a useful internal measure to review the balance between interest bearing debt and shareholders' equity for the purpose of improving company capacity to meet debt repayments and/or return on equity.


$$\text{Net debt/equity ratio} = \frac{\text{Interest bearing debt} - \text{Cash}}{\text{Net ordinary share equity}}$$

Leverage (Capital Structure) Ratios

- ◆ **Equity multiplier:** It is a measurement of a company's financial leverage. It measures the amount of a firm's assets that are financed either through **equity** or **debt**.

$$\text{Equity multiplier} = \frac{\text{Total assets}}{\text{Total equity}}$$

Statement of Cash Flows

- The income statement provides a measure of the firm's profit over a given time period.
- However, **it does not indicate** the amount of cash the firm has generated. (Accrual)
- There are two reasons that net income does not correspond to cash earned.
- First, there are non-cash entries on the income statement, such as depreciation and amortization.
- Second, certain uses of cash, sources of cash, are not reported on the income statement.



Profitability Ratios

- ◆ Earnings per share (EPS)
- ◆ Gross profit margin
- ◆ Net profit margin
- ◆ Return on assets (ROA)
- ◆ Return on equity (ROE)

Profitability Ratios

- ◆ **Earnings per share (EPS):** It shows the portion of a company's profit that is allocated to each outstanding share of common stock. EPS figure is very important for shareholders because the payment of dividend and increase in the value of stock in future largely depends on it. EPS is the most widely quoted and relied figure by investors.

$$\text{EPS} = \frac{\text{Net income}}{\text{Total outstanding shares}}$$

Profitability Ratios

- ◆ **Gross profit margin:** Gross profit margin tells us what percentage of a company's sales revenue would remain after deducting the cost of goods sold.

$$\text{Gross Profit Margin} = \frac{\text{Sales} - \text{Cost of goods sold (direct cost)}}{\text{Sales}} \times 100$$

Profitability Ratios

- ◆ **Net profit margin:** Net profit margin meanwhile indicates what percentage of a company's sales revenue would remain after all costs have been taken into account.

$$\text{Net Profit Margin} = \frac{\text{Net Income}}{\text{Sales}} \times 100$$

Profitability Ratios

- ◆ **Return on assets (ROA):** It is a measurement of management performance. ROA tells the investor how well a company uses its assets to generate income. A higher ROA denotes a higher level of management performance.

$$\text{Return on assets (ROA)} = \frac{\text{Net Income}}{\text{Average Total Assets}} \times 100$$

Profitability Ratios

- ◆ **Return on equity (ROE):** It is another measurement of management performance. ROE tells the investor how well a company has used the capital from its shareholders to generate profits. A higher ROE denotes a higher level of management performance.

$$\text{Return on equity (ROE)} = \frac{\text{Net Income}}{\text{Average Total Equity}} \times 100\%$$

Valuation Ratios

- ◆ Price to earnings ratio (PE)
- ◆ Price/earnings to growth ratio (PEG)
- ◆ Dividend yield

Valuation Ratios

- ◆ **Price to earnings ratio (PE):** It assess a company's value. It measures company's current share price relative to its per-share earnings.

$$PE = \frac{\text{Price per share}}{\text{Earnings per share}}$$

Valuation Ratios

- ◆ **Price/earnings to growth ratio (PEG):** The *PEG ratio* acts as a measure of company's value that takes into account future growth.

$$\text{PEG} = \frac{\text{PE}}{\text{EPS growth rate}}$$

Valuation Ratios

- ◆ **Dividend yield:** It shows what percentage of the market price of a share a company annually pays to its stockholders in the form of dividends.

$$\text{Dividend yield ratio} = \frac{\text{Dividend per share}}{\text{Market value per share}} \times 100\%$$

Turnover Ratios

- ◆ Inventory turnover
- ◆ Fixed asset turnover
- ◆ Total asset turnover
- ◆ Day's sales in inventory
- ◆ Receivables turnover
- ◆ Day's sales in receivable

Turnover Ratios

- ◆ **Inventory turnover:** It is a measure of the number of times **inventory** is sold or used in a time period such as a year

$$\text{Inventory turnover} = \frac{\text{Cost of goods sold}}{\text{Average Inventory}}$$

Turnover Ratios

- ◆ **Fixed asset turnover:** It measures how successfully a company is utilizing its fixed assets in generating revenue.

$$\text{Fixed asset turnover} = \frac{\text{Net revenue}}{\text{Average Fixed Assets}}$$

- ◆ **Example:** Fixed asset turnover = \$6.44

Turnover Ratios

- ◆ **Total asset turnover:** It measures a company's ability to generate sales from its assets by comparing net sales with average total assets. In other words, this ratio shows how efficiently a company can use its assets to generate sales.

$$\text{Total Asset Turnover} = \frac{\text{Net Sales}}{\text{Average Total Assets}}$$

Turnover Ratios

- ◆ **Day's sales in inventory:** It measures the number of days it will take a company to sell all of its inventory. In other words, the days sales in inventory ratio shows how many days a company's current stock of inventory will last.

$$\text{Days' sales in inventory} = \frac{\text{Ending Inventory}}{\text{Cost of goods sold}} \times 365$$

Turnover Ratios

- ◆ **Receivables turnover:** It measures how many times a business can turn its accounts receivable into cash during a period. In other words, the accounts receivable turnover ratio measures how many times a business can collect its average accounts receivable during the year.

$$\text{Receivables turnover} = \frac{\text{Net Credit Sales}}{\text{Average Accounts Receivable}}$$

Turnover Ratios

- ◆ **Day's sales in receivable:** It measures the number of days it takes a company to collect cash from its credit sales. In other words, it shows how well a company can collect cash from its customers.

$$\text{Days' sales in receivables} = \frac{\text{Accounts Receivable}}{\text{Net credit sales}} \times 365$$

The Du Pont Identity

- Breaks ROE into three parts:
 - operating efficiency (as measured by Net profit margin)
 - asset use efficiency (as measured by total asset turnover)
 - financial leverage (as measured by the equity multiplier)

$$\text{ROE} = \frac{\text{Net profit (income)}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Total equity}}$$

$$= \text{Net profit margin} \times \text{Total asset turnover} \times \text{Equity multiplier}$$

$$= \text{ROA} \times \text{Equity multiplier}$$



- What is Technology? Stack?
- Innovation
- Incremental & Modular
- Importance of Radical innovation
- Creativity & Teamwork- Innovation ideas
- Ideas to solutions (DT approach)
- Science of thinking
 - Critical thinking
 - Design thinking
- Empathy- Idea- Creativity- Innovation path
- Complementarity of Technologies
- Technology for solving problems
 - Start-ups
 - Big organizations
 - **How to design a technology product**
 - **Design Thinking Principles**
- Effectual Logic Principles
- Finance as Business Language
 - Journal/ Ledger/ Trial Balance
 - Balance Sheet/ P&L Account/ Ratio Analysis
- New Definition
- Aligned with Industry requirement
- Analogy to Physics & Math
- Knowing yourself correct
- Kaizen approach
- Stories from within and outside
- Frameworks- MOOT
- KASH concept
- Case study approach
- Dealing with ambiguity
- Front-end & Back-end framework
- Knowing your stakeholders
- Dreaming your Ideas
- Importance of Cooperative formations
- Golden Circle Model
- Mindfulness & Trust
- TEL Dimensions
- Leaders Vs Managers
- How to Analyze Financial statements and take decisions
- Capital Structure

We are waiting for you all
Techno-Entrepreneurial Leaders
to lead the country...

