



भारतीय प्रबंध संस्थान बोधगया
Indian Institute of Management
Bodh Gaya



PI KIT MBA 2022

STUDENT'S INITIATIVE BY
ADMISSIONS COMMITTEE, IIM BODH GAYA



IIM BODH GAYA

MBA ADMISSIONS 2022



UPCOMING CAMPUS

PI KIT FOR MBA 2022

BY ADMISSIONS COMMITTEE,
IIM BODH GAYA

A reference guide for aspirants.

This kit will help you prepare for the upcoming interviews. It contains frequently asked questions from all the domains of Management along with some generic and graduation-specific questions.

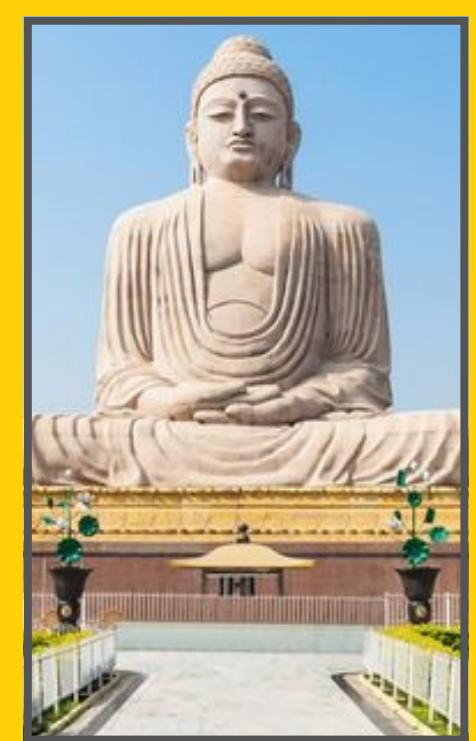


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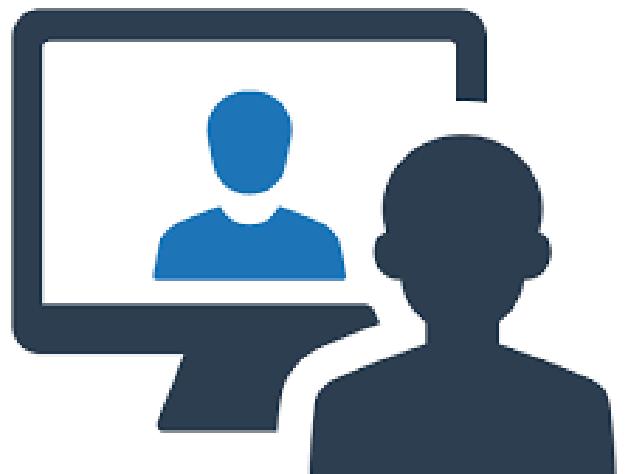
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VIRTUAL INTERVIEW

VIDEO INTERVIEW

Video interviews can be intimidating, but this is because you have never given one before. Once you have a couple under your belt, they will feel just like any regular interview. For the most part, the same basic principles need to be abided by, except this time you are on camera. As video interviews are becoming more prevalent, it would be useful to acquaint yourself with the technology before the interview. By following these tips, you will be in a great position to nail the interview, and it can be an excellent opportunity to show off your prowess with specific technologies.



DOS AND DON'TS FOR VIRTUAL INTERVIEW

DOs

- Familiarize yourself with the technology beforehand. Try talking to a friend through it the day before your interview.
- Interview in a room where you are not going to be disturbed.
- Ensure the room's lighting is good, and make sure that whatever is behind you is appropriate.
- Prepare as though you would for a face-to-face interview.
- Do set the camera up so that you'll be visible from the waist up.
- Do test your internet connection on the day of the interview to be confident it is working.
- Do dress professionally & be well-groomed.
- Do turn off your cell phone and close any other browsers so that you are not distracted.
- Do clean the camera so that you don't appear blurry on the other end.
- Do look straight into the camera so that it looks like you are looking directly at the interviewer.
- Do remember all essential nonverbal traits, including eye contact, smiling, and posture.
- Do leave a pause after every question the interview panel asks. There might be a delay, and you could end up interrupting the interviewer.
- Do speak conversationally and try your best to build up a rapport with the interviewer.
- Do follow the same basic etiquette as you would a regular interview.

DON'Ts

- Don't refuse a video interview altogether.
- Don't neglect your hygiene. Make sure you wash your face so that you still look professional.
- Don't have an unprofessional username. Always set the username mentioned by the institute usually CATID_Name.
- Don't go overboard on patterns or colors in your attire. Keep it professional.
- Don't answer by looking into any notes beside. You should know what you want to talk about off the top of your head.
- Don't switch tabs unnecessarily.
- Don't move around a lot in your chair.
- Don't get distracted by anything going on at the interviewer's side of the conversation, and don't have other programs open on your computer that could distract you.
- Don't get flustered if there are glitches or connection problems. Glitches are an inherent risk when dealing with online interviews, and there is often nothing you can do to prevent them or stop them once they are occurring.

PI QUESTIONS



GENERAL QUESTIONS

- Describe yourself in 5 words.
- What is the meaning of your name? How does it relate to your personality?
- What are your key skills/ greatest strengths?
- What are your weaknesses? What have you done to overcome them?
- What is your greatest achievement?
- What is your biggest failure or challenge? What did you learn from it?
- Where do you see yourself five years down the line?
- What are the qualities of a good manager?
- What are your career goals?
- What are your short-term goals?
- What are your long-term goals?
- How do you deal with failures?
- How do you deal with criticism?
- What have you learnt from your failures?
- Who is your role model? What have you learned from them?
- Describe a situation where you exhibited leadership.
- How do you define success and how do you measure up to your own definition?
- What are the newspaper headings that grabbed your attention?
- Questions may come on: City, region, state you belong to. Be prepared with name of politicians, and history of your area.
- People with work-ex may be asked: Job profile details, company info, competitors, major business areas.
- Do you have any questions for us?

PI QUESTIONS



MANAGEMENT BACKGROUND QUESTIONS

- What do you know about Maslow's theory of motivation?
- What are the various types of Ecommerce Business Models
- Distinguish between sales and marketing with help of examples.
- What is IRR? What do you understand about NPV?
- What are the different forms of ownerships of a business?
- What do you understand by the brand image of a Company. Explain with suitable example
- What are corporate level strategies? Give examples.
- What is Herzberg's two factor theory?
- What do you know about the BCG matrix?
- What is the double entry system?
- What is digital marketing? What are its various channels?
- Do you know about Game theory?
- What is the distinction between operating profit and gross profit?
- What happens when the mean, median and mode of distribution are the same?
- What are the principles of general Management?
- What are the 7Ps of marketing?
- What do you understand by a bond ?
- What are various types of bond risks?
- What do you understand by an IPO?

PI QUESTIONS



COMMERCE BACKGROUND QUESTIONS

- What is debit and credit, & its significance?
- Major differences between e-commerce & brick and mortar stores.
- How does a bank earn money?
- How can you say a company is financially stable?
- What are GAAPs?
- What are accounting standards and what is the use of them?
- Difference between common size and comparative balance sheet.
- What is standard deviation & give a practical implication of it.
- Accounting concepts, their significance and examples.
- What are the types of cash flow?
- How to calculate GDP. What is the difference between real and nominal GDP.
- What is CSR, SLR, CRR, repo rate, banking and lending rates, economic affairs.
- Difference between accounting profit and economic profit.
- Types of accounting and general accounting rules.
- Draw the graph of Put options.
- Formula of weighted average cost of capital?
- What is internal reconstruction?
- What is B.C.D.? It is from GST Basic Custom Duty2
- What is Break-even point?
- How is goodwill for a Sole proprietorship calculated?
- What is the operating cycle?
- Explain about Negotiable instruments Act
- What are the different methods of calculating depreciation
- Your thoughts on the latest budget.
- What is capital budgeting?
- What is STP analysis? STP analysis of organization of your choice?
- What is your take on the current economy of India and where is it going?
- Tell us about the financial statement. Describe the balance sheet, P&L, Trial Balance and its terms briefly. (terms like contingent liabilities)
- What are derivatives?
- What is inflation? What are the causes of inflation?
- Types of shares. Yesterday's stock market closed on?
- Difference between monetary policy and fiscal policy.
- Why balance sheet balances.

PI QUESTIONS



ENGINEERING BACKGROUND QUESTIONS

- Difference between AC and DC?
- What is a Transformer? Give a Practical example of working of transformer
- Can a DC transformer exist? Why or why not?
- Why is the frequency of AC in India 50 Hz while in America it's 60Hz?
- What is HVDC?
- Can we transmit electricity underwater?
- What is an Electric Vehicle? Explain about working.
- Explain the difference between DC, Servo and Stepper Motor?
- Are electric vehicles viable in India, why or why not?
- How has transistor revolutionised the electronic industry?
- How is the Shutdown process carried out?
- What are different types of Salts found? Give their chemical compositions.
- What are different types of interference?
- Real life example with respect to incoherent interference?
- What are the 3 laws of motion?
- Automation and its applications and uses in the industry.
- How can you control the automated machines? Say a robotic arm?
- How can you control the automated machines? Say a robotic arm?
- What is the difference between normality and molality?
- Which company is the largest employer in the world?
- Explain the equations of the Higgs Boson particle?(EEE)
- Technologies for making websites
- On which technology IIM BG website is running
- Can you draw anything that you analyse during your code optimization and draw a graph of how it varies with respect to LOC(Lines of Code)?
- Draw any SDLC model.
- Tell me about Hibernate and Struts framework
- What's meant by R-DBMS?
- Tell me what is the difference between R-DBMS and DBMS?
- Different types of software development methods ?
- What is the difference between Waterfall Model and Agile Model?

PI QUESTIONS



ECONOMICS RELATED QUESTIONS

- How do we calculate Nominal GDP?
- How is it different from Real GDP?
- Do you know about the Philips curve ? In which conditions does the philips curve fails?
- Explain GDP at PPP ?
- How is it different from Nominal GDP ?
- Current rank of india in world GDP in term of GDP at PPP & Nominal GDP.
- Stagflation ? When it occurs in an economy?
- What is environmental economics ?
- Difference between public and private goods . Explain with example
- What are causes of current slow down in the automobile sector ?
- Explain in Brief the economic history of India ?
- Can you explain the India's Balance of payment crises of 1991 ?
- What is the difference between Micro and Macro economics?
- What is opportunity cost?
- What are the different forms of market? What are the basis on which these are divided? - Monopoly monopolistic etc.
- What are the types of markets in economics?
- What is a homogeneous and heterogeneous product? Give one example of each.
- What is price elasticity of demand?
- What is demand and the law of demand ?
- What is supply and the law of supply?
- Draw the demand and supply curves. Explain the slope of these curves.
- What is diminishing marginal utility?
- What are giffen goods/veblen goods/status goods?
- What is the consumer surplus and the producer's surplus?
- What is balance of payments?
- What is the GDP of India? Is it declining? Why?
- What do you know about the \$5 trillion economy vision of India?
- What is the law of demand? What are the exceptions of the law of demand?
- How will you categories petrol in terms of elasticity?
- YES bank case!
- What kind of policies RBI should take to overcome controversies.
- You know any recent policy launched by RBI.

PI QUESTIONS



BSC BACKGROUND QUESTIONS

ZOOLOGY (HONS.)

- All of a sudden from bio background to MBA. Any specific reason?
- What do you know about coronavirus? How does it work?
- What is the term called when a disease is transferred from animal to human?
- What is RNA?
- What is the difference between RNA and DNA?
- What is the latest model of DNA that we study today?
- Take a paper and pen and draw the structure of double helix model of DNA.

CS

- What is a super computer and where do we use it?
- Difference between IOS and Android?(operating system based)
- What is cloud? Where is it used?
- Write a program of printing the first 10 prime numbers (C language) An easy integration problem.
- Difference between Object and procedural based programming?
- If you are to order t-shirts for a coaching class having 300 students, then how much quantity of each size will you order?
- Where do you use c language? Which type of language is it?

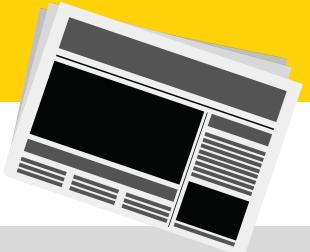
STATS

- What do you mean by skewness? Which distribution has skewness .Also, can you draw that on the graph and what does that implies
- What's the difference between correlation and covariance?
- Which error is used while hypothesis testing and why?
- What are options? And then what's the difference between options and future contracts?
- Also why a general MBA in finance and not 'stats, data analytics or actuarial science'?

CHEMISTRY

- Tell us something about carbon and its isomers with their structural formulas and a peculiar thing about each isomer. Which isomer of carbon is football shaped?
- What is the difference between isobar, isotope and isomers?
- We fill air that is of normal temperature in a cycle tyre. But if we ever let that air out, it's cold. How and why?
- Tell us something about Wuhan and the virus.
- Which stream from chemistry do you like? Why?
- What gives colour to transition metals?
- In the lab, if someone gets burnt by an acid like H₂SO₄. What should be put on it? What kind of Base (weak or strong?)
- Why is insulin different from other proteins chemically?

NATIONAL ISSUES/ EVENTS/NEWS



SUPREME COURT ALLOWED THE CENTRAL VISTA PROJECT

The Supreme Court had reserved orders on the fate of the Central Vista project including the construction of a new Parliament building and Central Secretariat.

<https://www.hindustantimes.com/india-news/supreme-court-clears-redevelopment-plan-for-central-vista-project/story-SZgVS5f0QrSQxTRT7bQmm0.html>

NEW NATIONAL EDUCATION POLICY APPROVED BY UNION CABINET

The Union Cabinet approved the New Education Policy and renamed the ministry of human resource and development as the Ministry of Education.

<https://timesofindia.indiatimes.com/home/education/news/national-education-policy-2020-all-you-need-to-know/articleshow/77239854.cms>

CHIEF MINISTER'S LIST

Recent state elections saw change in the hands of power with Uttar Pradesh, Assam, Kerala and West Bengal grabbing the spotlight

<https://www.india.gov.in/my-government/whos-who/chief-ministers>

DCGI APPROVES ANTI-COVID DRUG DEVELOPED BY DRDO

The DCGI recently granted permission for emergency use of the drug as an adjunct therapy in moderate to severe Covid patients.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1717007>



NATIONAL ISSUES/ EVENTS/NEWS



INDIA IN TOKYO OLYMPICS 2021

India finished 48th on the medal tally in Tokyo, its highest ranking in over four decades with 7 medals (1 Gold, 2 Silvers, and 4 Bronze)

<https://timesofindia.indiatimes.com/sports/tokyo-olympics/india-in-tokyo/tokyo-olympics-2020-india-finishes-48th-best-in-four-decades-33rd-in-terms-of-overall-medals-won/articleshow/85168821.cms>

GENERAL BIPIN RAWAT PASSES AWAY

Chief of Defence Staff Gen Bipin Rawat, his wife and 11 others died after the Mi-17V5 helicopter crashed in the southern state of Tamil Nadu.

<https://www.business-standard.com/about/who-is-bipin-rawat>

FARM BILLS REPEALED

In a televised address to the nation, Prime Minister of India Narendra Modi apologized to the farmers and announces repealing of three Farm Bills following a year long farmers' protest in borders of Delhi.

[At long last, farmers call off year-long protests as govt agrees to all demands | Latest News India - Hindustan Times](#)

PEGASUS SPYWARE AND INDIA

In India, the Pegasus Project investigations alleged that the Pegasus spyware was used on ministers, opposition leaders, political strategist and tacticians, journalists, activists, minority leaders, supreme court judges, religious leaders, administrators like Election Commissioners and heads of Central Bureau of Investigation (CBI).

<https://ifex.org/anatomy-of-the-pegasus-spyware-in-india/>

<https://www.theguardian.com/news/2021/oct/27/indian-supreme-court-orders-inquiry-into-states-use-of-pegasus-spyware>

INTERNATIONAL EVENTS 2021



2021 in 6 minutes by Vox

<https://youtu.be/sTTvilkYTLY>

HUMAN ACTIVITIES: HUMAN ERROR OR NEGLIGENCE IS A KEY CAUSE OF THE WILDFIRE

Wildfires aren't new for the world, but the increasing cases of such has sent alarming signals over the past few years. The recent Wildfires in Siberia and California are few situations that perfectly depict the rapid climate change.

<https://www.space.com/2021-record-wildfire-season-from-space>

<https://earth.org/what-causes-california-wildfires/>

<https://www.nature.com/articles/d41586-021-02509-3>

MASSIVE CARGO SHIP TURNS SIDEWAYS, COMPLETELY BLOCKS SUEZ CANAL

While the whole world is already suffering from the pandemic, all of a sudden, the sea route transport got disrupted by one cargo ship and made all the ships in the Indian ocean stay where ever they are

<https://www.dogonews.com/2021/3/29/massive-cargo-ship-blocking-the-suez-canal-is-finally-dislodged>

MOMENTS OF TOKYO OLYMPICS 2020

Despite the pandemic in 2020, the Tokyo 2020 Olympics took place in mid-year 2021. Nevertheless, the event saw many memorable moments, from historic sprinting wins to legendary gymnast Simone Biles drawing praise for her mental health stance to the scandal over a Belarusian sprinter and unforgettable throw by Neeraj Chopra.

<https://www.aljazeera.com/news/2021/8/9/olympics-review-the-highs-lows-and-controversies-of-tokyo-2020>

INTERNATIONAL EVENTS 2021



AMERICAN TROOPS WITHDRAW FROM AFGHANISTAN

US military personnel leave Afghanistan amidst many issues after staying for over two decades. Is military expenditure only the primary issue, or is there any other concern?

<https://www.bbc.com/news/world-middle-east-53656220>

<https://www.nytimes.com/2020/02/29/world/asia/us-taliban-deal.html>

THE FUTURE OF INTERNET: METAVERSE

The Phrase Virtual reality needs no introduction for the present generation, but to bring it into our daily lives is a great challenge for any. Here comes Mark with his idea of Metaverse

<https://edition.cnn.com/2020/10/31/europe/poland-abortion-protests-scli-intl/index.html>

FIRST W.H.O. ENDORSED MALARIA VACCINE

Check out the only positive statement made by WHO Director-General Dr. Tedros Adhanom Ghebreyesus in his tenure. One of the significant breakthroughs in medical science.

<https://www.who.int/news/item/06-10-2021-who-recommends-groundbreaking-malaria-vaccine-for-children-at-risk>

COVID IS STILL NOT OVER, AND THE ECONOMIC FALLOUT IS STARTING TO BECOME VISIBLE

The whole world is waiting for the day to hear "No more Covid cases recorded today," but it seems impossible soon as the third wave has already hit many nations.

<https://www.hopkinsmedicine.org/health/conditions-and-diseases/coronavirus/first-and-second-waves-of-coronavirus>

BUSINESS AND TECHNOLOGY



GST COUNCIL DECIDES TO DEFER RATE HIKE ON TEXTILES FROM 5% TO 12%

The Goods and Services Tax (GST) Council on Friday put on hold proposed changes in the levy on textiles that were to take effect from January 1. It held back the hike to 12% from 5% that was approved in September.

https://economictimes.indiatimes.com/news/economy/policy/gst-council-decides-to-defer-rate-hike-on-textiles-from-5-to-12/articleshow/88627329.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

CRYPTO EXCHANGES BET ON NFTS AMID REGULATORY CONCERN

Indian cryptocurrency exchanges seem to have taken a shine to Non-Fungible Tokens (NFTs). At least half a dozen crypto platforms are foraying into the NFT space.

https://economictimes.indiatimes.com/markets/cryptocurrency/crypto-exchanges-bet-on-nfts-amid-regulatory-concerns/articleshow/88643603.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

DRAFT E-COMMERCE POLICY, RULES TO BE RELEASED TOGETHER SOON

The government will soon circulate revised versions of the ecommerce policy and ecommerce rules to spell out comprehensive guidelines for all online transactions, covering all digital commerce and service providers

https://economictimes.indiatimes.com/industry/services/retail/draft-e-commerce-policy-rules-to-be-released-together-soon/articleshow/88578236.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

BUSINESS AND TECHNOLOGY



GST COLLECTIONS AT RECORD 1.3 L CRORE FOR 6TH MONTH IN A ROW, COLLECTIONS GROW 13% IN DEC.

India's goods and services tax (GST) revenue posted another strong month, rising 13% from a year ago to ₹1.30 lakh crore in December, official data released Saturday showed.

<https://economictimes.indiatimes.com/news/economy/finance/gst-revenue-collection-at-rs-1-29-lakh-crore-in-december/articleshow/88632698.cms>

BANKS' BAD LOAN GROWTH LIKELY TO SLOW AS RECOVERY GATHERS PACE: RBI

The Reserve Bank of India (RBI) expects bad loan growth to slow at banks under extreme macroeconomic stress as the recovery gathers pace, but warned about the precarious position of small and medium enterprises.

https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-bad-loan-growth-likely-to-slow-as-recovery-gathers-pace-rbi/articleshow/88578315.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

TESLA: MOST VALUABLE CAR COMPANY

Tesla overtakes Toyota to become the most valuable car manufacturing company in the world, as the company's stock price hits record high.

<https://www.forbes.com/sites/sergeiklebnikov/2020/07/01/tesla-is-now-the-worlds-most-valuable-car-company-with-a-valuation-of-208-billion/?sh=6a3893e65334>

INDIA ADDS RECORD NUMBER OF UNICORNS IN 2021

2021 has been a fantastic year for the Indian start-ups as the country has added a record number of unicorns in the list to become 3rd largest unicorn ecosystem in the world, replacing United Kingdom.

<https://www.moneycontrol.com/news/business/startup/your-guide-to-indias-startup-unicorns-of-2021-7876201.html>

BUSINESS AND TECHNOLOGY



FACEBOOK TO META

GFacebook rebrands its holding company as Meta which will encompass Facebook, the applications like Instagram, WhatsApp and the virtual reality product company Oculus.

<https://www.theguardian.com/technology/2021/oct/28/facebook-name-change-rebrand-meta>

PARAG AGARWAL BECOMES CEO OF TWITTER

The 37 years old, India born computer scientist Parag Agarwal replaces Jack Dorsey as the CEO of the micro blogging platform.

<https://www.indiatoday.in/technology/news/story/parag-agrawal-now-twitter-ceo-elon-musk-says-us-benefits-greatly-from-indian-talent-1882330-2021-11-30>

SEMICONDUCTOR SHORTAGE

The global chip shortage has become an ongoing crisis, affecting more than 150 industries including car, computer, graphic cards and other consumer electronics product markets.

<https://timesofindia.indiatimes.com/business/india-business/semiconductor-shortage-cabinet-approves-rs-76000-crore-incentive-plan-to-woo-manufacturers/articleshow/88298699.cms>

RISE OF NFT

The NFT market has boomed exponentially in 2021 as the market was able to generate a massive trading volume of over \$23 billion.

<https://www.theguardian.com/technology/2021/dec/16/nfts-market-hits-22bn-as-craze-turns-digital-images-into-assets>

BUSINESS AND TECHNOLOGY



THE FACEBOOK GLITCH

Massive internet outage across globe caused by Facebook, WhatsApp, Instagram went down for hours.

<https://www.india.com/news/world/breaking-massive-internet-outage-across-globe-some-of-worlds-biggest-sites-reported-down-4724336/>

REDDIT VS HEDGEFUNDS: GAMESTOP SHORT SQUEEZE

Reddit investors fuel GameStop stocks to surge, causing major financial consequences for certain hedge funds and large losses for short sellers.

<https://www.moneycontrol.com/news/world/explained-why-gamestops-stock-surge-is-shaking-wall-street-6414691.html>

BILLIONAIRE SPACE RACE

The billionaire space race is the rivalry among entrepreneurs who have entered the space industry from other industries - particularly computing. This private industry space race of the 21st century involves sending rockets to the ionosphere (mesosphere and thermosphere), orbital launch rockets, and suborbital tourist spaceflights.

<https://www.dailymail.co.uk/sciencetech/article-10358487/Space-billionaires-flying-Mars-roundup-space-highlights-2021.html>

MERGERS & ACQUISITIONS

Sony Picture Networks merges with Zee Entertainment
Tata Sons acquires Air India
Tata Digital Ltd. acquires Big Basket & 1MG
Wipro acquires Capco
HDFC Life acquires Excide Life
Ericsson acquires Vonage

Oracle acquires Cerner
Microsoft acquires Nuance
Baxter acquires Hillrom
AMD acquires Xilinx (*China Approval Pending*)
Nvidia acquires Arm

SPORTS



MAX VERSTAPPEN WON HIS MAIDEN F1 WORLD DRIVERS' CHAMPIONSHIP

Red Bull's Max Verstappen finishes P1 seals his maiden F1 title by beating title rival Lewis Hamilton of Mercedes in a last-lap thriller at the season-ending Abu Dhabi GP.

<https://news.sky.com/story/formula-1-lewis-hamilton-misses-out-on-record-eighth-f1-world-title-after-drama-at-abu-dhabi-grand-prix-12491965>

CRISTIANO RONALDO RE-SIGNS FOR MANCHESTER UNITED.

Man Utd has reached an agreement with Juventus to re-sign Cristiano Ronaldo for €15m (£12.9m) plus a further €8m (£6.9m) in add-ons for the Portugal captain on a two-year contract with the option to extend for a further year.

<https://www.espn.in/football/soccer-transfers/story/4465497/>

LIONEL MESSI LEAVES BARCELONA AND SIGNS WITH PSG

Lionel Messi has completed his move to Paris Saint-Germain after signing a two-year contract with an option for a third - worth £25m per year after tax, plus bonuses.

<https://www.nbcnews.com/news/world/lionel-messi-signs-2-year-contract-paris-saint-germain-n1276530>

THE MILWAUKEE BUCKS WON THE NBA CHAMPIONSHIP

The Milwaukee Bucks completed an incredible postseason run by beating the Phoenix Suns in NBA Finals in six games to win their first NBA championship in 50 years. It's the first championship for Giannis Antetokounmpo.

<https://www.nytimes.com/2021/07/20/sports/basketball/milwaukee-bucks-nba-finals-championship.html>

TYSON FURY DEFEATS DEONTAY WILDER

In their memorable trilogy's third and final bout, Fury dropped Deontay Wilder twice before finishing him via knockout in Round 11 to defend his WBC and lineal titles inside T-Mobile Arena in Las Vegas.

<https://www.bbc.com/sport/boxing/58860290>

SPORTS



AUSTRALIA WON THE T20 WORLD CUP TITLE

Australia won their maiden T20 World Cup title as they defeated New Zealand in the final by 8 wickets. A target of 173 in a global final is never easy, but Marsh and David Warner achieved the target in 18.5 overs.

<https://edition.cnn.com/2021/11/14/sport/t20-world-cup-final-new-zealand-australia-spt-intl/index.html>

NOVAK DJOKOVIC LIFTS FRENCH, AUSTRALIAN OPEN & WIMBLEDON TITLES

Novak Djokovic lifts French, Australian Open & Wimbledon Titles, only missing the US Open.

<https://timesofindia.indiatimes.com/sports/tennis/top-stories/2021-flashback-the-year-of-novak-djokovic/articleshow/88535263.cms>

TOM BRADY WINS HIS SEVENTH SUPER BOWL RING

Tom Brady, at 43 beats father time as he steered the Tampa Bay Buccaneers, the worst franchise in American ball sports to a comfortable 31-9 victory over the defending champions Kansas City Chiefs to extend his record for Super Bowl wins to seven in his tenth appearance (both all-time high).

<https://www.bbc.com/sport/american-football/55975394>

ARGENTINA DEFEATS BRAZIL TO WIN THE COPA AMERICA

Argentina beat Brazil 1-0 in the Copa America final to secure the national team's first title in 28 years, and Lionel Messi finally lifted his first major trophy for the national team.

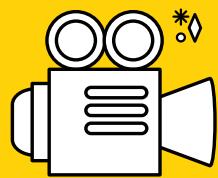
<https://www.bbc.com/sport/football/57776158>

ITALY DEFEATS ENGLAND TO WIN EUROPEAN CHAMPIONSHIP TITLE

Italy defeated England 3-2 in a penalty shoot-out in the Euro 2020 final at Wembley Stadium in London and lifted their second European Championship trophy.

<https://www.bbc.com/sport/football/51198762>

ENTERTAINMENT



VETERAN FILM ACTOR DILIP KUMAR PASSES AWAY AT 98

Veteran actor Dilip Kumar, who enthralled India with 'Devdas' & 'Mughal-e-Azam', passes away at 98 on 7th July. The actor was admitted to the intensive care unit (ICU) on Wednesday (June 29), after reportedly complaining of breathlessness.

https://www.business-standard.com/article/entertainment/javadekar-pitches-for-private-participation-in-52nd-iffi-edition-121011600817_1.html

INDIA GETS THREE NOMINATIONS AT THE INTERNATIONAL EMMY AWARDS 2021

India made its presence felt with three nominations, including Vir Das for his Netflix special, Vir Das: For India, Nawazuddin Siddiqui for his role in Serious Men and Sushmita Sen for Aarya. There were a total of 44 nominees across 11 categories from the world over.

<https://www.tribuneindia.com/news/entertainment/india-gets-three-nominations-at-the-international-emmy-awards-2021-315172>

TAMIL FILM 'KOOZHANGAL' PICKED AS INDIA'S ENTRY FOR 2022 OSCAR'S BEST INTERNATIONAL FEATURE

Debutante filmmaker PS Vinothraj's Koozhangal (Pebbles) has been selected as India's official entry to Oscars 2022 under the international feature film category. The announcement was made on Saturday, October 23.

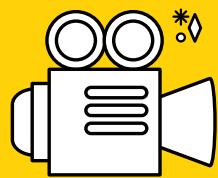
<https://theprint.in/india/tamil-film-koozhangal-picked-as-indias-entry-for-2022-oscars-best-international-feature/755653/>

DIVYA DUTTA WINS THE BEST ACTOR AWARD FOR 'SHEER QORMA' AT DFW SOUTH ASIAN FILM FESTIVAL

Actor Divya Dutta, has won the best actor award at the DFW South Asian Film Festival. The award was presented in Dallas in the United States. Directed by Faraz Ansari, Sheer Qorma also won the Best Of The Fest film award.

<https://www.hindustantimes.com/entertainment/bollywood/divya-dutta-on-sheer-qorma-winning-an-international-award-it-s-pride-month-what-could-be-better-than-this-101623861071705.html>

ENTERTAINMENT



PRASOON JOSHI HONOURED WITH INDIAN FILM PERSONALITY OF THE YEAR AT 52ND IFFI

Padma Shri awardee, Prasoon Joshi, was honoured at the International Film Festival of India (IFFI), Goa, as the Indian Personality of the Year. The award was presented to him by the Union Minister I&B, Shri Anurag Thakur.

<https://theprint.in/ani-press-releases/prasoon-joshi-honoured-with-indian-film-personality-of-the-year-2021-at-52nd-iffi/773876/>

KASHI FILM FEST PITCHES UP AS FILMMAKING HUB

The three day film festival along with the proposed Film City project will serve as an effective tool to prevent local talent from venturing outside Uttar Pradesh in search of opportunities in creative fields.

<https://timesofindia.indiatimes.com/city/varanasi/kashi-film-fest-pitches-up-as-filmmaking-hub/articleshow/88531988.cms>

HARNAAZ SANDHU CROWNED MISS UNIVERSE 2021

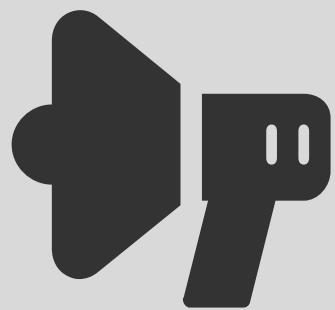
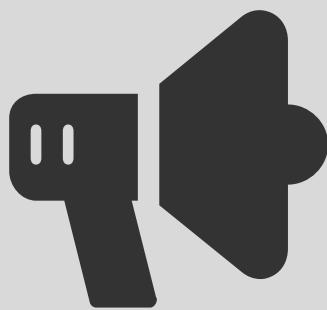
Harnaaz Sandhu made history on December 13 as she was crowned Miss Universe 2021 beating contestants from 80 countries— 21 years after India last brought home the title.

<https://www.thehindu.com/news/international/indiias-harnaaz-sandhu-crowned-miss-universe-2021/article37942613.ece>

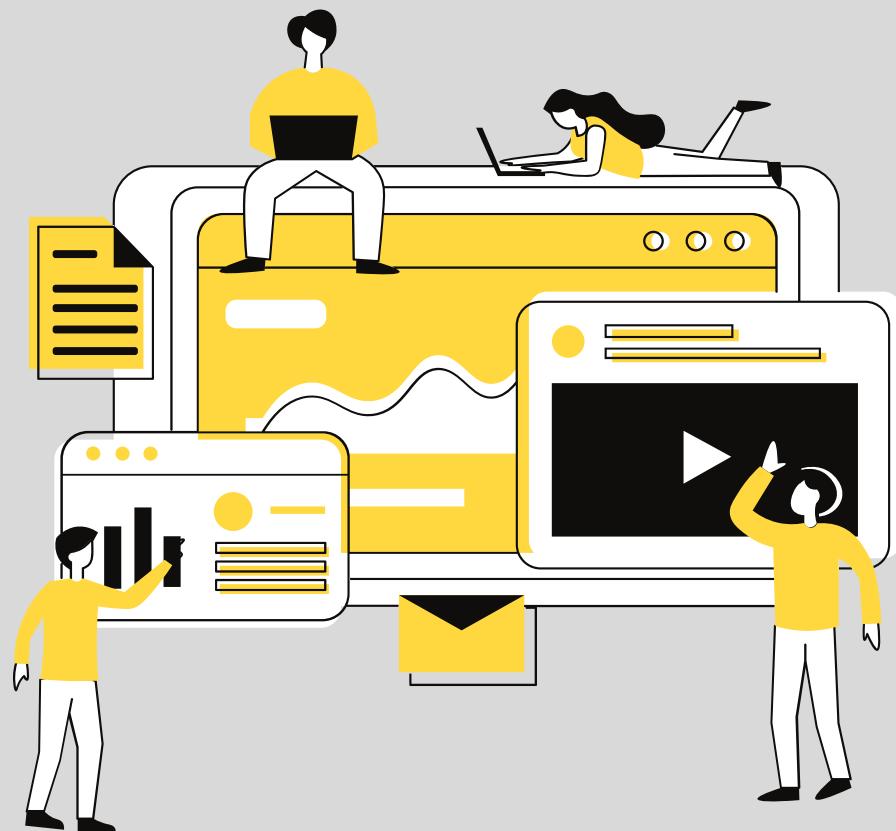
'SPIDER-MAN: NO WAY HOME' BECOMES THE FIRST POST PANDEMIC FILM TO CROSS THE \$1 BN MARK GLOBALLY.

The new spiderman movie has managed to cross the one billion dollars mark at the box office within 12 days of its release. It is the third fastest film to do so in the history of movie revenues.

<https://economictimes.indiatimes.com/magazines/panache/spider-man-no-way-home-crosses-1.bn-mark-globally-becomes-highest-earner-of-the-pandemic/articleshow/88514493.cms>



CREATING VALUE MARKETING



According to Mr. Philip Kotler (The Father of Modern Marketing), marketing is the process by which companies engage customers, build customer relationships, and create customer value in order to capture value from customers in return.

MARKETING CONCEPTS

Production Concept – The idea that consumers will favor products that are available and highly affordable, so, the organisation should focus on improving production and distribution efficiency.

Product Concept - The idea that consumers will favor products that offer the most quality, performance & features; so, the organisation should devote its energy to making continuous product improvements.

Selling Concept – The idea that consumers will buy enough of the firm's products unless the firm undertakes a large-scale selling and promotion effect.

Marketing Concept – A philosophy in which achieving organizational goals depending on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitor's do.

Societal Marketing Concept – The idea that a company's marketing decisions should consider consumers' wants, the company's requirements, consumers' long-run interests, and society's long-run interests.

DIFFERENCE BETWEEN CUSTOMER AND CONSUMER?

Customer – Buyer, not necessarily a user.

Consumer – Might be a buyer, but necessarily a user.

A product/service is designed to give maximum satisfaction to the consumer and is advertised in a manner that it makes the maximum appeal to the customer.

Ex. A mother(customer) buys a toy for her kid(consumer).

DIFFERENCE BETWEEN PRODUCT AND SERVICE?

Product	Service
It is tangible	It is intangible
Homogenous	Heterogenous
It is an object	It is a process or an activity.
Transfer of ownership	No transfer of ownership

The marketing mix is a crucial tool to help understand what the product or service can offer and how to plan for a successful product offering. The marketing mix is most commonly executed through the 4P's of marketing: Price, Product, Promotion, and Place. An extension of this concept also includes the 4C's.

4P'S OF MARKETING

Product : The product can either be tangible or an intangible service. Customers usually focus on quality, price, design, features and functionality of the product.

Price : It's the amount that the customer pays to purchase the product. Discount, payment terms & credit period is considered.

Place : The market where the product is sold is known as place. These are the ways of distribution, channel & logistics via which the product reaches the customer.

Promotion : It's a method of communication by which the marketer provides information about a product. It includes personal selling, advertisements, word of mouth publicity etc.



4C'S OF MARKETING

Customer Value : Instead of focusing on the product itself, the first C focuses on filling a void in the customer's life. The customer makes the purchase decision & is, therefore, the most valuable resource.

Cost : Cost not only includes price of the item, but also may include things such as the time it takes for the customer to get to your location in order to buy your product, or the cost of gas that it takes to get them there.

Convenience : The goal is to make the product cost effective and simple enough to make it convenient for the customer to attain the product without having to jump through hoops.

Communication : It involves interaction between the buyer & seller. This marketing strategy can very easily be implemented through the use of social media.



WHAT IS PRODUCT LIFE CYCLE?

Products, like people, have life cycles. The product life cycle is broken into four stages: introduction, growth, maturity, and decline. This concept is used by management and by marketing professionals to decide when it is appropriate to increase advertising, reduce prices, expand to new markets, or redesign packaging.

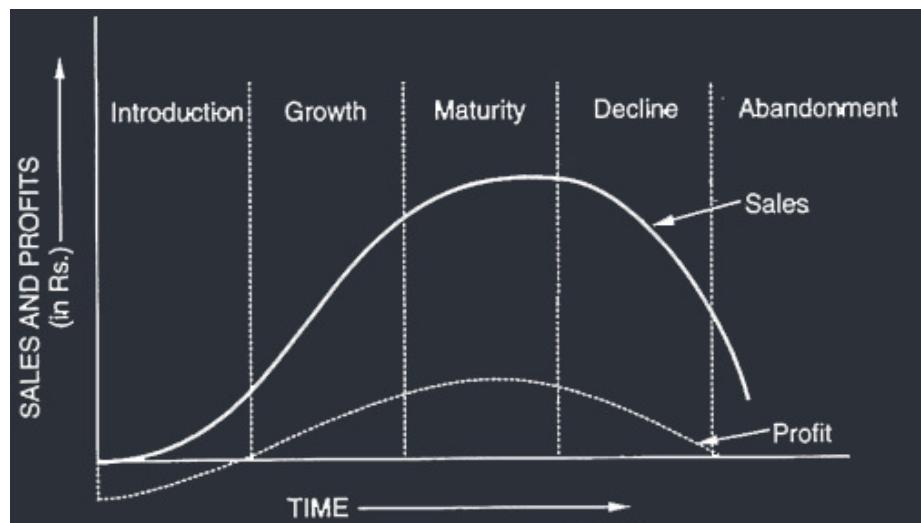
PRODUCT LIFE CYCLE

Introduction : This is the phase when a new product is first brought to the market. Sales are low and creep along slowly. This phase includes a substantial investment in advertising & a marketing campaign to make consumers aware of the product & its benefits.

Maturity : As a product matures, it enters its most profitable stage, while the costs of producing and marketing decline.

Growth : Demand begins to accelerate and the size of the total market expands rapidly. It might also be called the "Take-off Stage". Demand grows, production is increased, and its availability expands.

Decline : The product tends to lose consumer appeal & sales drift downward because of the increased competition as other companies emulate its success, sometimes with enhancements or lower prices.



STAGE	SALES	PROFIT
Introduction	Low/No sales	No profits/ Losses as well
Growth	Rapid sales increase	Keeps on increasing
Maturity	Reaches a peak & stagnates	Reaches a peak & decreases
Decline	Almost no sales	No Profits

SEGMENTATION, TARGETING & POSITIONING

The STP process demonstrates the links between an overall market and how a company chooses to compete in that market. The goal of the STP process is to guide the organization to the development and implementation of an appropriate marketing mix.

SEGMENTATION, TARGETING & POSITIONING

Market Segmentation can be defined as the process of splitting a market into smaller groups with similar product needs or identifiable characteristics, for the purpose of selecting appropriate target markets.

Positioning (also referred to as product positioning) is the target market's perception of the product's key benefits and features, relative to the offerings of competitive products.

Targeting (or target market selection) refers to an organization's proactive selection of a suitable market segment (or segments) with the intention of heavily focusing the firm's marketing offers and activities towards this group of related consumers.



B2B MARKETING VS B2C MARKETING

B2B

B2B marketing is used by businesses that sell products or provide services to other businesses

Buyers make decisions on a rational basis

Small, targeted customer base

Marketing is relationship driven

Has a longer sales cycle and a longer buying process

B2C

B2C marketing is used by businesses that sell products or provide services to end-user consumers

Buyers make decisions on an emotional basis

Huge customer opportunities

Marketing is product driven

Has a faster buying process

WHAT IS SWOT ANALYSIS?

SWOT analysis is a study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats.

SWOT ANALYSIS

Strengths describe what an organization excels at & what separates it from the competition: a strong brand, loyal customer base, a strong balance sheet and so on. It tells about the aspects of the business that provide value to the product or service.

Opportunities refer to favorable external factors that could give an organization a competitive advantage. For example, mergers, joint ventures, moving into new market segments, market vacated by a competitor.

Weaknesses stop an organization from performing at its optimum level. Weakness can be of any form : a weak brand, higher-than-average turnover, high levels of debt, an inadequate supply chain or lack of capital.

Threats refer to the factors that have the potential to harm an organization. For example, a drought is a threat to a wheat-producing company, as it may destroy or reduce the crop yield. Other common threats include things like rising costs for materials, increasing competition, tight labor supply and so on.

Strengths Characteristics of a business which give it advantages over its competitors	Weaknesses Characteristics of a business which make it disadvantageous relative to competitors
Opportunities Elements in a company's external environment that allow it to formulate and implement strategies to increase profitability	Threats Elements in the external environment that could endanger the integrity and profitability of the business

Branding is a marketing practice in which a company creates a name, symbol or design that is easily identifiable as belonging to the company. This helps to identify a product and distinguish it from other products and services.

WHY IS BRANDING IMPORTANT?

Branding is absolutely critical to a business because of the overall impact it makes on your company. Branding can change how people perceive your brand, it can drive new business and increase brand awareness. Branding is what makes a memorable impression on consumers but it allows your customers and clients to know what to expect from your company. It is a way of distinguishing yourself from the competitors and clarifying what it is you offer that makes you the better choice. Your brand is built to be a true representation of who you are as a business, and how you wish to be perceived.



PUSH MARKETING AND PULL MARKETING

In push marketing, you are trying to bring your products to your customers. Just as the name suggests, you are trying to "push" a particular product on your target audience. Usually, businesses use push marketing in the following scenarios:

1. When launching a new product
2. When operating in a niche market

In pull marketing, the customers know what they are looking for, and they often look for the benefits themselves. In this case, the user engages more with the product pre-purchase, and goes out and searches information actively. This can, for example, be car dealers, lawyers, and products such as household appliances, beds, computer screens, etc. Businesses will use pull marketing:

1. When the user knows what he or she is looking for
2. When branding is of great importance

Market segmentation is a business practice relying on research that leads the direction of how a business divides its target market into smaller, more manageable groups based on common ground they share. Customers of each market segment have similar characteristics that businesses can leverage to optimize their marketing, advertising & sales efforts.

GEOGRAPHIC

Target customers based on a predefined geographic boundary. Differences in interests, values, and preferences vary dramatically throughout cities, states, religions, and countries.

DEMOGRAPHIC

The process of dividing a market through variables such as age, gender, education level, family size, occupation, income and more. This is one of the most wildly used strategies amongst marketers.

PSYCHOGRAPHIC

Focus on the intrinsic traits the target consumer has. Psychographic traits can range from values, personalities, interests, attitudes, conscious and subconscious motivators, lifestyles, and opinions.

BEHAVIORAL

Break down the way customers go through their decision making and buying processes. Attitudes towards the brand, the way they use it, and their knowledge base are all behavioral examples.

SELLING

- Emphasis is on the product
- Company first makes the product and then figures out how to sell it
- Management is sales volume oriented
- Profit through sales volume
- Planning is short run oriented
- Product first, then customer
- Let the buyer be aware

MARKETING

- Emphasis is on the customer wants
- Company first determines customer wants and then figures out to make it.
- Management is profit oriented.
- Profit through customer satisfaction
- Planning is long run oriented.
- Customer first, then product.
- Let the seller be aware

GENERAL TERMS

Market – The set of all actual and potential buyers of a product and service.

Needs – State of felt deprivation.

Wants – The form human needs take as they are shaped by culture and individual personality.

Demands – Human wants that are backed by buying power.

Product – Product is anything that can be offered to a market for attention, acquisition or consumption.

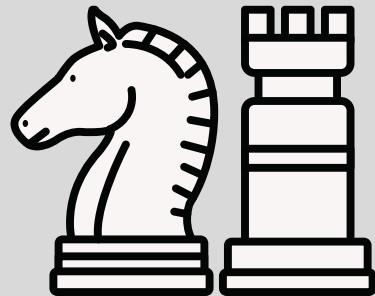
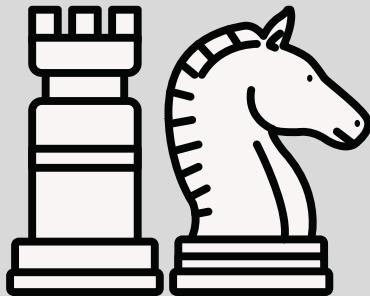
Service - Any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It's production may or may not be tied to a physical product.

SOME MORE IMPORTANT QUESTIONS (ANSWERS VARY INDIVIDUALLY)

- Why do you want to pursue marketing?
- Sell me this object (things like pen, bottle or any other thing).
- Tell me about your marketing experience (if you have any).
- What qualities of a marketer do you possess?
- Your favourite company/companies? Why?
- Which is your recent favourite ad? Why?

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- <https://catmediatheagency.com/4-ps-of-marketing-strategy/>
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STRATEGY

NEED A MASTER PLAN?



BCG matrix is a framework created by Boston Consulting Group to evaluate the strategic position of the business brand portfolio and its potential. It classifies business portfolio into four categories based on industry attractiveness (growth rate of that industry) & competitive position (relative market share).

BCG MATRIX

Question marks are the brands that require much closer consideration. They hold low market share in fast growing markets consuming large amount of cash and incurring losses

Strategic choices : Market penetration, market development, product development, divestiture.

Dogs hold low market share compared to competitors and operate in a slowly growing market. In general, they are not worth investing in because they generate low or negative cash returns.

Strategic choices : Retrenchment, divestiture, liquidation.

Stars operate in high growth industries and maintain high market share. Stars are both cash generators and cash users. They are the primary units in which the company should invest its money, because stars are expected to become cash cows and generate positive cash flows.

Strategic choices : Vertical integration, horizontal integration, market penetration, market & product development.

Cash cows hold high market share but operate in slowly growing market. They are most profitable for the brand and generate high volumes of cash.

Strategic choices : Product development, diversification, divestiture, retrenchment.



The Ansoff Matrix is a strategic planning tool that provides a framework to help executives, senior managers, and marketers devise strategies for future growth. The matrix suggests that a business' attempts to grow depend on whether it markets new or existing products in new or existing markets.

THE ANSOFF MATRIX

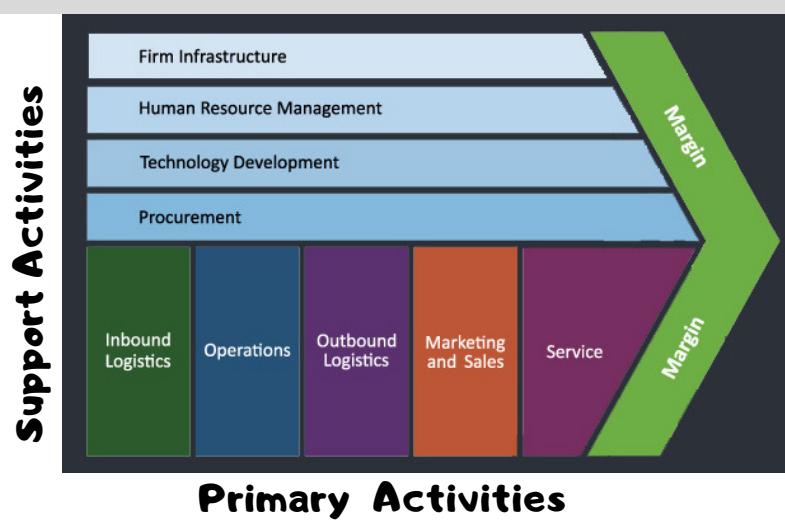


VALUE CHAIN ANALYSIS

Value chain analysis(VCA) is a process where a firm identifies its primary & support activities that add value to its final product and then analyse these activities to reduce costs or increase differentiation. Value chain represents the internal activities a firm engages in when transforming inputs into outputs.

Primary Activities are the activities that are directly concerned with creating and delivering a product or service.

Support Activities are not directly involved in production but may increase effectiveness or efficiency.



Porter's Five Forces is a model that identifies and analyzes five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. Porter's model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long-term profitability.

PORTER'S FIVE FORCES ANALYSIS

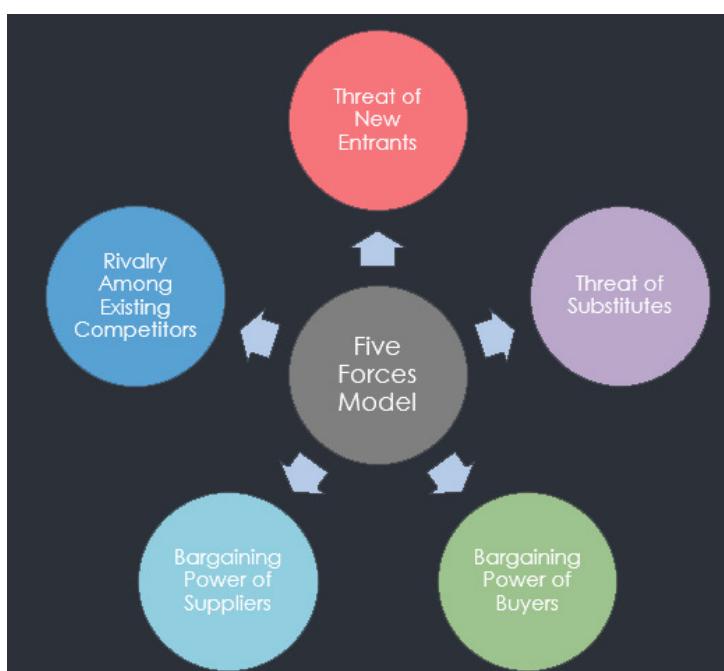
Threat of new entrants - This force determines how easy (or not) it is to enter a particular industry. If an industry is profitable and there are few barriers to enter, rivalry soon intensifies. When more organizations compete for the same market share, profits start to fall.

Bargaining power of suppliers - Strong bargaining power allows suppliers to sell higher priced or low-quality raw materials to their buyers. This directly affects the buying firms' profits because it has to pay more for materials.

Bargaining power of buyers - Buyers have the power to demand lower price or higher product quality from industry producers when their bargaining power is strong. Lower price means lower revenues for the producer, while higher quality products usually raise production costs.

Threat of substitutes - This force is especially threatening when buyers can easily find substitute products with attractive prices or better quality and when buyers can switch from one product or service to another with little cost.

Rivalry among existing competitors - This force is the major determinant on how competitive and profitable an industry is. In competitive industry, firms have to compete aggressively for a market share, which results in low profits.



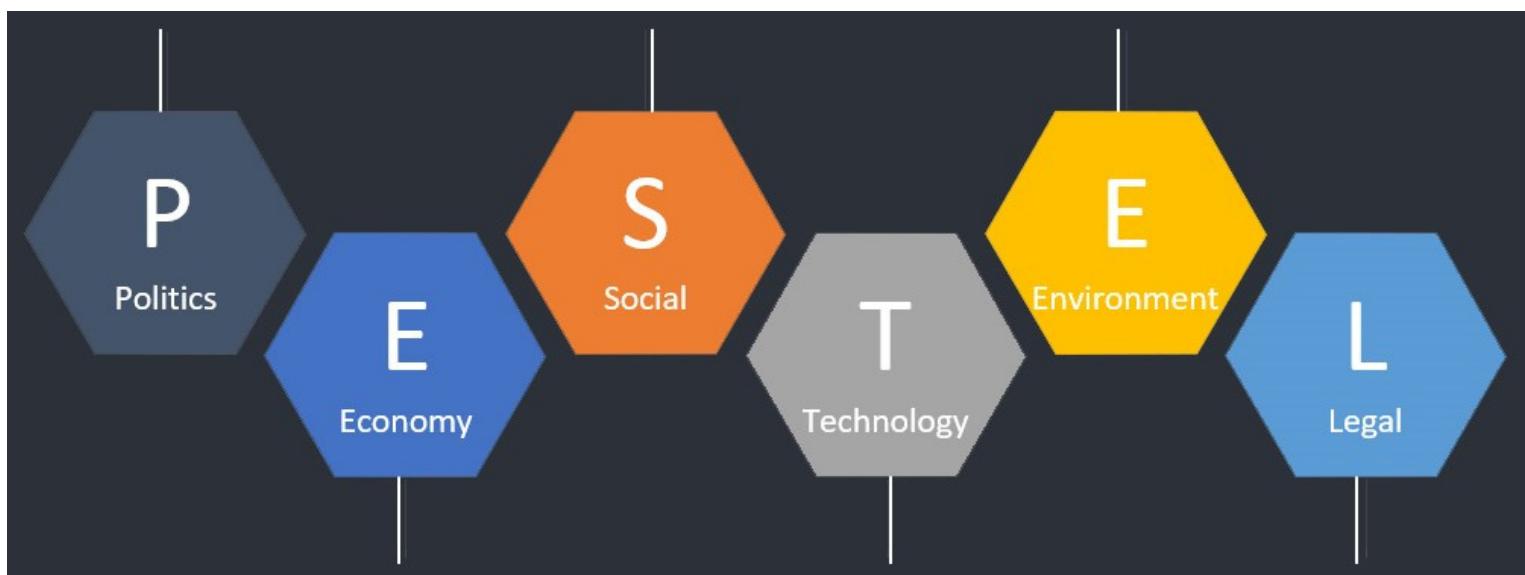
A PESTEL analysis is a framework or tool used by marketers to analyse and monitor the macro-environmental (external marketing environment) factors that have an impact on an organisation. The result of which is used to identify threats and weaknesses which is used in a SWOT analysis.

PESTEL ANALYSIS

These factors determine the extent to which a government may influence the economy or a certain industry

These factors scrutinize the social of the environment of the market, and gauge determinants like cultural trends, demographics, etc

These factors include all those that influence or are determined by the surrounding environment



Rise in inflation rate would cause companies to increase the prices

These factors pertain to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably

There are certain laws that affect the business environment in a certain country

COCA-COLA : BRAND CONSISTENCY

Coca-Cola is one of the most well-known brands in the world. Their red and white logo is recognized in countries all around the world and people identify their brand with feeling good and staying refreshed. They have kept their brand identity and product consistent for over 130 years, and their logo has stayed relatively the same and their marketing slogans and taglines have continued to promote the same message. It is this level of consistency for over 130 years that has made Coca-Cola one of the biggest brands in the world.

Today, Coca-Cola owns a huge percentage of the beverage market and has numerous products under different names and brands, however their most popular product, the infamous, iconic can of Coke, has remained relatively untouched. This just goes to show that when it comes to developing a recognizable and popular brand, consistency can go a very long way.

Coca-Cola spends an estimated \$4.3 billion on marketing and advertising every year. The company has all the power in the world to marketing in whichever way they choose. However, year after year, time and time again, the company favors consistency and this is what has paid off for them in the long run. The mistake that many business owners and marketers seem to make is a lack of consistency when it comes to their marketing and brand development.

APPLE (CREATING A MOVEMENT)

Apple did not fall into success over night. For anyone who has followed the story of the company, they would know that Apple had many road blocks to navigate through before making it to the top of their game. The one thing that helped Apple on its race to the top, however, was their ability to create a movement. This movement helped the brand to create a cult like following that over the years, has stood the test of time.

In all of their marketing efforts, Apple have not just showcased their products but they have also created the image that their products are visionary and life changing. Sure, they have developed some amazingly advanced technologies, however, in order to get average people excited by this, they have created beautiful, aesthetically pleasing gadgets that are not just for tech nerds. Their marketing has also helped to convey this by making people feel as if they need their products in order to enhance their life in some way. They have worked hard to win over consumers and have created a tribe of followers who are consistently excited about every product and every new announcement.

Even though there are now many competing brands with similar technology like Microsoft or Samsung, it is Apple products that people line up overnight for, it is Apple products that make headlines in the news. Creating this type of fandom does take a few special ingredients. Once you have been able to identify what makes your product or service so awesome, you have to market it in a simple and thought-provoking way. Look at Apple's ads for instance. There is nothing fancy about them, they are simple, clear and create a feeling of being part of something ultra-modern and ultra-innovative. On top of that you also have to deliver exceptional customer experiences. Remember, to develop a tribe that is going to follow your brand, you have to make them absolutely fall in love with what you are offering.

COLGATE (CREATES TRUST)

Colgate has taken a very different approach over the years and has chosen to educate consumers instead of forcing them. This strategy has helped the brand to not only sell tubes of toothpaste but to also become one of the leading and most trusted toothpaste products in the world. In marketing there are a few ways to promote trust, but nothing is more effective than educating customers and proving just how your product can work to benefit your consumers.

As part of Colgate's marketing strategy, they started an Oral Care Center, which is packed with information and videos on oral care and hygiene. They also share valuable information with consumers on how to brush and floss effectively and how to prevent the development of cavities and oral diseases. This strategy may seem obvious for a toothpaste brand; however, any business can adopt this strategy and make it work for them. Most consumers love receiving free information and learning about things that impact their lives or the lives of those around them. To replicate this strategy for your business, think about what your consumers really want to know and what information would make their lives easier.

Studies have also shown that when you offer something of value to your consumers for free, they are more likely to order from you in the future and are more likely to recommend your brand. Colgate may have a multi-million-dollar marketing budget to make spiffy videos and create content, however all you really need to do is go into the minds of your consumers and deliver to them what they really want. With even the smallest budget you can create blogs, e-books, videos, emails and even e-courses which can all help to educate your customers, generate long-term relationships and build trust.

STARBUCKS (SOCIAL STRATEGY)

Social media is important as it helps to establish brand identity, authority and trust. It also helps consumers to engage with your brand on a more intimate level, which helps to develop stronger relationships over time. Starbucks is the perfect example of a business that is crushing it when it comes to social media. They are clued in and tapped in with what their fans want and run a hugely successful Facebook, Twitter and Instagram account.

There are a few reasons that Starbucks is so successful on social media and some of our favorites include-

- Their clever use of videos, gif's and images on their feed
- Their custom images that go along with their tweets
- That they actually respond back to followers, especially on Twitter
- That they are up to date with current events and use them to their marketing advantage
- Their creation of several unique hashtags that have gone viral

Starbucks also run promotions and competitions through their social media platforms and many have gone on to be viral sensations around the web. Most recently, Starbucks became a trending news topic over their red Christmas coffee cups and pumpkin flavored coffees.

Starbucks definitely spends a huge portion of their marketing budget on social media and has teams of people to help organise and orchestrate everything, however there is still room for your smaller brand to learn from them. Running successful social media is not necessarily about thinking of some grand scheme to get people hooked (like red Christmas cups). Rather, it is about making connections with your fans and offering them more of what they are looking for. Craft a social feed that reflects your support and dedication towards your fans, as well as your knowledge in your industry. This includes sharing articles and images and responding to comments, tweets and messages. Combine all of this with some soft entertainment value and some frequent promotions and you will be well on the way to creating a solid social presence.

NIKE (SELL A STORY)

Nike offers consumers information but of a different kind. For every new pair of runners, for every new bit of technology, Nike offers a story not just product specs. Even on their main homepage, Nike paints a story about some of their famous shoes and the journey they have taken from idea to conception. Nike sells the story, which in turn helps to sell their products. Every product or service that you offer has some kind of story and if you can get creative enough, you may be able to turn that story into something powerful for your brand.

Writing a blog or using social media tools like Instagram, is also a great way to paint a visual story of your brand. Out of all the Fortune 500 companies, Nike has one of the strongest presences on Instagram and they use the platform in a very clever way. They promote strength and fitness, they promote health, they promote things that are so much bigger than just a pair of runners. This indirect style of marketing is what gets consumers interested in a brand or product and it is also what keeps them following along with the story. This ultimately helps to keep your brand fresh in their mind.



MANAGING CAPITAL FINANCE



Finance is the study of money and how it is used. Specifically, it deals with the questions of how an individual, company or government acquires the money needed - called capital in the company context - and how they then spend or invest that money.

FINANCIAL MANAGEMENT

Financial Management means planning, organizing, directing and controlling the financial activities such as procurement and utilization of funds of the enterprise. It means applying general management principles to financial resources of the enterprise.

4 key roles-

- Capital structure of the firm vis-a-vis debt or equity financing.
- Dividend decisions.
- Capital budgeting decisions.
- Working capital management.

FINANCIAL ACCOUNTING

Financial accounting is a specialized branch of accounting that keeps track of a company's financial transactions. Using standardized guidelines, the transactions are recorded, summarized, and presented in a financial report or financial statement such as an income statement or a balance sheet.

FINANCIAL STATEMENTS

Cash Flow Statement: The Cash Flow Statement starts with net income from the Income Statement; then it shows adjustments for non-cash expenses, non-expense purchases such as capital expenditures, changes.

Income statement: The Income Statement shows a company's revenues, costs, and expenses, which together yield net income.

Balance sheet: A balance sheet is a summary of the financial balances of an individual or organization. Assets, liabilities and ownership equity are listed as of a specific date, such as the end of its financial year.

Change in Equity: Statements of change in equity are one of the financial statements that show the shareholder contribution, and movement in equity. and equity balance at the end of the accounting period.

Notes to financial statements: It is the important statement that most people forget about. This is the mandatory requirement by IFRS that entity has to disclose all information that matters to financial statements and help users to have a better understanding.

The fundamental accounting equation, also called the balance sheet equation, represents the relationship between the assets, liabilities, and owner's equity of a person or business. It is the foundation for the double-entry bookkeeping system. Assets=Liability+Equity.

GAAP V/S IFRS

GAAP- Generally accepted accounting equation. (USA)

IFRS- International financial reporting standards.

IAS- Indian accounting standards. (India; derived from IFRS)

The primary difference between the two systems is that GAAP is rules-based and IFRS is principles-based.

AMMORTIZATION V/S DEPRECIATION

Amortization is the practice of spreading an intangible asset's cost over that asset's useful life. Intangible assets are not physical assets, per se.

Depreciation is the expensing of a fixed asset over its useful life. Fixed assets are tangible assets, meaning they are physical assets that can be touched.

FINANCIAL ANALYSIS BY RATIOS

Liquidity ratios-

- Current ratio = Current assets / Current liabilities
- Cash ratio = Cash and Cash equivalents / Current Liabilities

Financial leverage ratios-

- Debt ratio = Total liabilities / Total assets
- Debt to equity ratio = Total liabilities / Shareholder's equity
- Interest coverage ratio = Operating income / Interest expenses

Efficiency ratios-

- Asset turnover ratio = Net sales / Total assets
- Days sales in inventory ratio = 365 days / Inventory turnover ratio

Profitability ratios-

- Gross margin ratio = Gross profit / Net sales
- Operating margin ratio = Operating income / Net sales
- Return on equity ratio = Net income / Shareholder's equity

Market value ratio-

- Book value per share ratio = Shareholder's equity / Total shares outstanding
- Earnings per share ratio = Net earnings / Total shares outstanding
- Price-earnings ratio = Share price / Earnings per share

The time value of money (TVM) is the concept that money available at the present time is worth more than the identical sum in the future due to its potential earning capacity.

ANNUITY AND PERPETUITY

This core principle of finance holds that provided money can earn interest, any amount of money is worth more the sooner it is received. TVM is also sometimes referred to as present discounted value.

The time value of money draws from the idea that rational investors prefer to receive money today rather than the same amount of money in the future because of money's potential to grow in value over a given period of time. For example, money deposited into a savings account earns a certain interest rate and is therefore said to be compounding in value.

Time Value of Money Formula

$$\text{Future Value of Money} = PV \times \left(1 + \frac{i}{n}\right)^{n \times t}$$

$$\text{Present Value of Money} = \frac{FV}{\left(1 + \frac{i}{n}\right)^{n \times t}}$$

Annuity

An annuity is a series of payments made at equal intervals. Examples of annuities are regular deposits to a savings account, monthly home mortgage payments, monthly insurance payments and pension payments. Annuity starting from 0th year is annuity due.

Annuity Formula

$$\text{Ordinary Annuity} = r \times \frac{PVA_{\text{ordinary}}}{[1 - (1+r)^{-n}]}$$

$$\text{Annuity Due} = r \times \frac{PVA_{\text{due}}}{[(1 - (1+r)^{-n}) \times (1+r)]}$$

Perpetuity

A perpetuity is an annuity that has no end, or a stream of cash payments that continues forever. There are few actual perpetuities in existence.

$$\sum_{n=1}^{\infty} \frac{D}{(1+r)^n}$$

Or

$$PV \text{ of Perpetuity} = \frac{D}{(1+r)} + \frac{D}{(1+r)^2} + \dots + \frac{D}{(1+r)^n}$$

PV = Present Value

D = Dividend

r = Discount rate

n = Number of periods

A bond is a fixed income instrument that represents a loan made by an investor to a borrower (typically corporate or governmental). A bond could be thought of as an I.O.U. between the lender and borrower that includes the details of the loan and its payments

WHAT IS BOND YIELD?

Bond yield is the return an investor realizes on a bond. The bond yield can be defined in different ways. Setting the bond yield equal to its coupon rate is the simplest definition. They are inversely related. That is, if a bond's price rises, its yield falls, and vice versa.

WHAT IS FACE VALUE?

Face value is a financial term used to describe the nominal or dollar value of a security, as stated by its issuer. For stocks, the face value is the original cost of the stock, as listed on the certificate. For bonds, it is the amount paid to the holder at maturity, which is customarily \$1,000. The face value for bonds is often referred to as "par value" or simply "par."

HOW ARE BONDS PRICED?

Bonds are priced based on the net present value of all future cash flows expected from the bond.

WHAT DO YOU MEAN BY COUPON IN FINANCE?

A coupon payment on a bond is the annual interest payment that the bondholder receives from the bond's issue date until it matures. Coupons are normally described in terms of the coupon rate, which is calculated by adding the sum of coupons paid per year and dividing it by the bond's face value

ZERO-COUPON BOND

A zero-coupon bond is a debt security that does not pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full face value. Some bonds are issued as zero-coupon instruments from the start, while others bonds transform into zero-coupon instruments after a financial institution strips them of their coupons, and repackages them as zero-coupon bonds. Because they offer the entire payment at maturity, zero-coupon bonds tend to fluctuate in price, much more so than coupon bonds. A zero-coupon bond is also known as an accrual bond.

WHAT ARE SHARES/STOCKS?

Shares are units of ownership interest in a corporation or financial asset that provide for an equal distribution in any profits, if any are declared, in the form of dividends.

TYPES OF SHARES/STOCKS

Common stocks- This stock may benefit shareholders through appreciation and dividends, making common stock riskier than preferred stock. Common stock also comes with voting rights, giving shareholders more control over the business. In addition, certain common stock comes with preemptive rights, ensuring that shareholders may buy new shares and retain their percentage of ownership when the corporation issues new stock.

Preferred stocks- preferred stock typically does not offer appreciation in value or voting rights in the corporation. However, the stock typically has set payment criteria; a dividend that is paid out regularly, making the stock less risky than common stock. Also, preferred stock may often be redeemed at a more beneficial price than common stock. Because preferred stock takes priority over common stock, if the business files for bankruptcy and pays its lenders, preferred shareholders receive payment before common shareholders.

DIVIDEND PAYOUT POLICIES

DIVIDEND POLICY is the strategy followed to decide the amount of dividends and the timing of the payments. MM Theory, Gordon's Theory and Walter's Theory are some of the dividend policies theories.

TYPES OF DIVIDEND POLICY

STABLE DIVIDEND POLICY

Company aims for a steady dividend payout every year irrespective of change in income.

CONSTANT DIVIDEND POLICY

Specific percentage of the company's earnings is paid out as dividends every year.

RESIDUAL DIVIDEND POLICY

Company pays the dividends from the funds left after the finances after fulfilling capital expenditure requirements.

CASH DIVIDEND vs. REPURCHASE SHARES

- Basis for differentiation between cash dividend and share repurchase
 - ❖ Possible Tax Advantages
 - ❖ Support for stock price
 - ❖ Flexibility
 - ❖ Offsetting Diluting
 - ❖ Financial Leverage

There are 3 types of financing instruments that an organization utilizes to raise capital- common shares, bonds and preference shares.

COST OF CAPITAL

Cost of capital is the required return necessary to make a capital budgeting project, such as building a new factory, worthwhile. When analysts and investors discuss the cost of capital, they typically mean the weighted average of a firm's cost of debt and cost of equity blended together.

CAPM

The Capital Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks. CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital.

$$E(R) = R_f + \beta [E(R_m) - R_f]$$

$E(R)$ = expected return

R_f = risk free rate

β = market risk

$E(R_m)$ = expected market return

COST OF DEBT AND EQUITY

The cost of equity is the return a company requires to decide if an investment meets capital return requirements. A firm's cost of equity represents the compensation the market demands in exchange for owning the asset and bearing the risk of ownership

The cost of debt is the effective interest rate a company pays on its debts. It's the cost of debt, such as bonds and loans, among others.

WACC

The weighted average cost of capital (WACC) is the rate that a company is expected to pay on average to all its security holders to finance its assets. The WACC is commonly referred to as the firm's cost of capital. Importantly, it is dictated by the external market and not by management.

$$WACC = \frac{E}{D+E} (r_e) + \frac{D}{D+E} (r_d)(1-t)$$

E = Market value of Equity

D = Market value of Debt

r_e = Cost of Equity

r_d = Cost of Debt

t = Corporate tax rate

Hedging is a risk management strategy employed to offset losses in investments. The reduction in risk typically results in a reduction in potential profits. Hedging strategies typically involve derivatives, such as options and futures.

DERIVATIVES

Derivatives are tools or securities that an investor uses for different reasons including hedging. These securities are called derivatives because they are derived from some underlying asset.

WHAT IS A MUTUAL FUND?

A mutual fund is an investment vehicle made up of a pool of money collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and other assets. Mutual funds are operated by professional money managers, who allocate the funds' investments and attempt to produce capital gains and/or income for the funds' investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

WHAT IS ARBITRAGE?

Arbitrage occurs when an investor buys and sells related assets simultaneously in order to take advantage of temporary price differences. Because of the technology now employed in the markets, the only people who can truly take advantage of arbitrage opportunities are traders with sophisticated software since price inefficiencies often close in a matter of seconds.

WHAT IS PORTFOLIO MANAGEMENT?

Portfolio management is the art and science of making decisions about investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance.

Portfolio management is all about determining strengths, weaknesses, opportunities and threats in the choice of debt vs. equity, domestic vs. international, growth vs. safety, and many other trade-offs encountered in the attempt to maximize return at a given appetite for risk.

WAR-CHEST FOR FINANCE

GENERAL TERMS

REVENUE - Revenue is the income that a business has from its normal business activities, usually from the sale of goods and services to customers.

EXPENDITURE - Expenditure is an outflow of money to another person or group to pay for an item or service, or for a category of costs.

NET INCOME - Net income is a measure of the profitability of a venture.

EQUITY - Equity is ownership of assets that may have debts or other liabilities attached to them.

ASSETS - An asset is any resource owned by the business.

LIABILITIES - Liability is defined as the future sacrifices of economic benefits that the entity is obliged to make to other entities as a result of past transactions or other past events

NPV- Net present value as in discounted from future cash flows accounting for time value of money.

IRR- The internal rate of return is a discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero.

Leasing- Financial Leasing is an alternative way of financing whereby a licensed leasing company (the "Lessor") purchases an asset on behalf of its customer (the "Lessee") in return for a contractually agreed series of payments.

FINANCE JOBS

- Accounting Manager
- Chief Financial Officers
- Cash Managers
- Investment Banking Associates
- Credit Managers & Specialists
- Financial Analyst
- Finance Officers & Treasurers
- Insurance & Risk Managers
- Investing Sales Traders & Associates

INTERVIEW QUESTIONS

- Why do you want to pursue Finance?
- Have you ever invested in stock market?
- Tell me about your work experience (if you have any).
- Mention the financial implications of the sales cycle?
- Have you ever seen an annual report of a company?
- Do you have an investor as a role model?

LEARNING RESOURCES

- Principles of Corporate finance by Brealey, Stewart C. Myers, Franklin Allen and Pitabas Mohanty
- Corporate finance by Stephen A Ross, Westerfield, Jeffery Jaffe, Bradford D Jordan and Ram Kumar Kakani
- investopedia.com
- cfainstitute.org
- garp.org



MANAGING WEALTH ECONOMICS



"Economics is the science which studies human behavior as a relationship between given ends and scarce means which have alternative uses"-former London School of Economics professor Lionel Robbins

SUPPLY AND DEMAND

Supply - Supply of a commodity is the quantity of that commodity which the producer wants to sell at a given price in the market. The law of supply states that as the price of a commodity increases, the quantity supplied by the producer also increases.

Demand - Demand of a commodity is the quantity of that commodity which the consumer wishes to buy at a given price from the market. The law of demand states that as the price of a commodity increases, the quantity demanded by the consumer decreases.

GDP

GDP stands for Gross Domestic Product. GDP represents the monetary value of all goods and services produced in a country over a period of time.

The equation for calculating GDP is: $GDP = \text{private consumption} + \text{gross investment} + \text{government investment} + \text{government spending} + (\text{exports} - \text{imports})$.

The GDP growth rate of India for the 2nd quarter of 2019 fell to 4.5 per cent. This is the lowest growth rate in last 6 years.

TYPES OF MARKET

Perfect Competition – Perfect competition is a market structure where there are numerous producers of a homogenous product. No individual seller can control the market price in a perfect competition. There are no entry and exit barriers. Example of a perfect competition in India: exact perfect competition is not feasible but agricultural markets are a close example.

Monopoly – A monopoly is a market situation in which there is only 1 producer for a particular commodity. There is no competition and no substitute goods in the market in a monopoly. Hence the producer is free to set prices according to his will. Example of monopoly in India: Indian Railways (However if privatisation of railways is done, then it would no longer remain a monopoly).

Oligopoly - Oligopoly is a market structure where there are a few number of firms producing similar or homogeneous products. The selling behaviour of one firm influences the selling behaviour of other firms. Examples of Oligopoly in India: Automobile market, steel, aluminium firms

Microeconomics is the study of individuals, households and firms' behavior in decision making and allocation of resources. The study involves single consumer buying behaviour, individual labour markets, firm theory, production and consumption of a single firm, etc.

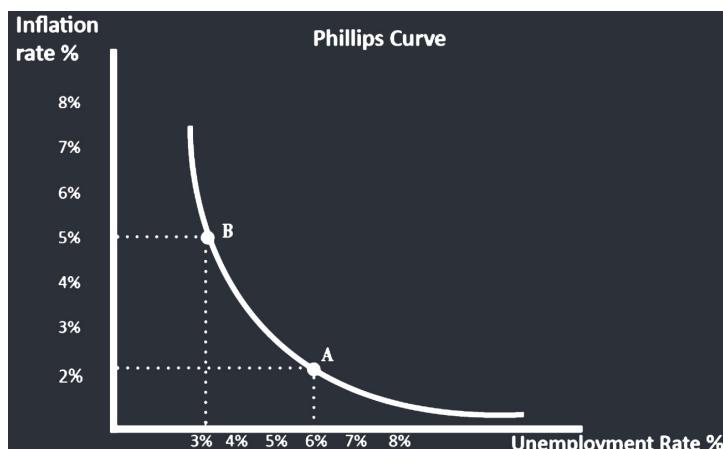
INFLATION

Inflation is the sustained increase of price level in an economy.

Inflation can be cost-push inflation (when supply cannot meet the level of demand and hence prices go up) and demand-pull inflation (when demand is so high that firms supply more at higher prices).

RELATIONSHIP BETWEEN INFLATION AND UNEMPLOYMENT

There exists an inverse relationship between the unemployment rate and the inflation rate in an economy. As the rate of unemployment increases, the rate of inflation in the economy decreases and vice versa. This relation is given by the Phillips Curve



EXCHANGE RATE

Exchange rate is the price of one currency in terms of another currency.

Example: 1 US Dollar= 72 INR

Currency is said to depreciate when there is an increase in the exchange rate (e.g. 1 US Dollar=73 INR) and it is said to appreciate when there is a decrease in the exchange rate (e.g. 1 US Dollar=71 INR).

The real exchange rate deals with the relative purchasing power of two currencies.

GST

GST stands for Goods and Services Tax. It is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services. In effect, GST provides revenue for the government.

(Please go through the following link to learn more about GST, its advantages and its introduction in India : <https://cleartax.in/s/gst-law-goods-and-services-tax>)

WHAT IS MACROECONOMICS?

Macroeconomics is a branch of economics that studies how an overall economy—the market systems that operate on a large scale—behaves. Macroeconomics studies economy-wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment.

REPO RATE AND REVERSE REPO RATE

Repo Rate : Repo Rate, or repurchase rate, is the key monetary policy rate of interest at which the central bank or the Reserve Bank of India (RBI) lends short term money to banks, essentially to control credit availability, inflation, and the economic growth. Repo Rate in India is the primary tool in the RBI's Monetary and Credit Policy.

Reverse Repo Rate : The interest rate at which the RBI borrows money from banks for the short term is defined as Reverse Repo Rate. The Reverse Repo Rate helps the RBI get money from the banks in times of need. In return, the RBI offers attractive interest rates to them. The banks also voluntarily park excess funds with the central bank as it provides them with an opportunity to earn higher interest on surplus money lying idle.

Current Repo Rate: 5.15% (as of 4th Oct, 2019)

Current Reverse Repo Rate: 4.90% (as of 4th Oct, 2019)

CRR AND SLR

CRR : CRR stands for Cash Reserve Ratio. Cash Reserve Ratio is the share of a bank's total deposit that is mandated by the Reserve Bank of India (RBI) to be maintained with the latter in the form of liquid cash. The objective of CRR is to keep inflation under control. During high inflation in the economy, RBI raises the CRR to lower the bank's loanable funds.

SLR : SLR stands for Statutory Liquid Ratio. In India, the Statutory liquidity ratio is the Government term for the reserve requirement that commercial banks are required to maintain in the form of cash, gold reserves, Reserve Bank of India (RBI)- approved securities before providing credit to the customers. The SLR to be maintained by banks is determined by the RBI in order to control the expansion.

Current SLR of RBI: 18.50%

Current CRR of RBI: 4%

Economies of scale are the cost advantages that a firm obtains due to its increase in the level of production. It reduces the per-unit fixed cost. As a result of increased production, the fixed cost gets spread over more output than before.

CURRENT TOPICS RELATED TO ECONOMICS

Economic slowdown in India

India's GDP has fallen down to 4.5% in the July-September quarter of 2019-20. This is the lowest growth rate in last 6 years. The economic slowdown is a result of the slowdown in the automobile industry, fmccg, real estate and banking sector.

(Go through the following link to know about the slowdown in details:

https://finception.in/markets/indian-economic-slowdown/?utm_source=part2&utm_medium=backarrow).

US China Trade War

The US China Trade war is an ongoing economic conflict between the world's two biggest economies-USA and China. This trade war has affected the economies of other countries across the world including India.

(Go through the following link for complete details:

<http://www.forbesindia.com/article/special/everything-you-need-to-know-about-uschina-trade-war/53525/1>)

3 years of Demonetisation in India

Demonetisation was announced on November 8 in 2016 declaring 86 per cent of the currency in circulation invalid. These were currency denominations of Rs 1,000 and Rs 500.

(Go through the follow link to see the impact and effects of demonetisation on the Indian economy

<https://economictimes.indiatimes.com/tdmc/your-money/demonetization-anniversary-decoding-the-effects-of-indian-currency-notes-ban/articleshow/61579118.cms?from=mdr>)

Abhijeet Banerjee wins Nobel

Abhijeet Banerjee, an economist of Indian origin along with Esther Duflo and Michael Kremer won the 2019 Economics Nobel Prize for their work on finding new ways to tackle poverty.

(Go through the following link to know in details about why they won the nobel prize:

<https://qz.com/india/1728042/why-did-banerjee-duflo-and-kremer-win-the-nobel-prize-this-year/>)



INTERPRETING DATA STATISTICS



Statistics is the science that deals with the collection, classification, analysis, and interpretation of numerical facts or data, and that, by use of mathematical theories of probability, imposes order and regularity on aggregates of more or less disparate elements.

MEASURES OF CENTRAL TENDENCY

Mean : The arithmetic mean is the most common measure of central tendency. It is simply the sum of the numbers divided by the number of numbers. The symbol " μ " is used for the mean of a population. The symbol "M" is used for the mean of a sample.

The formula for μ is shown below:

$\mu = \Sigma X/N$, where ΣX is the sum of all the numbers in the population and N is the number of numbers in the population.

The formula for M is essentially identical:

$M = \Sigma X/N$, where ΣX is the sum of all the numbers in the sample and N is the number of numbers in the sample.

Median : The median is the middle value in distribution when the values are arranged in ascending or descending order.

The median divides the distribution in half (there are 50% of observations on either side of the median value). In a distribution with an odd number of observations, the median value is the middle value.

Looking at the retirement age distribution (which has 11 observations), the median is the middle value, which is 57 years:

54, 54, 54, 55, 56, 57, 57, 58, 58, 60, 60

When the distribution has an even number of observations, the median value is the mean of the two middle values.

In the following distribution, the two middle values are 56 and 57, therefore the median equals 56.5 years:

52, 54, 54, 54, 55, 56, 57, 57, 58, 58, 60, 60

Mode : The mode is the most commonly occurring value in a distribution. Consider this dataset showing the retirement age of 11 people, in whole years:

54, 54, 54, 55, 56, 57, 57, 58, 58, 60, 60

The below table shows a simple frequency distribution of the retirement age data.

The most commonly occurring value is 54; therefore the mode of this distribution is 54 years

Age	Frequency
54	3
55	1
56	1
57	2
58	2
60	2

In statistics, a population is a set of similar items or events which is of interest for some question or experiment. A statistical population can be a group of existing objects or a hypothetical and infinite group of objects conceived as a generalization from experience.

STANDARD DEVIATION AND VARIANCE

A commonly used measure of dispersion is the Standard Deviation which is simply the square root of variance. The variance of a dataset is calculated by taking the arithmetic mean of the squared differences between each value and the mean value.

Population Variance:

$$\sigma^2 = \frac{\sum_{i=1}^n (X_i - X_{avg})^2}{n}$$

Population Standard Deviation:

$$\sigma = \sqrt{\frac{\sum_{i=1}^n (X_i - X_{avg})^2}{n}}$$

Sample Variance:

$$s^2 = \frac{\sum_{i=1}^n (X_i - X_{avg})^2}{n-1}$$

Sample Standard Deviation:

$$s = \sqrt{\frac{\sum_{i=1}^n (X_i - X_{avg})^2}{n-1}}$$

Standard error is the standard deviation of the sampling distribution of a statistic.

RANDOM VARIABLE AND ITS TYPES

A random variable, usually written X , is a variable whose possible values are numerical outcomes of a random phenomenon. There are 2 types of random variables, discrete and continuous.

A discrete random variable is one which may take on only a countable number of distinct values such as 0,1,2,3,4. Examples of discrete random variables include the number of children in a family, the Friday night attendance at a cinema, the number of patients in a doctor's surgery, the number of defective light bulbs in a box of ten.

A continuous random variable is one which takes an infinite number of possible values. Continuous random variables are usually measurements. Examples include height, weight, the amount of sugar in an orange, the time required to run a mile.

A continuous random variable is not defined at specific values. Instead, it is defined over an interval of values, and is represented by the area under a curve (in advanced mathematics, this is known as an integral).

WHAT IS SAMPLE IN STATISTICS?

In statistics and quantitative research methodology, a data sample is a set of data collected and the world selected from a statistical population by a defined procedure. The elements of a sample are known as sample points, sampling units or observations.

COVARIANCE

Covariance is a measure of the relationship between two random variables. The metric evaluates how much – to what extent – the variables change together. In other words, it is essentially a measure of the variance between two variables (note that the variance of one variable equals the variance of the other variable). However, the metric does not assess the dependency between variables. The formula for calculating covariance of sample data is shown below.

$$\text{COV}(x,y) = \frac{\sum_{i=1}^n (X_i - \bar{X})(Y_i - \bar{Y})}{n-1}$$

x = the independent variable

y = the dependent variable

n = number of data points in the sample

CORRELATION

The correlation coefficient that indicates the strength of the relationship between two variables can be found using the following formula:

$$r_{(x,y)} = \frac{\sum (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum (X_i - \bar{X})^2 \sum (Y_i - \bar{Y})^2}}$$

Where:

r_{xy} – the correlation coefficient of the linear relationship between the variables x and y.

x_i – the values of the x-variable in a sample

\bar{x} – the mean of the values of the x-variable

y_i – the values of the y-variable in a sample

\bar{y} – the mean of the values of the y-variable

Correlation can be of three types:

Positive Correlation – when the value of one variable increases with respect to another.

Negative Correlation – when the value of one variable decreases with respect to another.

No Correlation – when there is no linear dependence or no relation between the two variables.

TYPES OF DISTRIBUTIONS

- Bernoulli Distribution
- Uniform Distribution
- Binomial Distribution
- Normal Distribution
- Poisson Distribution
- Exponential Distribution

TWO MAIN STATISTICAL METHODS

Descriptive statistics, which summarize data from a sample using indexes such as the mean or standard deviation, and **inferential statistics**, which draw conclusions from data that are subject to random variation (e.g., observational errors, sampling variation).

BERNOULLI DISTRIBUTION

A Bernoulli distribution has only two possible outcomes, namely 1 (success) and 0 (failure), and a single trial. So the random variable X which has a Bernoulli distribution can take value 1 with the probability of success, say p, and the value 0 with the probability of failure, say q or 1-p.

Here, the occurrence of a head denotes success, and the occurrence of a tail denotes failure. Probability of getting a head = 0.5 = Probability of getting a tail since there are only two possible outcomes.

The probability mass function is given by:
 $p_x(1-p)1-x$ where $x \in (0, 1)$.

It can also be written as

$$P(x) = \begin{cases} 1-p, & x = 0 \\ p, & x = 1 \end{cases}$$

UNIFORM DISTRIBUTION

When you roll a fair die, the outcomes are 1 to 6. The probabilities of getting these outcomes are equally likely and that is the basis of a uniform distribution. Unlike Bernoulli Distribution, all the n number of possible outcomes of a uniform distribution are equally likely. A variable X is said to be uniformly distributed if the density function is:

$$f(x) = \frac{1}{b-a} \text{ for } -\infty < a \leq x \leq b < \infty$$

The graph of a uniform distribution curve looks like



BINOMIAL DISTRIBUTION

When you roll a fair die, the outcomes are 1 to 6. The probabilities of getting these outcomes are A distribution where only two outcomes are possible, such as success or failure, gain or loss, win or lose and where the probability of success and failure is same for all the trials is called a Binomial Distribution. There are only two possible outcomes. Head denoting success and tail denoting failure. Therefore, probability of getting a head = 0.5 and the probability of failure can be easily computed as: $q = 1 - p = 0.5$. The mathematical representation of binomial distribution is given by:

$$P(x) = \frac{n!}{(n-x)! x!} p^x q^{n-x}$$

POISSON DISTRIBUTION

A distribution is called Poisson distribution when the following assumptions are valid:

1. Any successful event should not influence the outcome of another successful event.
 2. The probability of success over a short interval must equal the probability of success over a longer interval.
 3. The probability of success in an interval approaches zero as the interval becomes smaller.
- Some examples are: The number of emergency calls recorded at a hospital in a day, number of customers arriving at a salon in an hour, number of printing errors in each page of a book, etc.

The PMF of X following a Poisson distribution is given by : $P(X = x) = e^{-\mu} \frac{\mu^x}{x!}$ for $x=0,1,2\dots$

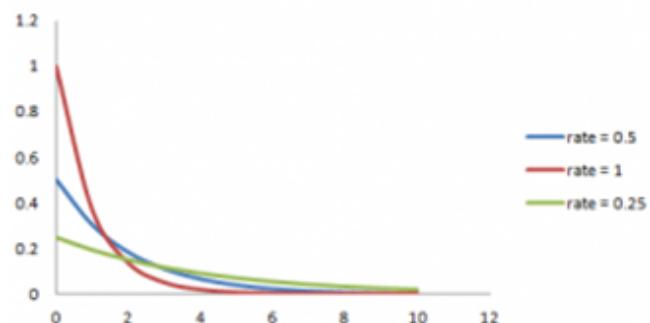
EXPONENTIAL DISTRIBUTION

Exponential distribution is widely used for survival analysis. From the expected life of a machine to the expected life of a human, exponential distribution successfully delivers the result.

A random variable X is said to have an exponential distribution with PDF:

$$f(x) = \{ \lambda e^{-\lambda x}, x \geq 0 \}$$

Typical graph of an exponential distribution is shown in the below figure



NORMAL DISTRIBUTION

Normal distribution represents the behavior of most of the situations in the universe. The large sum of (small) random variables often turns out to be normally distributed, contributing to its widespread application. Any distribution is known as Normal distribution if it has the following characteristics:

1. The mean, median and mode of the distribution coincide.
2. The curve is bell-shaped and symmetrical about the line $x = \mu$
3. The total area under the curve is 1.
4. Half of the values are to the left of the center and the other half to the right.

The PDF of a random variable X following a normal distribution is given by:

$$f(x) = \frac{1}{\sqrt{2\pi}\sigma} e^{-\frac{1}{2}(\frac{x-\mu}{\sigma})^2} \quad \text{for } -\infty < x < \infty$$

The mean and variance of a random variable X which is said to be normally distributed is given by:

Mean $\rightarrow E(X) = \mu$; Variance $\rightarrow \text{Var}(X) = \sigma^2$

REGRESSION

Regression is a statistical measurement used in finance, investing, and other disciplines that attempts to determine the strength of the relationship between one dependent variable (usually denoted by Y) and a series of other changing variables (known as independent variables).

Regression is of two types: Linear regression and multiple linear regression.

The general form of each type of regression is:

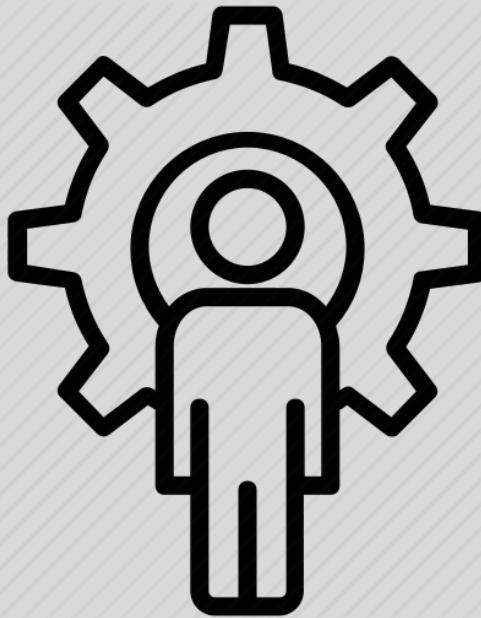
Linear regression: $Y = a + bX + u$

Multiple regression: $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots + b_tX_t + u$, where:

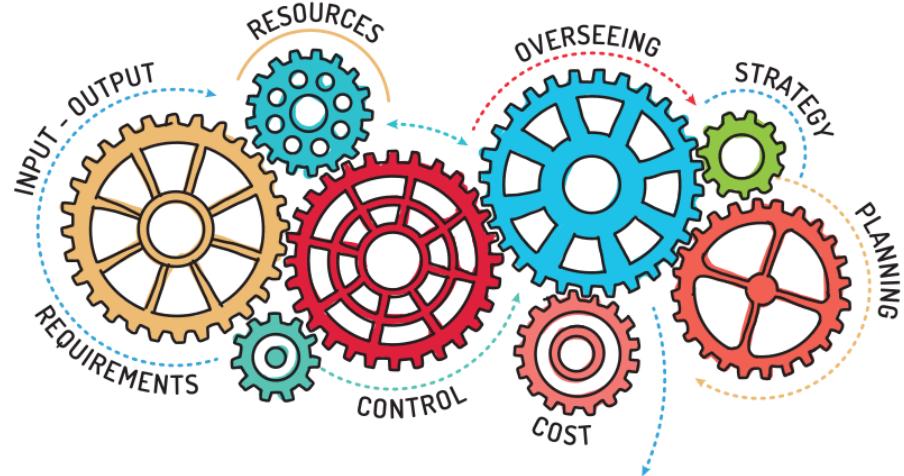
- Y = the variable that you are trying to predict (dependent variable).
- X = the variable that you are using to predict Y (independent variable).
- a = the intercept.
- b = the slope.
- u = the regression residual.

FEW ADDITIONAL QUESTIONS TO PREPARE

1. Describe Bayes Theorem.
2. What is conditional probability?
3. When are two random variables said to be independent?
4. What is a probability density function?
5. What is a cumulative distribution function?
6. What do you mean by ANOVA test?
7. What does the residual in the regression equation signify?
8. What do you mean by skew-ness of a distribution?
9. What is a probability mass function?
10. How does the curve of a normal distribution look like?



MANAGING SYSTEMS OPERATIONS MANAGEMENT



Operations management is the administration of business practices to create the highest level of efficiency possible within an organization. It is concerned with converting materials and labor into goods and services as efficiently as possible to maximize the profit of an organization.

DECISIONS MADE BY OPERATIONS MANAGERS

PLANNING THE PRODUCTION SCHEDULE

This entails deciding how much to produce and what to produce. This information would be used to make purchasing and staffing decisions.

INVENTORY MANAGEMENT

They must arrange the inventory in the warehouse. They also facilitate the movement of inventory from the warehouse to the retail facilities or the customer.

QUALITY CONTROL

This may include inspection of materials, and the use of quality tools such as control charts.

QUALITY ASSURANCE & QUALITY CONTROL

QUALITY ASSURANCE

- It is an assurance activity, emphasizing on the standards and procedures to be followed while developing an application.
- It is a preventive action taken before hand to ensure the product that developed are defect free.
- It is a systematic action necessary to provide enough confidence that a product or service will satisfy the given requirements for quality.

QUALITY CONTROL

- It is a Corrective action.
- Inspection to verify that the developed application follows the standards and procedures by using the checklist.

QUALITY PRINCIPLES

- System approach to management
- Leadership
- Involvement of people
- Process approach
- Customer focus
- Factual approach to decision making
- Continual improvement
- Mutually beneficial supplier relationship

Supply Chain refers to the chain of activities involved in delivery of the products or services to the customer. The supply chain for a firm in the service industry begins from the acknowledgement of the customer requirement to final fulfilment of the service to the customer.

SUPPLY CHAIN INVOLVES THE MOVEMENT OF MONEY INFORMATION MATERIAL

THE ACTIVITIES THAT ARE INVOLVED IN SUPPLY CHAIN MANAGEMENT ARE:

Inbound Logistics: The logistics associated with initial movement of the raw material to the manufacturing unit and subsequent movement within the unit.

Outbound Logistics: The logistics associated with movement of the finished goods from the end of the manufacturing production line till the end user.

Marketing and Sales: Involve gathering customer requirements and then fulfilling them through an exchange process.

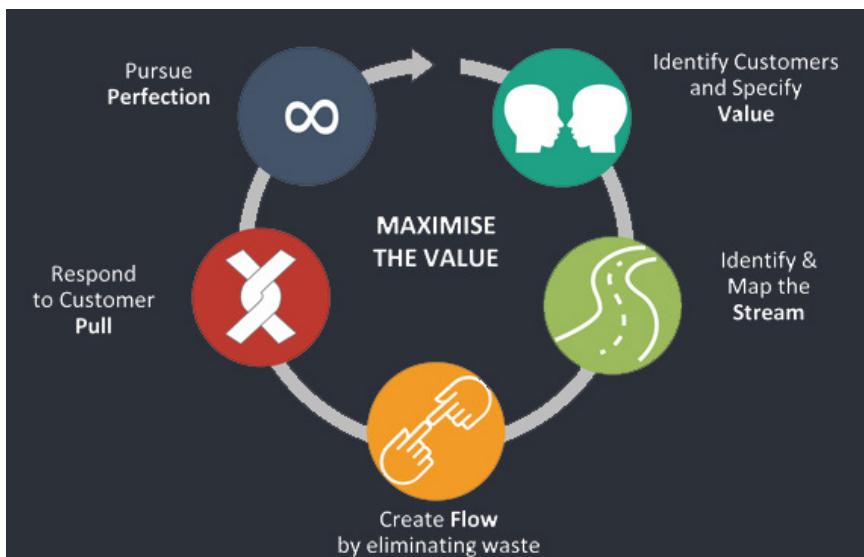
Service: The activities associated with the delivery of the product eg. in-store staff and post-sales service, fulfilling warranty, etc.

Support Areas: Financial management, Human Resource Management, Legal Control, Quality departments which are indirectly involved in the production of the product.

Procurement: Purchase of raw material or services which are transformed into or used to reach the final product.



Lean operations focus on running an organization by providing greater customer satisfaction while using as few resources as possible. The objective of lean operations is two-fold: Creating value for customers and eliminating waste.



There are several areas of waste that companies should consider reviewing when taking on lean operations.

Jobs : Salaries and benefits are not cheap for an organization. It's not good business practice to eliminate necessary positions or to squeeze your workforce. However, it's vital to ensure that all employees in an organization serve an essential function and that they are adequately trained to do so. Lean operations would clean up these messes, and make sure that each employee is doing a necessary job to the best of their ability.

Production times : Inefficiency and waste can rear their heads in the production process. Lean operations require that you eliminate any inefficiencies or delays in production process.

Inventory : Having too much stock on hand is a waste of money for a company because it costs money to store inventory. The longer it sits around not being sold, the more it costs your company. However, you need to make sure to have enough stock to meet customer demand and this is where optimization comes into play. Your company should keep an optimal level of inventory at the right time and at the right place, no more and no less, to ensure lean operations.

Transportation : Transportation is another area where waste and inefficiency can cause a company to bleed money. Your company shouldn't be transporting goods unnecessarily or transporting them at the wrong times.

The totality of features and characteristics that bear on the ability of a product or service to satisfy a given need.

ECONOMIC ORDER QUANTITY

The economic order quantity is the optimum quantity of an item to be purchased at one time in order to minimize the combined annual costs of ordering and carrying the item in inventory.

S: Ordering Cost or Fixed Cost
D: Annual Quantity Demanded
H: Holding Cost or Variable Cost

$$\text{Economic Order Quantity(EOQ)} = \sqrt{(2*D*S)/H}$$

PUSH AND PULL STRATEGY IN SUPPLY CHAIN

Pull Supply Chain – Under pull supply chain, the process of manufacturing and supplying is driven by actual customer demand. In this type of supply chain logistics, inventory is acquired on a need-basis. The benefits of this type of planning include less wastage in the case of lower demand. The problem, however, is that the company might not have enough inventory to meet rising demands due to unforeseen factors. For example, an auto repair shop that only orders parts that it needs. In this case, the business waits until it gets an order to procure the parts required for the repair.

Push Supply Chain – Under push supply chain, the logistics are driven by long-term projections of customer demand. For example, at the end of the summer season, clothing brands start to manufacture more warm clothes. This type of planning becomes valuable to companies as it helps them plan for events in the future .

LINE BALANCING

Line balancing is the process of assigning tasks to workstations.

Goal : Obtain task grouping that represent approx. equal time requirements since this minimizes idle time along the line and results in a high utilization of equipment and labor.

Why is line balancing important?

1. It allows us to use labor and equipment more efficiently.
2. To avoid fairness issues that arise when one workstation must work harder than another.

Assigning Tasks to Workstations

Some Heuristic (Intuitive) Rules :

- Assign tasks in order of most following tasks.
- Assign tasks in order of greatest positional weight(Positional weight is sum of each task's time and the times of all following tasks).

The value chain is the chain of activities involved in the delivery of a product or service which add value to the final product. For example, consider two restaurants one offers self-service and one offers waited service, the second restaurants can price its items at a higher price because of its value chain that offers food to the customers' tables.

ABC INVENTORY CLASSIFICATION SYSTEM

Inventory optimization is critical in order to keep costs under control within the supply chain. Yet, in order to get the most from management efforts, it is efficient to focus on items that cost most to the business. The Pareto principle states that 80% of the overall consumption value is based on only 20% of total items. In other words, demand is not evenly distributed between items: top sellers vastly outperform the rest.

The ABC approach states that, when reviewing inventory, a company should rate items from A to C, basing its ratings on the following rules:

- **A-items** are goods for which annual consumption value is the highest. The top 70-80% of the annual consumption value of the company typically accounts for only 10-20% of total inventory items.
- **C-items** are, on the contrary, items with the lowest consumption value. The lower 5% of the annual consumption value typically accounts for 50% of total inventory items.
- **B-items** are the inter-class items, with a medium consumption value. Those 15-25% of annual consumption value typically accounts for 30% of total inventory items.

LOGISTICS MANAGEMENT

Logistics management is a supply chain management component that is used to meet customer demands through planning, control and implementation of the effective movement and storage of related information, goods and services from origin to destination. Logistics management helps companies reduce expenses and enhance customer service.

When the flow of goods is from the customer back to the manufacturer, it is known as reverse logistics, for example in cases of damaged goods or for product recycling.

Logistics management involves numerous elements, including:

- Selecting appropriate vendors with the ability to provide transportation facilities
- Choosing the most effective routes for transportation
- Discovering the most competent delivery method
- Using software and IT resources to proficiently handle related processes

Six Sigma strategies seek to improve the quality of the output of a process by identifying and removing the causes of defects and minimizing variability in manufacturing and business processes. Six-Sigma approach requires a maximum of 3.4 defects per million opportunities (of making defects).

DMAIC AND DMADV

For Manufacturing Organizations, Six-Sigma adopts the DMAIC approach :

- **Define** – Definition of the problem, goals and scope of improvement
- **Measure** – Collection of data by measurement of current output parameters
- **Analyze** – Analysis of the data to identify significant causes of variation
- **Improve** – Process improvement of the causes identified above
- **Control** – Analysis of the output to verify output matches customer specification

In Service Organizations, Six Sigma adopts the DMADV approach:

- **Define** – Definition of the problem, goals and scope of improvement
- **Measure** – Collection of data by measurement of current output parameters
- **Analyze** – Analysis of the data to identify significant causes of variation
- **Design** – The results of internal tests are compared with customer wants and needs. Any additional adjustments needed are made.
- **Verify** – While the product or service is being released and customer reviews are coming in, the processes may be adjusted.

JUST-IN TIME MANUFACTURING

Just in time (JIT) manufacturing is a workflow methodology aimed at reducing flow times within production systems, as well as response times from suppliers and to customers. JIT manufacturing helps organizations control variability in their processes, allowing them to increase productivity while lowering cost.

M. Sepheri, a JIT expert, provides a list of methodologies of JIT manufacturing :

- Make it right the first time
- Setup reduction
- Lot sizes of one
- Uniform plant load
- Balanced flow
- Skill diversification
- Control by visibility
- Preventive maintenance
- Fitness for use
- Compact plant layout
- Streamlining movements
- Supplier networks
- Worker involvement
- Cellular manufacturing
- Pull system
- Housekeeping

Operational risk summarizes the uncertainties a company faces when it attempts to do its day-to-day business activities. It can result from breakdowns in internal procedures, people and systems, known as systematic risk. It can be classified as a variety of unsystematic risk, which is unique to a specific industry.

- **Cycle Time**

Cycle time is the average time between completions of successive units in a process. Ideally, takt time should be equal to cycle time. In case cycle time is less than takt time, there are chances of overproduction and over-staffing.

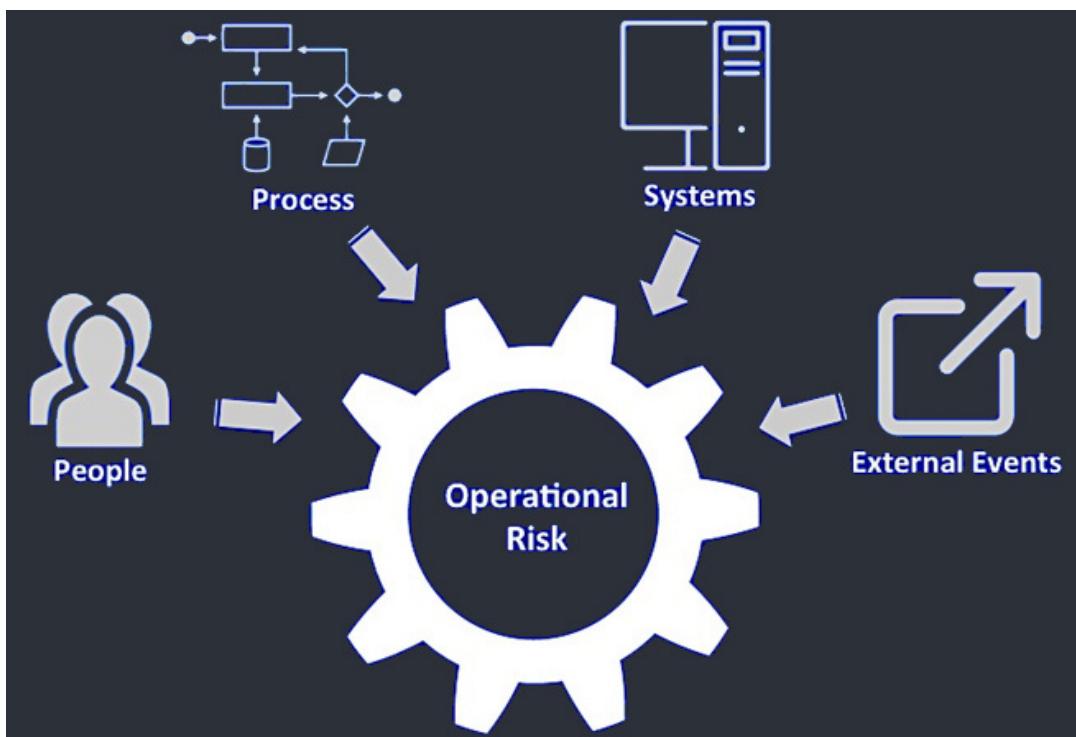
In case cycle time is more than takt time, it means the firm is not able to meet customer demand, leading to dissatisfaction.

- **Lead Time**

Lead time is the time difference between the product order and the receipt of the product.

- **Throughput Time**

Throughput time is the time taken for the product to pass through the manufacturing process. This duration includes the time required for the production process as well as the other time periods associated with converting raw materials into finished goods.



KEY DEFINITIONS

Break-Even Point : The volume of output at which total cost and total revenue are equal.

Value Analysis : Examination of the functions of parts and materials in an effort to reduce cost and/or improve product performance .

Material Requirement Planning : It is a planning technique that creates a schedule for producing or ordering all the items in an end item's bill of materials based on fixed manufacturing lead times.

Periodic Inventory System : Physical count of items in inventory made at periodic intervals.

Kanban : A manual system that signals the need for parts or materials.

Perpetual Inventory System : System that keeps track of removals from inventory continuously thus monitoring current levels of each item. It employs RFID, Barcode etc.

Carrying Cost : Cost to hold an item in the inventory for a particular period of time, usually a year.

Purchasing Cycle : Series of steps that begin with a request for purchase and end with notification of shipment received in satisfactory condition.

Pegging : The process of identifying the parent items that have generated a given set of material requirements for an item

OM JOBS

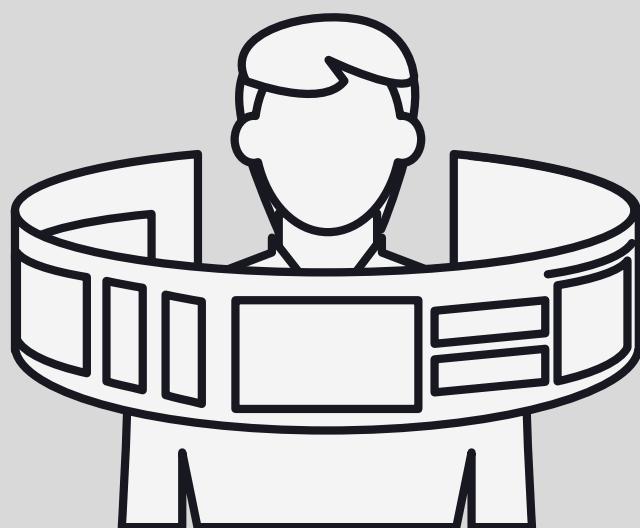
- Operations Manager
- Supply Chain Manager
- Operations Analyst
- Inventory Manager
- Quality Manager
- Process Improvement Specialists
- Inventory Planner
- Buyer Quality Controller
- Logistics Coordinator

LEARNING RESOURCES

- <https://alison.com/learning-path/operations-management>
- <https://managementhelp.org/operationsmanagement/index.html>
- <https://study.com/academy/lesson/operations-management-definition-fundamentals.html>
- <https://www.managementstudyguide.com/production-and-operations-management.html>
- [Investopedia.com](https://www.investopedia.com)



DRIVING DECISIONS IT ANALYTICS



Information technology (IT) is the use of any computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data.

BLOCK CHAIN

A **block** chain is, in the simplest of terms, a time-stamped series of immutable records of data that is managed by a cluster of computers not owned by any single entity. Each of these blocks of data (i.e. block) is secured and bound to each other using cryptographic principles (i.e. chain).

Go through the below link to know about block chain in details:

<https://builtin.com/blockchain>

BIG DATA

Big Data is a term used to describe a collection of data that is huge in size and yet growing exponentially with time. In short such data is so large and complex that none of the traditional data management tools are able to store it or process it efficiently. Big Data is characterised by 3 V's: Volume, Velocity and Variety. Examples of Big Data: The New York Stock Exchange generates about one terabyte of new trade data per day. Go through the below link to learn more about big data:

https://www.sas.com/en_in/insights/big-data/what-is-big-data.html

INDUSTRY 4.0

Industry 4.0 refers to a new phase in the Industrial Revolution that focuses heavily on interconnectivity, automation, machine learning, and real-time data. Industry 4.0, also sometimes referred to as IIoT or smart manufacturing, marries physical production and operations with smart digital technology, machine learning, and big data to create a more holistic and better connected ecosystem for companies that focus on manufacturing and supply chain management.

Go through the below link to know about Industry 4.0 in details:

<https://www.epicor.com/en-in/resource-center/articles/what-is-industry-4-0/>

DATA MINING AND DATA ANALYTICS

Data Mining is generally used for the process of extracting, cleaning, learning and predicting from data. Data Analytics is more for analysing the data. There is strong focus on visualization as well.

Go through the below link to learn more about the two:

<http://www.dbta.com/Editorial/Trends-and-Applications/What-is-Data-Analysis-and-Data-Mining-73503.aspx>

Analytics is defined as an encompassing and multidimensional field that uses mathematics, statistics, predictive modeling and machine-learning techniques to find meaningful patterns and knowledge in recorded data.

CLOUD COMPUTING

Cloud computing is the delivery of different services through the Internet. These resources include tools and applications like data storage, servers, databases, networking, and software. Rather than keeping files on a proprietary hard drive or local storage device, cloud-based storage makes it possible to save them to a remote database. As long as an electronic device has access to the web, it has access to the data and the software programs to run it.

Go through the below link to know in details about the various types of cloud computing:

<https://azure.microsoft.com/en-in/overview/what-is-cloud-computing/>

INTERNET OF THINGS

The Internet of Things is a system of interrelated computing devices, mechanical and digital machines, objects, animals or people that are provided with unique identifiers and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction.

Go through the below link to know about internet of things in details:

<https://www.ibm.com/blogs/internet-of-things/what-is-the-iot/>

IMPORTANT TOPICS

1. Technologies and current trends in the IT Industry

<https://www.simplilearn.com/top-technology-trends-and-jobs-article>

2. Impact of Artificial Intelligence on Jobs

<https://www.iotforall.com/impact-of-artificial-intelligence-job-losses/>

FEW MORE INTERVIEW QUESTIONS

1. Name the CEOs of top 5 IT firms.

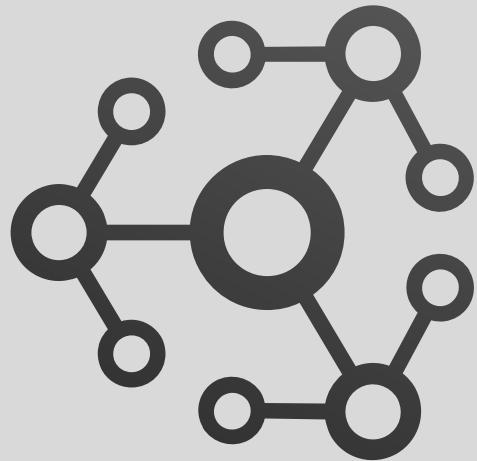
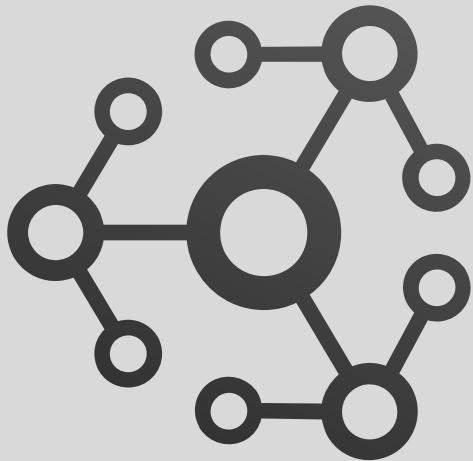
2. What was the domain of your work in your previous company? (for people with IT work exp)

3. Do you have any idea about machine learning?

4. What is the difference between "authentication" and "authorization"?

5. What is the difference between "assembly language" and "machine language"?

6. What is the difference between "interpreter" and "compiler"?



MANAGING EXPERTISE CONSULTING



Consulting is the business of providing expert advice to a specific group of people. Management consulting is the practice of helping organizations to improve their performance. Organizations may draw upon the services of management consultants for a number of reasons including gaining external (& presumably objective) advice and access to the consultants' specialized expertise.

GENERAL QUESTIONS

- Why consulting as a career?
- Describe any instance in your work experience that triggered you to pursue this domain.
- Describe your most important leadership experience and the impact that you had as a leader.
- What is big 4 in consulting domain? Which among big 4 is your dream company? why?
- Identify your strengths and weakness and describe how they would help you in consulting domain.
- Describe any instance from your life where you took some strategic decisions.
- According to you what are the skill and qualities that a consultant must pose?
- How do you think MBA will help you to become a consultant?
- Do you know SWOT analysis?
- What is your expectation from a Consulting job?
- Where do you see yourself 5 years down the line?
- What is your contingency plan if consulting is not an option in the future?
- What is difference between consulting and strategy?
- Describe a situation where you failed. What did you learn about yourself and how did you change as a result?
- What are three main types of consulting?
Why do companies hire consultants?

GUESSTIMATE QUESTIONS

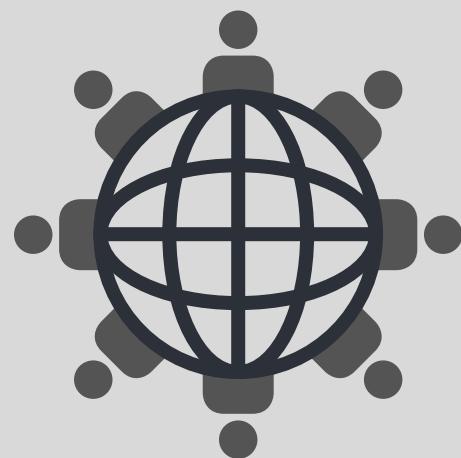
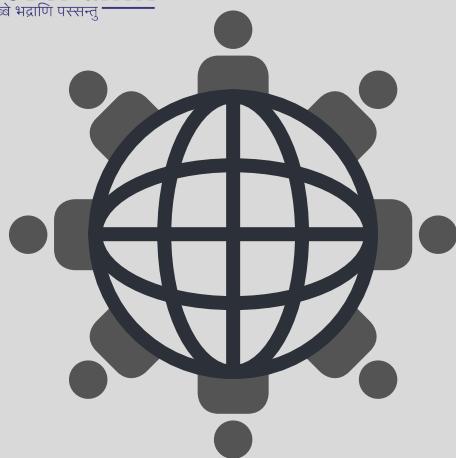
- How many people travel by air in India every day?
- How many vehicles are there in Delhi?
- How many kangaroos live in Australia?
- How many people prefer Ola in Mumbai?
- How many children are born in the world daily?
- How many cans of Coke are sold in Kolkata every month?

The consultant's primary role is to assist an organization with certain areas of his/her inclusiveness work. While the consultant may act as an educator, a catalyst for deeper change, a resource, or a facilitator, the leadership of the process remains within the organization.

CASE BASED QUESTIONS

- A big online retail firm is not making profits despite high volume of sales. What could be going on?
- An electronic products manufacturing company is making huge profits despite reduction in sales over the years. What could be going on?
- Our client wants to enter into the alcohol market, how should they go about doing so?
- Our client is thinking of acquiring a company that produces certain electronic device. How should they go about doing so?
- How should a nuclear plant deal with waste products?
- Describe the marketing strategy of the company you like the most. Tell any two major strategic decisions it has taken recently.





MANAGING PEOPLE OB AND HRM



"Human Resource Management is planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved." -Edwin Flippo

DIFFERENCE BETWEEN OB AND HRM?

Organizational Behavior (OB)

- The way people behave under an organizational setup. It's not a department, but a team of people, working together to find out what works and doesn't work for the company.
- The team is usually made up of three to four individuals with a particular project of innovation or improvement.
- Goal is often to prevent problems from happening during a change in company policies or the core structure itself.
- They study employees to see how they can better assist these workers in solving problems that have caused stress that lowers workers' productivity.

KEY CONCEPTS-

- The Individual-** Foundations, personality, learning, managing work motivation, perception, attitudes, values and concept of internality-externality.
- The Role-** roles and role efficacy, stress management, decision making process and transactional analysis.
- The Team-** Dynamics of group behavior, effective teams, conflict management, collaboration, leadership v/s management v/s mentorship.

Human Resource Management (HRM)

- Previously called the personnel department.
- It assists, facilitates, and monitors the administrative functions and needs of employees within its corporation.
- Guides leaders and managers in implementing any necessary changes necessary for the company.
- HR also works to identify and recruit prospective candidates who possess the best skills for the jobs available.
- HR department also develops programs, creates safety and labor laws, and promotes performance appraisals for the company or corporation.

KEY CONCEPTS-

- Strategic HR Management** and Planning
- Workers, Jobs, and **Job Analysis**
- Human Resource Planning** and Retention
- Recruiting and Labor Markets
- Selecting and training Human resources
- Talent Management**
- Performance Management** and Appraisal
- Managing Employee Benefit
- Risk Management and **Worker Protection**
- Employee Rights and Responsibilities
- Union-Management Relations**

"Organizational behavior is directly concerned with the understanding, prediction, and control of human behavior in organizations." – Fred Luthans.

ORGANIZATION

A social unit of people that is structured and managed to meet a need or to pursue collective goals. All organizations have a management structure that determines relationships between the different activities and the members, and subdivides and assigns roles, responsibilities, and authority to carry out different tasks. Organizations are open systems--they affect and are affected by their environment. An organization's key characteristics are reflected by their choice of structure.

DETERMINANTS OF ORGANIZATIONAL STRUCTURE

- Size
- Strategy
- Technology
- Chain
- Span
- Power
- Control
- Differentiation-Integration

SIZE- Refers to the capacity, the number of personnel, outputs and resources.

STRATEGY- The strategy of an organization determines the fluidity and flexibility with which the organization designs its structure.

TECHNOLOGY- Organizational structure is closely linked with its primary system of production, making its structure predictable in terms of technology employed.

POWER & CONTROL- Centralization and decentralization of resources and decision making power.

CHAIN & SPAN- The chain of command along which orders and decisions are passed down from the top to the bottom of the hierarchy.

INTEGRATION & DIFFERENTIATION- There is no best way to organize the structure. Different parts of the same organization adapt in different ways which leads to integrated differentiation.

ORGANIZATIONAL STRUCTURE

It is a system that outlines how certain activities are directed in order to achieve the goals of an organization. The structure also determines how information flows between levels within the company. For example, in a centralized structure, decisions flow from the top down.

USUAL ORGANIZATIONAL DESIGNS

Centralization-Decentralization- Whether decision making is concentrated in one place or otherwise.

Divisionalization- Restructuring the organization into a number of semi-autonomous operating divisions based on product or geographical areas.

Departmentalization- Refers to the process of grouping activities into departments. Division of labor creates specialists who need coordination.

Bureaucracy- Defined by degree of standardization. They are hierachial, with rigid rules and regulations.

Matrix structure- Structure where workers report to more than one person.

EMERGING ORGANIZATIONAL DESIGNS

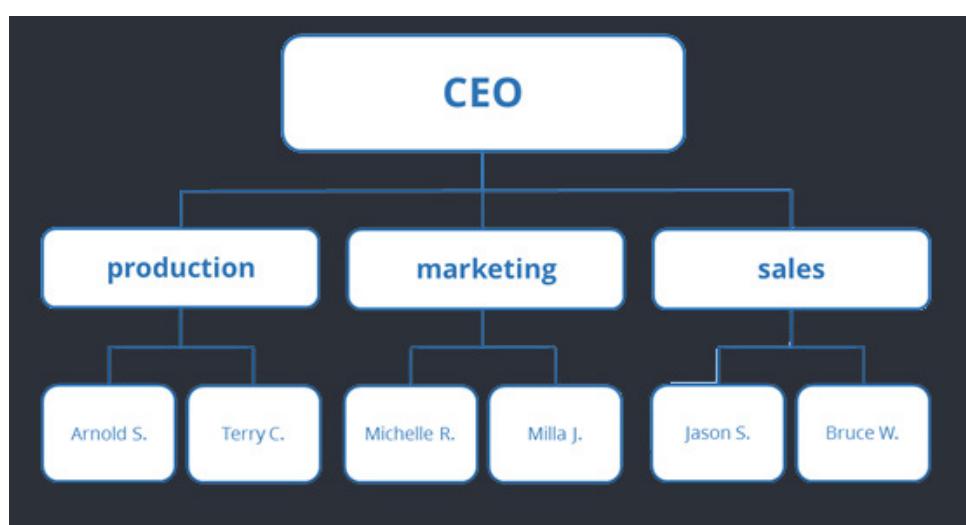
Spaghetti organization- Characterized by flexibility in the structure or lack of structure altogether.

Fishnet Organization- Flexible, adaptable and rearranges itself quickly while retaining its inherent strength.

Virtual Organization- Where employees interact with each other completely via telecommunications and may never actually meet each other.

Team Organizations- Formation of self-managed teams with sufficient authority and access to resources.

Network Structure- Linking of separate parts of the same organization or networking of separate organizations.



The word personality is derived from a Greek word "persona" which means "to speak through." Personality is the combination of characteristics or qualities that forms a person's unique identity. Every individual has a unique, personal and major determinant of his behavior.

MAJOR PERSONALITY ATTRIBUTES

Locus of control- is the center of control of an individual's code of conduct. People who consider themselves as the masters of their own fates are internals, while, those who affirm that their lives are controlled by outside forces known as externals.

Machiavellianism- is being practical, emotionally distant, and believing that ends justify means. They are always wanting to win and are great persuaders.

Self Esteem- is the extent up to which people either like or dislike themselves. Individuals with high self-esteem think that they have what it takes to succeed, they take more challenges while selecting a job.

Self-monitoring- is the capability of regulating one's behavior according to social situations. Individuals with high self-monitoring skill easily adjust their behavior according to situational factors.

Risk taking- Generally, managers are reluctant on taking risks. However, individual risk-taking inclination affects the bulk of information required by the managers and how long it takes them to make decisions.

THEORIES OF PERSONALITY

Psychoanalytical perspective- It emphasizes the importance of early childhood experiences and the unconscious mind. It was created by psychiatrist Sigmund Freud who believed that things hidden in the unconscious could be revealed in different ways, including through dreams, and slips of the tongue.

Humanistic perspective- The humanistic perspective of personality focuses on psychological growth, free will, and personal awareness. It takes a more positive outlook on human nature and is centered on how each person can achieve their individual potential.

Trait perspective- The trait perspective of personality is centered on identifying, describing and measuring the specific traits of human personality. By understanding these traits, researchers believe they can better comprehend the differences.

Social cognitive perspective -This perspective of personality emphasizes the importance of observational learning, self-efficacy, situational influences, and cognitive processes.

BIG 5 MODEL (O.C.E.A.N.)

Many contemporary personality psychologists believe that there are five basic dimensions of personality, often referred to as the "Big 5" personality traits. The five broad personality traits described by the theory are extraversion (also often spelled extroversion), agreeableness, openness, conscientiousness, and neuroticism.



Openness- has to do with Culture, Originality, or Intellect - appreciation for art, emotion, adventure, unusual ideas, curiosity, and variety of experience.

Conscientiousness- or Will to Achieve - a tendency to show self-discipline, act dutifully, and aim for achievement; planned rather than spontaneous behavior.

Extroversion- energy, positive emotions, surgency, and the tendency to seek stimulation and the company of other.

Agreeableness- a tendency to be compassionate and cooperative rather than suspicious and antagonistic towards other.

Neuroticism- on the negative side of the fifth factor is a tendency to experience unpleasant emotions easily, such as anger, anxiety, depression, or vulnerability; sometimes called Negative Emotionality, and emotional instability.

Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal. Motivation results from the interaction of both conscious and unconscious factors.

MASLOW'S HIERARCHY OF NEEDS AND THEORY OF MOTIVATION



Physiological needs: These are biological requirements for human survival, e.g. air, food, drink, shelter, clothing, warmth, sex, sleep. If these needs are not satisfied the human body cannot function optimally. Maslow considered physiological needs the most important as all the other needs become secondary until these needs are met.

Love and belongingness needs: The third level of human needs is social and involves feelings of belongingness. The need for interpersonal relationships motivates behavior.

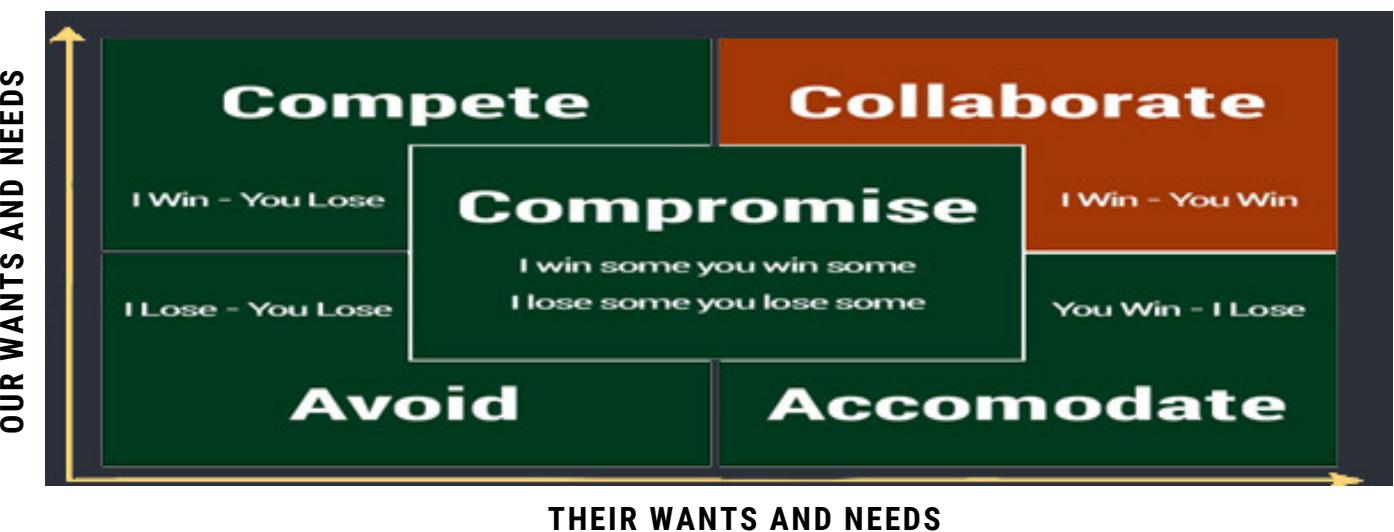
Esteem needs: Which Maslow classified into two categories:
 (i) esteem for oneself (dignity, mastery, achievement, independence)
 (ii) the desire for reputation or respect from others (e.g., status, prestige).

Safety needs: Protection from elements, security, order, law, stability, freedom from fear.

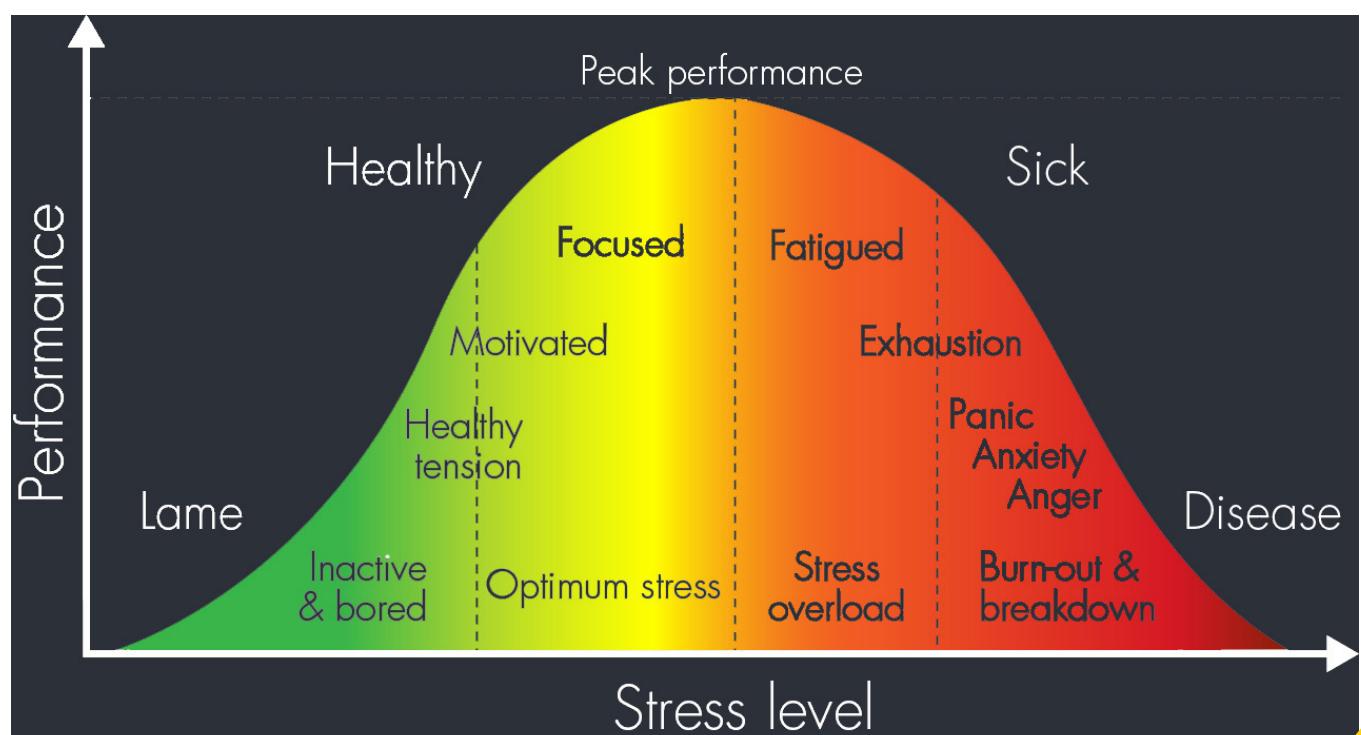
Self-actualization needs: Realizing personal potential, self-fulfillment, seeking personal growth and peak experiences. A desire "to become everything one is capable of becoming".

Bargaining (give and take) process between two or more parties (each with its own aims, needs, and viewpoints) seeking to discover a common ground and reach an agreement to settle a matter of mutual concern or resolve a conflict.

NEGOTIATION TECHNIQUES

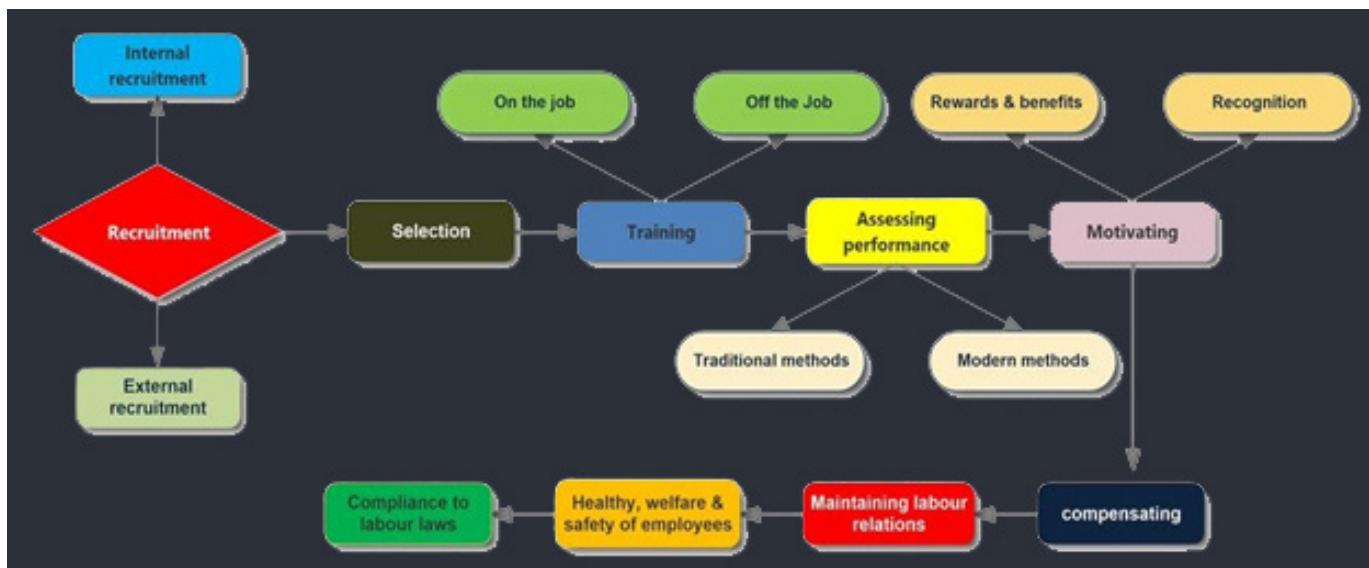


STRESS CURVE



Human Resource Management is the process of recruiting, selecting, inducting, providing orientation, imparting training, appraising the performance, deciding compensation and providing benefits, motivating, maintaining proper relations with employees, ensuring safety, welfare and health measures in compliance with labor laws of the land.

HRM PROCESS



Recruitment and training- The HR managers come up with plans and strategies for hiring the right kind of people. They design the criteria which is best suited for a specific job description. Their other tasks related to recruitment include formulating the obligations of an employee and tasks assigned to him or her.

Performance appraisal- The team communicates with the staff individually regarding their performances. This is beneficial as it enables them to form an outline of their anticipated goals in much clearer terms.

Maintaining work atmosphere- Performance of an individual in an organization is largely driven by the work atmosphere or work culture that prevails at the workplace. -

-A good working condition is one of the benefits that the employees can expect from an efficient human resource team.

Managing disputes- It is the human resource department which acts as a consultant and mediator to sort out the conflicts in an effective manner. They first hear the grievances of the employees and address them from an unbiased perspective.

Developing public relations- They organize business meetings, seminars and various official gatherings on behalf of the company in order to build up relationships with other business sectors. Sometimes, the HR department plays an active role in preparing the business and marketing plans for the organization too.

EI refers to the ability to identify and manage one's own emotions, as well as the emotions of others. EI is generally said to include at least three skills: emotional awareness, the ability to harness those emotions and apply them to tasks like thinking and problem solving; and the ability to manage emotions.

Personnel Management Focus

- Administering of policies
- Stand-alone programs, such as training
- Personnel department responsible for managing people
- Create a cost within an organization

HRM Focus

- Helping to achieve strategic goals through people
- Training programs that are integrated with company's mission and values
- Line managers share joint responsibility in all areas of people hiring and management
- Contributes to profit objectives of organization

ORGANIZATIONAL COMMUNICATION

Upward communication- is when the lower levels of an organization communicate with the upper levels of an organization. Oftentimes human resource departments may develop a survey such as this to find out how satisfied the employees are with things such as benefits. Employees might also engage in upward communication in a given work situation.

Downward communication- is the opposite of upward communication, in that the communication occurs from the upper levels of an organization down to the lower levels of the organization like a manager explaining how to do a task to employees.

Diagonal communication- approach occurs when interdepartmental communication occurs with people at different levels of the organization. for instance, when the human resources assistant speaks with the marketing manager about the hiring of a new employee in marketing.

Horizontal communication- occurs when people of the same level in an organization, for example, a marketing manager and a human resource manager, communicate usually to coordinate work between departments. An accounting manager might share information with a production manager so the production manager knows how much budget they have left.

GENERAL TERMS

Managers- People work for them. Managing is more about administering and making sure the day-to-day things are happening as they should.

Leaders- People follow them because they understand and believe in your vision and to work with you to work towards a common goals.

Role- is a prescribed or expected behavior associated with a particular position or status in a group or organization.

Office- The position that an individual acquires in a firm is called the designation or Job.

Job- is a group of homogeneous tasks related by similarity of functions.

Stress- Stress is a physiological effect produced in an organism in its attempts to cope (called adaptive response) with the demands created by a stressor.

Burnout- Feeling of physical and emotional exhaustion, due to stress from working with people under difficult or demanding conditions.

Groupthink- refers to a psychological phenomenon in which members of a group make decisions based on the pressure.

Groupshift- refers to a condition where the position of an individual in the group changes to adopt a more extreme position due to the influence of the group.

Group norms- are the informal rules that groups adopt to regulate and regularize group members' behaviour"

HRM JOBS

- Compensation Manager
- Manager of Employee Relations
- HR Generalist
- Technical Recruiter
- Director of Staff
- Placement Manager
- Training and Relations Manager
- Organizational Consultant

INTERVIEW QUESTIONS

- What are your strengths and weaknesses?
- What Is Performance Management?
- What Kind Of Person Would You Refuse To study With?
- What Is Your Philosophy Towards education?
- Do You Have Any Blind Spots?
- What Is More Important To You: The Money Or The Work?

LEARNING RESOURCES

thehrcapitalist.com

womenofhr.com

hrmagazine.com

humanresourceresearchcenter.com

hbr.org

managerskills.org

psychologytoday.com

strategy-business.com

real-leaders.com



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