REFERENCE GUIDE FOR MBA ASPIRANTS

PI-MANAGEMENT KIT 2022

PREPERATION MATERIAL

THIS KIT ENTAILS

TYPES OF QUESTIONS

- Situation Based Questions
- Work Ex Based Questions
- Current Affairs
- Why MBA
- Abstract Questions
- Academics Related Questions
- Internship Based Questions
- Hypothetical Scenarios
- Guessti-mates
- Self-Based & Covid related Questions

IIM KASHIPUR

Disclaimer

This document is provided for informational purposes only and does not constitute an endorsement by the administration of IIM Kashipur. This kit is not exhaustive, and we urge you to use it only to improve your preparation so that you can give your best shot on the day.

Dear Future Aspirants,

Warm regards!

The IIM Kashipur community congratulates you for making the PI round shortlist. IIM Kashipur has created the PI Kit 2021 to assist you in preparing for your exam and answering any questions you may have. This booklet offers helpful information that will help you prepare for the final phase of the admissions process and ace it. We will be happy to assist you with any additional questions or clarifications.

Basic Hygiene Questions

Give a brief introduction about yourself?

Suggestion:

- Be chronological (either forward or reverse)
- Make the answer well-rounded; use as many of the following elements as possible in time/space given: (Work-ex, education, chosen MBA specialization, hobbies, achievements, one of the 3 highlights you have put in CV)

Mention 3 strengths that you have.

Suggestion: Structure answer as: Situation - Action - Outcome

Mention 3 weaknesses that you experience.

Suggestion: Structure answer as: Situation - Effect – Correction

Where do you see yourself in 3-5 years (short term) and 10-15 years (long term)?

Suggestion:

- For short term, structure it as Role (optional) - Function – Industry
- Mention reason for alignment and how it helps to achieve long term goal
- For long term, connect it to some aspect of your personality

What has been your greatest achievement till date? Why do you think this is your greatest achievement?

Suggestion:

- Structure answer as: Situation – Action – Outcome

- Achievement can be used to validate a personal strength, etc.
- What can be commonly considered as achievements - anything for which recognition was received

Why should we choose you?

Suggestion: Highlight your strengths and focus on your key abilities which can differentiate you from other candidates

MBA Related Questions

Why MBA?

Suggestion:

- Be clear and concrete
- You should be able to outline a practical career trajectory and articulate the advancement you expect from your MBA

Why MBA from here?

Suggestion: Show that you have done your research. Have three or four very specific reasons and highlight any unique resources that you are particularly interested in.

Which domain would you want to take up and why?

Suggestion: Be specific and try to convince the interviewee about your interest by backing it with the academic projects/work experience you have done previously.

What are your expectations from a Business School?

Suggestion: This is a great opportunity to show that you are ready for the challenges of business school and that you have thought about how you can use your time wisely.

Situational Questions

Give an instance when you stepped in, took charge, mustered support, and influenced the outcome of a project/decision by displaying leadership qualities. What were your learnings?

Suggestion: Structure answer as: Situation – Action – Outcome – Learning (technical & non-technical)

Share one instance where you failed and how you handled it.

Suggestion: Structure answer as: Situation – Action – Effect – Learning

Tell us about a situation where you faced an ethical dilemma. How did you handle the situation?

Suggestion:

- Professional or personal example
- Structure answer as: Situation – What personality trait/skill influenced the decision – Learning

Always remember to:

- Sound convincing
- Dress professionally
- Keep yourself well groomed
- Have a proper justification for every point you make
- Know your CV like the back of your hand
- Keep yourself abreast of important news/happenings around you
- Maintain humility
- Keep your composure; sometimes interviewers might try to rattle you up by asking uncomfortable questions just to test your mettle
- Try to connect your experiences meaningfully
- Smile!

Current Affairs:

Here are just a few sample topics which you should ne prepapred for. There could be a situation when the interviewer could randomly ask you for your opinn on any such topic

Sample Topics

1. Farm Laws repealed
2. Bad Bank in India
3. Ram Temple Foundation
4. Non-Fungible Tokens (NFT)
5. Cashless society
6. Love Jihaad Law
7. Gig Economy
8. Facebook-Reliance JIO deal
9. 5 trillion Economy
10. Smart farming
11. Omicron
12. Central Vista Redevelopment
13. Role of EV to achieve net zero target by 2070
14. Cryptocurrency
15. India-China border dispute
16. COP26
17. Coal shortage in India
18. Metaverse
19. Gati Shakti National Master Plan

20. Chinese Applications ban in India

21. UP Ordinance on Unlawful Conversions

22. Tesla’s entry into the Indian Market

23. 2048 Olympics: Kejriwal’s Dream

24. WhatsApp privacy law: Should we uninstall it?

25. Trump’s Impeachment

26. Myanmar Crisis

27. Racism still prevalent in the UK

28. Taliban Takeover of Afghanistan

29. CAA - NRC - NPR

30. India's Ranks on Global Indices

31. Air India acquisition by TATA group and Handover delay

32. Facebook rebranding to Meta, and the future of AR

33. Afghanistan Insurgency 10 Privatization of Banks

34. Start-up boom in India and Unicorns

35. 75th Independence - Azadi ka Amrit Mahotsav

36. Olympics, Indian sportspersons, and rankings

37. Nobel Prize laureates 50 Budget 2022

38. Mob Lynching

39. India’s exit from RCEP with ASEAN

40. Decriminalization of homosexuality

41. Consolidation in Banking Sector

42. Ayodhya Verdict and its implications

43. Mission to MARS – Can India afford spending a fortune on such projects?

44. Modi care: Affordable healthcare or a piped dream?

45. NBFC Crisis in India

46. Cloud Computing

47. WhatsApp Snooping and Data Privacy

48. Role of social media in Indian politics

49. Walmart and Flipkart Deal: Impact on Indian Economy

50. Water Crisis in India – Scarcity or Abundance?

HUMAN RESOURCES

Human resource management (HRM) is the practice of recruiting, hiring, deploying and managing an organization's employees. HRM is often referred to simply as human resources (HR). A company or organization's HR department is usually responsible for creating, putting into effect, and overseeing policies governing workers and the relationship of the organization with its employees. The term human resources was first used in the early 1900s, and then more widely in the 1960s, to describe the people who work for the organization, in aggregate.

HRM is employee management with an emphasis on those employees as assets of the business. In this context, employees are sometimes referred to as human capital. As with other business assets, the goal is to make effective use of employees, reducing risk and maximizing return on investment (ROI).

Roles and responsibilities of an HR:

- Tying performance appraisal and compensation to competencies.
- Developing competencies that enhance individual and organizational performance.
- Increasing the innovation, creativity and flexibility necessary to enhance competitiveness.
- Applying new approaches to work process design, succession planning, career development and inter-organizational mobility.

Key Performance Indicators (KPI)

Key Performance indicators (KPI’s) are defined as a set of quantifiable measures that an organization uses to gauge the performance of the organization and its employees to meet its strategic and operational goals. KPI’s are directly linked to the overall goals of the company. Once an organization has set its mission, identified all its stakeholders and defined its goals it then needs a way to measure progress towards its goals. KPI’s are utilized to track or measure actual performance against key success factors.

Concepts related to HR

Management by Objective: Management by Objectives (MBO) is a personnel management technique where managers and employees work together to set, record and monitor goals for a specific period. Organizational goals and planning flow top-down through the organization and are translated into personal goals for organizational members. It aims to improve the performance of an organization by clearly defining objectives that are agreed to by both management and employees.

Performance Management: Performance management is a process by which managers and employees work together to plan, monitor, and review an employee’s work objectives and overall contribution to the organization. More than just an annual performance review, performance management is the continuous process of setting objectives, assessing progress and providing on-going coaching and feedback to ensure that employees are meeting their objectives and career goals.

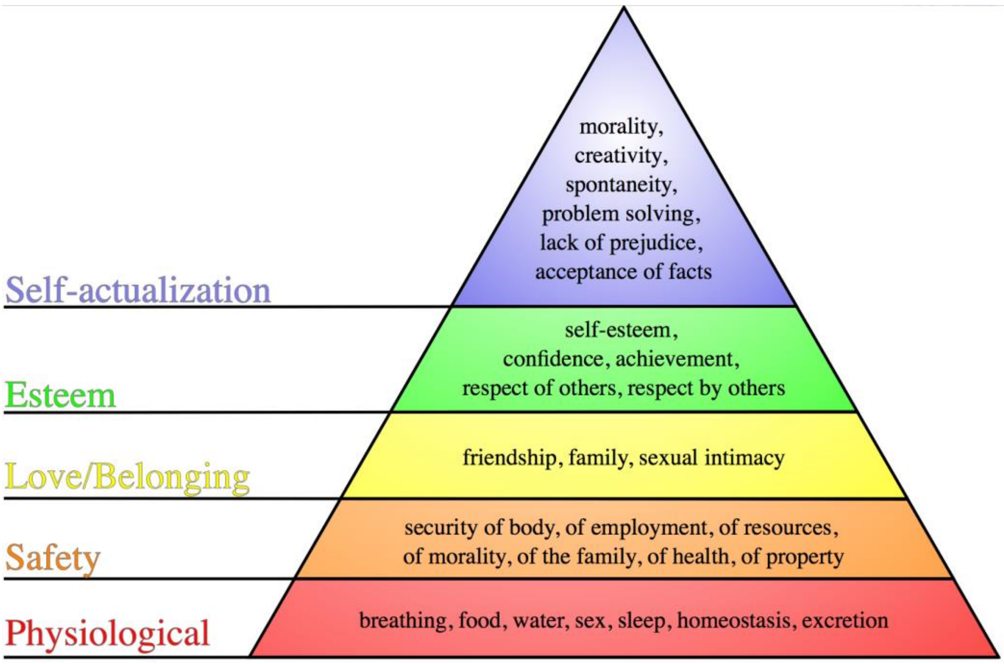
360-degree Performance Appraisal: A 360-degree appraisal is a type of employee performance review in which subordinates, co-workers, and managers all anonymously rate the employee. This information is then incorporated into that person's performance review. The feedback is often used as a benchmark within the employee's development plan.

Balance Scorecard: The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and non-profit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals.

McKinsey 7S Framework: The model is based on the theory that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing. So, the model can be used to help identify what needs to be realigned to improve performance, or to maintain alignment (and performance) during other types of change.

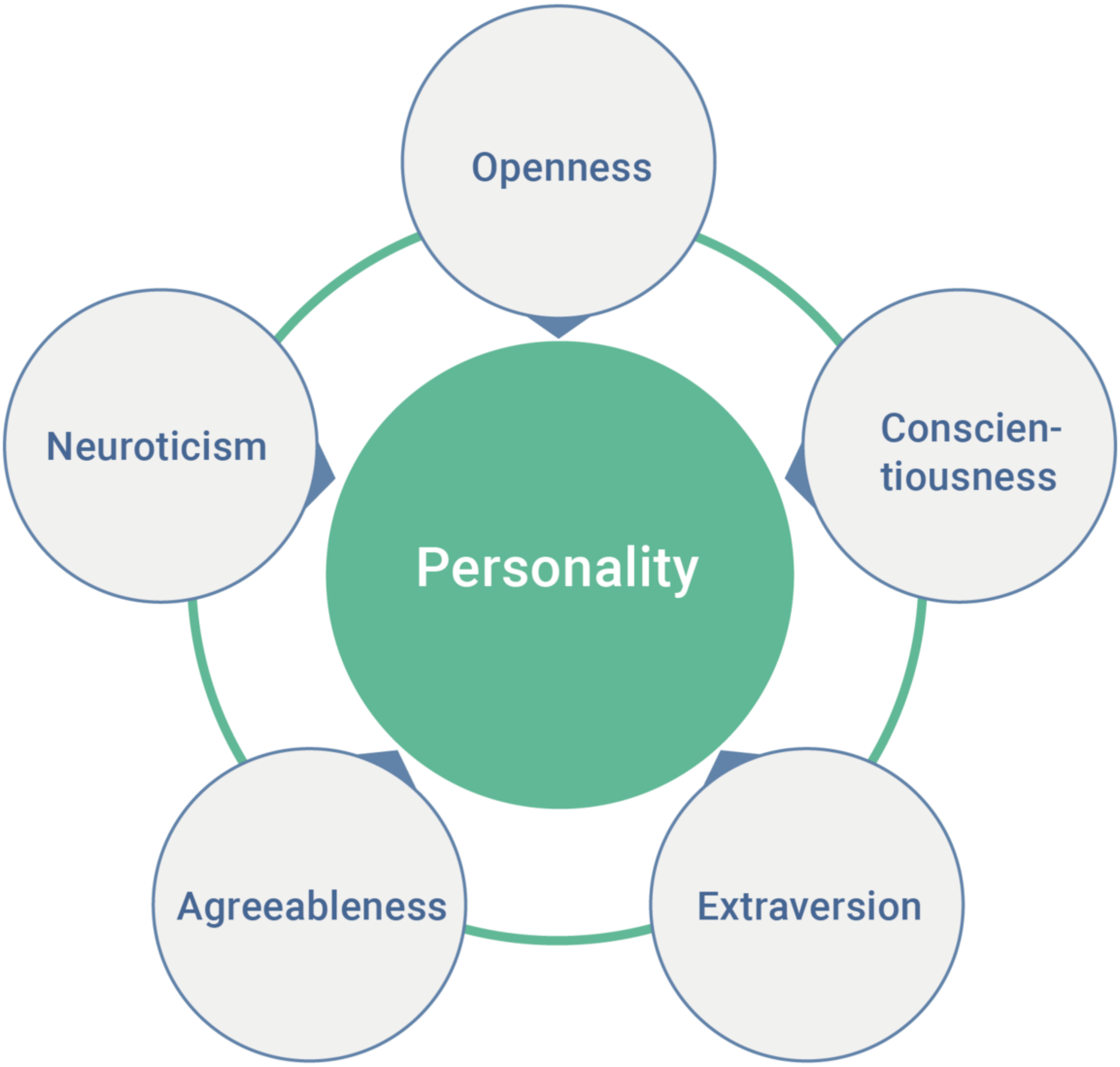
Maslow's Need Hierarchy Theory:

Maslow's hierarchy of needs is a motivational theory in psychology comprising a five-tier model of human needs, often depicted as hierarchical levels within a pyramid. Maslow stated that people are motivated to achieve certain needs and that some needs take precedence over others. Our most basic need is for physical survival, and this will be the first thing that motivates our behaviour. Once that level is fulfilled the next level up is what motivates us, and so on. This five-stage model can be divided into deficiency needs and growth needs. The first four levels are often referred to as deficiency needs (D-needs), and the top level is known as growth or being needs (B-needs)



Big Five Model of Personality –

Personality is an easy concept to grasp for most of us. It's what makes you "you". It encompasses all the traits, characteristics, and quirks that set you apart from everyone else. Human resources professionals often use the Big Five personality dimensions to help place employees. The Big Five traits are



Openness: Openness includes traits like being insightful and imaginative and having a wide variety of interests.

Conscientiousness: People that have a high degree of conscientiousness are reliable and prompt. Traits include being organized, methodical, and thorough.

Extroversion: Extraverts get their energy from interacting with others, while introverts get their energy from within themselves. Extraversion includes the traits of energetic, talkative, and assertive.

Agreeableness: These individuals are friendly, cooperative, and compassionate. People with low agreeableness may be more distant

Neuroticism: Neuroticism is also sometimes called Emotional Stability.

Herzberg's Two Factor Theory:

The Two-factor theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. It was developed by Frederick Herzberg, a psychologist, who theorized that job satisfaction and job dissatisfaction act independently of each other.

Two-factor theory distinguishes between:

• Motivators (e.g. challenging work, recognition, responsibility) that give positive satisfaction, arising from intrinsic conditions of the job itself, such as recognition, achievement, or personal growth.

• Hygiene factors (e.g. status, job security, salary, fringe benefits, work conditions) that do not give positive satisfaction, though dissatisfaction results from their absence. These are extrinsic to the work itself and include aspects such as company policies, supervisory practices, or wages/salary.

An employee feels dissatisfied when the hygiene factors are not present in an organization. The employee feels satisfied when the motivators are present in an organization.

Organisation

Organizations are (1) social entities that (2) are goal-directed, (3) are designed as deliberately structured and coordinated activity systems, and (4) are linked to the external environment

Major Stakeholder Groups and What They Expect

Dimension of Organisation

Dimensions of Organization Design

EXHIBIT 1.4
Interacting Contextual and Structural Dimensions of Organizational Design

HR related Terminologies

Attitude: "My personality is who I am and my attitude is who you are." Our behaviour towards an individual, group or people surrounding us changes but our personality is rigid, it does not change.

Emotional intelligence: The intelligence that we acquire on interacting with individuals and adapt accordingly in a conversation with the individual is termed as emotional intelligence. For ex, within two conversations with Ravi, I came to know about Ravi's reluctance to talk about this family, hence I do not talk about this family anymore in our conversations. This adaptation is due to emotional intelligence.

Decision making process: In psychology, decision-making is regarded as the cognitive process resulting in the selection of a belief or a course of action among several alternative possibilities.

Span of Control: The number of people or say employees who reports to you is the span of control.

Strategy: Strategy is a general direction set for the company and its various components to achieve a desired state in the future.

Leadership: Leadership is the process of guiding and directing the behavior of people in the work environment

ANALYTICS

Analytics is the scientific process of discovering and communicating the meaningful patterns which can be found in data.

It is concerned with turning raw data into insight for making better decisions. Analytics relies on the application of statistics, computer programming, and operations research in order to quantify and gain insight to the meanings of data. It is especially useful in areas which record a lot of data or information.

Uses of data analytics:

1. Improved decision making: Companies can use the insights they gain from data analytics to inform their decisions, leading to better outcomes. Data analytics eliminates much of the guesswork from planning marketing campaigns, choosing what content to create, developing products and more.

2. More effective marketing: Data analytics also gives you useful insights into how your campaigns are performing so that you can fine-tune them for optimal outcomes.

3. Better customer service: Data analytics provide you with more insights into your customers, allowing you to tailor customer service to their needs, provide more personalization and build stronger relationships with them.

4. More efficient operations: Data analytics can help you streamline your processes, save money and boost your bottom line. When you have an improved understanding of what your audience wants, you waste less time on creating ads and content that don't match your audience's interests.

Business Analytics

As a potential pursuant of this specialization, you must understand the meaning of the word

"Business Analytics". Both these terms, Business and Analytics, are highly significant. Analyticsis defined as a process that makes use of

• Statistical techniques (Measures of Central Tendencies, Graphs)

• Information System Software (Data Mining, Sorting Routines)

• Operations research methodologies (Linear Programming)

Analytics serves functions such as

• Exploring

• Visualizing

• Discovering

• Communicating patterns or trends in data

Business Analytics can hence be defined as a process that initiates with business-related data collection and consisting of sequential application of descriptive, predictive, and prescriptive major analytic components.

• **Descriptive analysis:** Descriptive analytics is characterized by conventional business intelligence and visualizations such as the bar charts, pie charts, line graphs, or the generated narratives. The two main techniques involved are data aggregation and data mining stating that this method is purely used for understanding the underlying behavior and not to make any estimations.

• **Diagnostic analytics:** As the name suggests it focuses on past performance to determine what happened and why. The result of this is often an analytic dashboard. Diagnostic analytics takes a deeper look at data to understand the root causes of the events. In a time, series data of sales, diagnostic analytics would help you understand why the sales have decreased or increase for a specific year or so. It only provides an understanding of causal relationships and sequences while looking backward.

• **Predictive analytics:** Predictive analytics is the use of data, machine learning techniques, and statistical algorithms to determine the likelihood of future results based on historical data. It is important to note that it cannot predict if an event will occur in the future; it merely forecasts what are the probabilities of the occurrence of the event. A predictive model builds on the preliminary descriptive analytics stage to derive the possibility of the outcomes.

• **Prescriptive analysis:** Prescriptive analytics goes beyond the three mentioned above to suggest future solutions. It can suggest all favorable outcomes according to a specified course of action and suggest the various course of actions to get to a particular outcome. Hence, it uses a strong feedback system that constantly learns and updates the relationship between the action and the outcome. Google's self-driving car is a perfect example of prescriptive analytics. It analyzes the environment and decides the direction to take based on data. A typical data analysis process deals with collecting, transforming, cleaning, and modeling data to discover the required information.

So, after knowing the major types of analytics, you must have understood that how important is gathering the data from authentic resources or target audience.

Now, let's discuss about the basic statistical concepts that are required for primary analysis of the data.

Introduction to Business Statistics

Continuous and Discrete variables

Discrete variable

A discrete variable is a type of statistical variable that can assume only fixed number of distinct values and lacks an inherent order.

Also known as a **categorical variable**, because it has separate, invisible categories. However, no values can exist in-between two categories, i.e. it does not attain all the values within the limits of the variable.

Number of printing mistakes in a book.

Number of road accidents in New Delhi.

Number of siblings of an individual.

Continuous variable

Continuous variable, as the name suggest is a random variable that assumes all the possible values in a continuum. Simply put, it can take any value within the given range.

A continuous variable is one that is defined over an interval of values, meaning that it can suppose any values in between the minimum and maximum value.

Height of a person

Age of a person

Profit earned by the company

Distribution

Distribution tells how the data is distributed across the centre. There are 2 types of distributions:

Continuous distribution

Discrete distribution

E.g., Normal Distribution, Poisson Distribution, Bernoulli Distribution, Chi-square Distribution etc.

Quantitative attributes: Mean, median, maximum, minimum, standard deviation

Categorical/qualitative data: Mode, count

Let’s have and overview of this statistical terms:

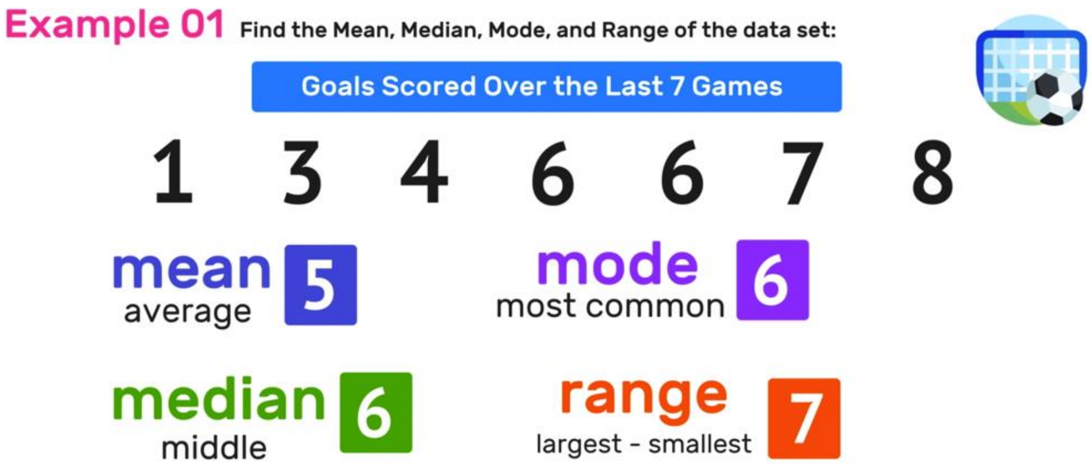
Mean: Average of all the values available. It can be used to get an average value of certain attribute for group of samples. Mean is used in parametric statistical test.

For ex: To analyze the average amount of Coca-Cola filled in a bottle of 100 ml based 150 samples of Coca-Cola bottles.

Median: It's the statistical measure that gives middle value of the data when sorted in ascending order. Median can be used to check if data is normally distributed or not. When mean of all values is equal to media, data is said to be normally distributed. The distribution of data always plays an important role in statistical analysis and model formulation.

Mode: Mode is most frequently occurring value of particular attribute in a dataset. Mode is specifically used with categorical data in non-parametric statistical test such as chi-square test.

For Ex: In a survey of highest used social media, if respondents chose Instagram over other channels, it is said to be the model of the categorical data sets. Here, mode is nothing but the count of specific response.

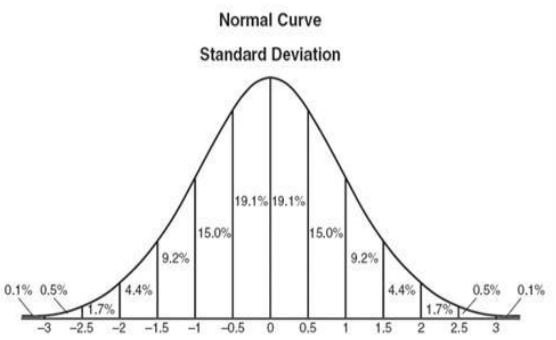


Standard deviation: Standard deviation is a measure of dispersion of data where how far the value is away from its mean is calculated.

$$\sigma = \sqrt{\frac{\sum(X-\mu)^2}{n}}$$

where,

σ = population standard deviation
$\sum$ = sum of...
μ = population mean
n = number of scores in sample.



For ex: GPA system used in grading the students is based on standard deviation where how far the student's mark in particular subject is far (less/more) from average score of class.

These statistical parameters are used to test the hypothesis made to compare the sample parameters of 2 or more samples.

Hypothesis testing:

Hypothesis testing is the statistical concept used to compare sample parameters of 2 or more samples using various tests such as z-test, t-test, ANOVA and chi square. Hypothesis in a simple language means educated guess. The assumption is made that the mean of both the sample groups or sample and population groups are either same or different. The assumption that has to be proven true is considered as alternate hypothesis.

For ex: H0 (Null Hypothesis): The return from stock A is higher than return from stock B

H1 (Alternate): The return from stock B is higher than return from stock A

Here, the hypothesis that statistician wants to prove is '**The return from stock B is higher than return from stock A'** based on available historical data of stock prices.

The null hypothesis is either accepted or rejected based on P-value obtained by performing statistical tests.

Now let's see what is P-value?

P-value is probability of occurring result given that null hypothesis is true. The confidence interval is associated with the hypothesis which is known as alpha.

Alpha: alpha is nothing but probability of rejecting null hypothesis when its true. The lower the alpha, the better after all it's a probability of occurring an error.

Whereas beta is completely opposite of alpha.

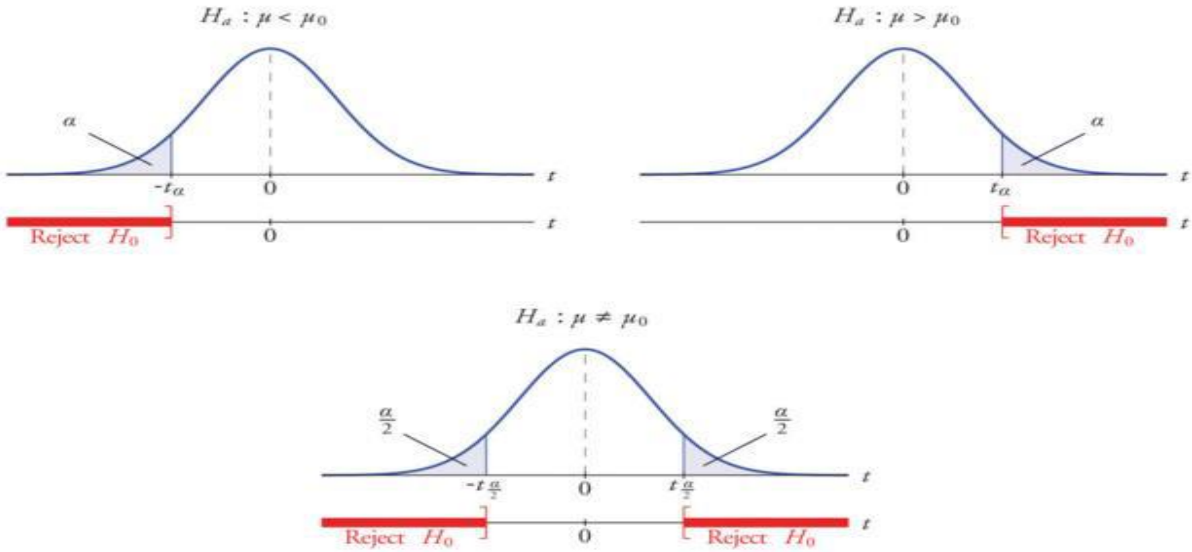
Beta: It is probability of accepting null hypothesis when not true. 1- beta i.e. 'Probability of not making type 2 error' is known as power of test.

Ideally, you would like to keep both errors as low as possible which is practically not possible as both errors are complementary to each other. Hence, commonly used values of alpha are 0.01, 0.05 and 0.10 which gives good balance between alpha and beta.

So how this P-value is used to prove the hypothesis?

When P-value > alpha i.e. probability of null hypothesis being true is higher than probability of type I error (Rejecting null hypothesis when true), null hypothesis is accepted.

When P-value < alpha i.e. probability of null hypothesis being true is lesser than probability of type I error (Rejecting null hypothesis when true), null hypothesis is rejected.



MARKETING

"The science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit." says Dr. Philip Kotler.

Difference between Marketing and Sales?

Marketing and sales are used very generically; sometimes even interchangeably. However, veteran marketers find them to be two different aspects when looked at a fine level. Before we look at the differences, the formal definition of marketing as per The American Marketing Association: The activity, set of institutions, and processes for creating, communicating,

delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

As Peter Drucker said, "The aim of Marketing is to make Selling superfluous". The main idea behind marketing is to create interest in any given product/service, which in turn creates leads or prospects.

MARKETING	SALES
Market oriented	Business specific
Driven by needs and wants	All about selling and meeting targets
Pull strategy	Push strategy

Marketing activities include:

1. Consumer research to identify the needs of the customers

2. Product development – designing innovative products to meet existing or latent needs

3. Advertising the products to raise awareness and build the brand

4. Pricing products and services to maximize long-term revenue

On the other hand, Sales activities are:

1. Focused on converting prospects to actual paying customers

2. Involves direct interaction with the prospects

3. Synonymous with having a short-term perspective

Difference between Customer V/s Consumer?

Consumer Definition

A consumer refers to an individual who consumes a product or service.

Customer Definition

A customer is someone who purchases a product or service.

You should also be aware that a consumer can be a customer or not, as consumer inclinations and interests can impact customer purchasing decisions.

Let's look at the worlds of customer and consumer individually to see what the differences are

Comparison	**Customer**	**Consumer**
Meaning	The purchaser of the goods or services	The end user of the product/service
Resell	A customer can be the business entity and can resell the product	No
Purchase of goods	Yes	Not necessarily the buyer
Purpose	Resale/Consumption	Consumption
Price paid	Yes	May not be

For example, suppose you own a small business that manufactures and distributes children's games or toys. While the children are the actual users, or consumers, of your product, they are not your customers. Instead, the customers are the parents of the children who purchase your products for them.

Product/Service	Customer	Consumer
Breakfast Cereal	Parent	Kids/Family
Engagement Ring	Groom	Wife
Carpet	Homeowner	Family Members
Building Materials	Contractor	People living in the house
Diapers	Parent	Infants/Babies

Need, Want and Demand

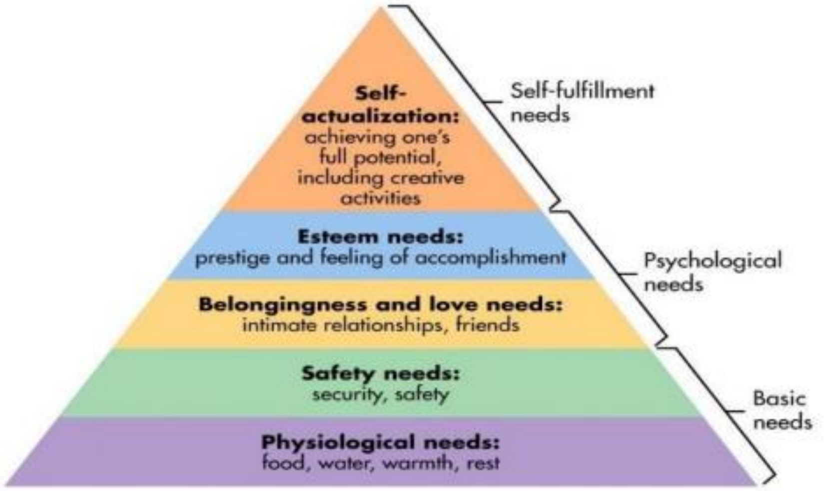
Needs are the basic requirements for human beings like food, air, water, shelter etc. These needs become **wants** when they are directed to specific objects that satisfy the need. **Demands** are backed by the ability to pay for a given want.

Marketers do not create needs: Needs pre-exist marketers. Marketers, along with other societal factors, influence wants. They might promote the idea that a Mercedes would satisfy a person's need for social status.

They do not, however, create the need for social status.

The needs can be further distinguished as:

- Stated needs – A person wants to buy a bike
- Real needs – A person wants a bike which has less operational costs
- Unstated needs – The customer expects good service from the dealer.
- Delight needs – A person would like the dealer to include an on-board GPS navigation system
- Secret needs – The customer wants friends to see him or her as a savvy consumer



The diagram is a representation of a pyramid of needs that was proposed by Abraham Maslow known as **Maslow's Hierarchy of Needs**

STP

Segmentation, Targeting and Positioning

The STP process

Segmentation: Sub-dividing the market into different segments/Cohorts.

Market Targeting: The process of evaluating the segments into choosing the most appropriate one.

Market Positioning: Determining how a brand will be able to fit into the lives of its target audience.

Before we talk about the technical aspects of STP, which is Segmentation, Targeting and Positioning. Just try to think of any product say, shoes; what product brand first comes to your mind?

Is it Nike, Adidas, Bata, Lotto, Kalenji etc.? Now think about where you see the advertisements of the product that you just thought about and what kind of people apart from you generally choose that product.

- **SEGMENTATION**

Let's learn these concepts with the help of the above example, The process of defining and subdividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics.

The basis of segmentation can be:

a) Geography:

Dividing markets into units such as nations, regions, counties, cities or neighbourhoods.

b) Demographic:

Dividing target market as per variables like age, family size, gender, income, occupation.

c) Behaviour:

Dividing market into groups on the basis of knowledge, attitude or response towards a product.

d) Psychographic:

Dividing market into groups as per personality traits, lifestyle, values.

- **TARGETING**

It is the act of choosing whether to consider or not to consider from the above segmented groups in order to cater to them with the intended product/service.

Bases for Targeting:

o Market size – Sustainability

o Expected growth - Future potential

o Competitive position - Attractiveness

o Cost of reaching the segment - Accessibility

o Compatibility with the organization's objectives & resources

Positioning

Positioning defines where your product (item or service) stands in relation to others offering similar products and services in the marketplace as well as the mind of the consumer.

A good positioning makes a product unique and makes the users consider using it as a distinct benefit to them. A good position gives the product a **USP (Unique selling proposition)**. In a marketplace cluttered with lots of products and brands offering similar benefits, a good positioning makes a brand or product stand out from the rest, confers it the ability to charge a higher price and stave off competition for.

To learn more about: STP

Marketing is divided into three types: ATL, BTL, and TTL.

• ATL Marketing (Above the Line Marketing) is an acronym for "Above the Line Marketing." This type of marketing reaches a vast number of people and is largely untargeted. It is mostly used to increase brand awareness and reputation. For instance, advertising on television, radio, and in print.

• BTL Marketing (Below the Line Marketing) is an acronym for "Below the Line Marketing." This type of marketing focuses on a specific set of people. It's ideal for direct response and conversions. Sponsorship, for example, or brand activation.

• TTL Marketing (Through the Line Marketing) is an acronym for 'Through the Line Marketing.' This type of marketing is essentially an integrated approach, in which a company uses both BTL and ATL marketing tactics to reach out to their customers and convert them. This type of marketing has a broad reach while also focusing on conversions. For instance, consider social media and events. m the others.

THE MARKETING MIX OR THE SEVEN P's OF MARKETING

The marketing mix refers to a company's combination of actions, or techniques, for promoting its brand or product in the marketplace. Price, Product, Promotion, Place, People, Process, and Physical Evidence are the 7'Ps that make up a conventional marketing mix

Product: A product is an item that is built or produced to satisfy the needs of a certain group of people. The product can be intangible or tangible as it can be in the form of services or goods. You must ensure to have the right type of product that is in demand for your market. Therefore, during the product development phase, the marketer must do extensive research on the life cycle of the product that they are creating.

Price: It talks about the pricing model that you use in order to reach customer expectations. The right pricing ensures proper extraction of consumer surplus while driving profits to the company.

Place: The product that has been decided above should be available from where your target consumer finds it easiest to shop. This may be High Street, Mail Order or the more current option via e-commerce or an e-tail.

Promotion: Advertising, PR, Sales, Promotion, Personal Selling and, in more recent times, social media are all key communication tools for an organization. These tools should be used to put across the organization's message to the correct audience.

People: This aspect investigates the people that are required to perform and deliver value to the customers. It can be used to identify skill gaps and develop knowledge development programs.

Process: This includes the delivery of your service in front of the customer. It talks about the 'ease of doing business' and repeatedly delivering the same standard of service.

Physical Evidence: All services include some physical elements even if the bulk of what the consumer is paying for is intangible. It refers to everything the customer sees when interacting with a business. This includes a physical environment where you provide the product or service, layout or interior designing, packaging, and branding.

To learn more visit: 7 P's of Marketing

ELEMENTS OF POSITIONING:

1.Target Audience:

For whom the product is intended, when a product or service is being offered by a company, a particular audience is kept in mind based on many factors such as demographics, Income level, Disposable Income, Gender, Age, Region Etc. The Customer group which the company plans to offer its product or service is known as the Target Audience.

2.Points of Parity (POP):

Attributes like other products in the category. These are the characteristics of a product or service which a customer would surely expect from a product in a particular category. For example A Toothpaste: when a customer purchases a toothpaste, he will expect that it should have freshness as well as it tastes well.

A Mobile Phone: when a customer purchases a mobile phone, a customer would expect it to help him to communicate with other around in the world.

3.Points of Difference (POD): Attributes that differentiates the products from others in the category. The more the number of PODs the better the positioning. The POD is a way, the customer's loyalty towards a particular brand. Brand loyalty and Customer benefit are the

metrics' which measure the success of a particular POD. PODs should satisfy the following criteria:

• It should be desired by the customer

• It should be sustainable by the producer

Elon Musk's Tesla Motors were one of the first companies to roll-out a commercial fully self-driven car for sale. These autonomous cars have been a major 'Point of Difference' for Tesla Motors. However, it will be a matter of time before other Car manufacturers make similar models making this current unique feature a 'Point of Parity'.
To **young adventurous,** Mountain Dew is a **soft drink** that gives the **highest energy** as it has **highest level of caffeine** To **youth**, Fogg is a **deodorant** that has **more sprays** in a bottle Target Audience Points of Parity Points of Difference

What is the PLC (Product Life Cycle)?

The product life cycle highlights the steps that a product goes through from its first introduction to its eventual removal from the market. Not all items make it to this point. Some continue to increase, while others fluctuate.

The following are the stages of the product life cycle:

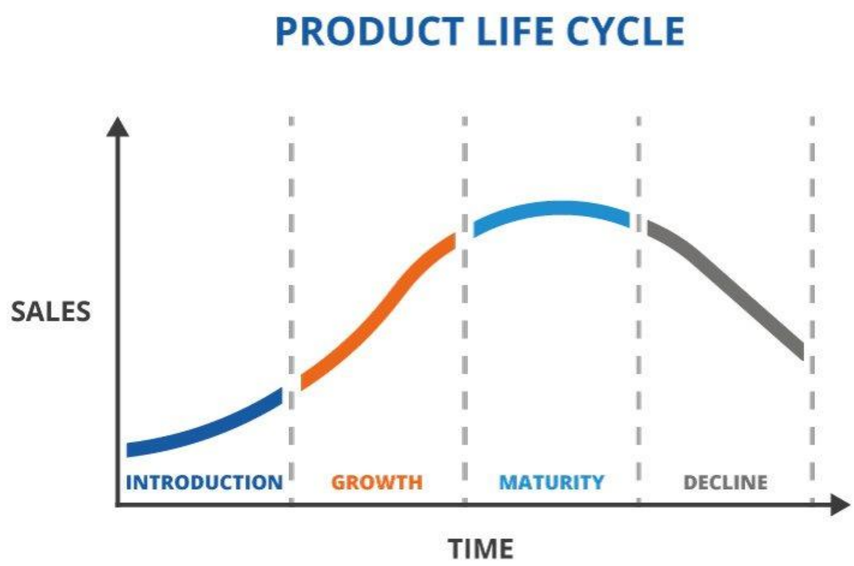
Introduction: Bringing the product to market is the first step.

Growth: When sales are expanding at their fastest rate

Maturity: Sales are at their peak, but growth is slowing due to new competitors in the market or saturation.

Decline: The last stage of the cycle, when sales start to decline.

Link for Reference: [PLC]



Brand and Branding

A brand can be defined as a set of tangible and intangible attributes designed to create awareness and identity and to build the reputation of a product, service, person, place, or organization. The holistic perspective of branding as a long-term strategy includes a wide set of activities ranging from product innovation to marketing communications.

The objective of a branding strategy is to create brands that are differentiated from the competition, thereby reducing the number of substitutes in the marketplace. When high brand equity is achieved through brand differentiation, the price elasticity of demand becomes low, allowing the company to increase price and improve profitability.

Brand Equity

Brand Equity is the value premium that a company realizes from a product with a recognizable name as compared to its generic equivalent. Companies can create brand equity for their products by making them memorable, easily recognizable and superior in quality and reliability. Mass marketing campaigns can also help to create brand equity. The additional money that consumers are willing to spend to buy Coca Cola rather than the store brand of drink is an example of brand equity.

Brand equity is the set of assets and liabilities associated with a brand, such as the positive image of Coca Cola in terms of a recreational beverage, or its negative image in terms of health and the consumption of sugar

Brand Positioning

Brand positioning refers to target consumer's reason to buy your brand in preference to others. It ensures that all brand activity has a common aim is guided, directed and delivered by the brands benefits/reasons to buy. It focuses at all points of contact with the consumer.

Some other important links you can consider watching:

Here are some of the links, which you can refer to:

How to sell a pen: [Sell a pen]

How to start a pitch: [Pitch]

Here are some more thoughts to ponder:

- Name your top 3 favourite brands and the reason you like them.
- Tell me about your top 3 favourite advertisements.
- Why do you want a career in marketing?
- What is inbound and outbound marketing?
- What is CPV?
- What is GTM?
- What is push and pull market strategy?
- Compare two brands as per their advertising competency?

Brand Extension

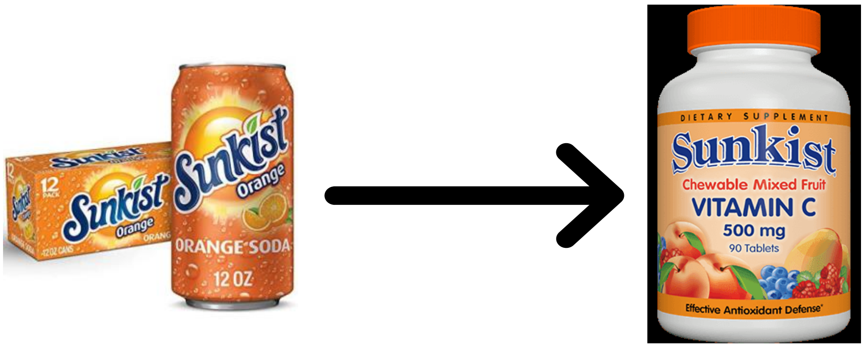
Brand extension refers to the expansion of the brand itself into new territories or markets. For instance, if a soft drink manufacturer unveils a line of juices or bottled water products under its company name, this would constitute an example of brand extension.

The brand, or company, is an established name, and so the name alone can serve to drive customers to try new products completely unrelated to the older product lines.

Brands Extensions fall into general categories:

Line Extension: The parent brand comes up with new product within existing product category by changing flavors, packaging, specifications or colors.

Category Extension: The parent brand enters a whole new category.



Other Marketing Techniques

Guerrilla marketing:

Guerrilla Marketing is an advertising strategy that focuses on low-cost unconventional marketing tactics that yield maximum results. The original term was coined by Jay Conrad Levinson in his 1984 book 'Guerrilla Advertising'. This alternative advertising style relies heavily on unconventional marketing strategy, high energy, and imagination.

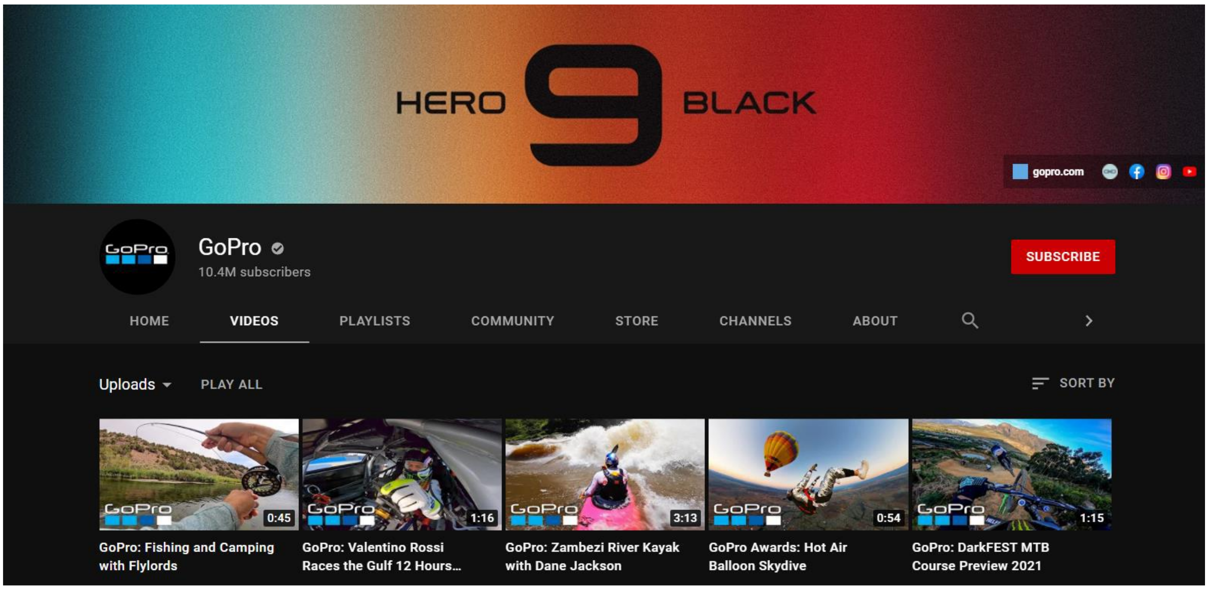
Guerrilla Marketing is about taking the consumer by surprise, make an indelible impression and create copious amounts of social buzz. Guerrilla marketing is said to make a far more valuable impression with consumers in comparison to more traditional forms of advertising and marketing. This is due to the fact that most guerrilla marketing campaigns aim to strike the consumer at a more personal and memorable level.

Content marketing:

A type of marketing that involves the creation and sharing of valuable, relevant, and consistent online material that does not explicitly promote a brand but is intended to stimulate interest in its products or services. The online materials could be videos, blogs, and social media posts. It is usually done to attract and retain a clearly defined audience and to drive profitable customer action.

For example, GoPro engages in content marketing through the creation of good quality visual content with the use of their latest product offerings. They have millions of subscribers on YouTube who enjoy the content they share, giving more visibility to the brand.

Watch this video for better understanding: https://www.youtube.com/watch?v=2UsMgNsSESI



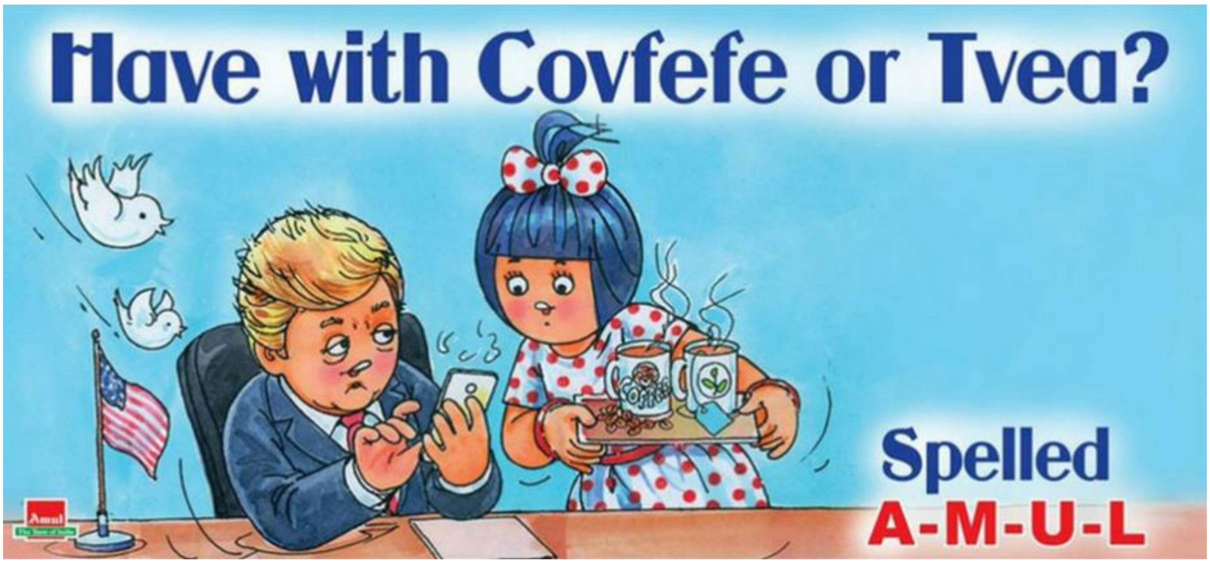
Influencer marketing:

Influencer marketing is a type of marketing which involves endorsements and product placement from influencers, people and organizations who have a purported expert level of knowledge or social influence in their field. It takes the idea of the celebrity endorsement and places it into a modern-day content-driven marketing campaign.

Even moderately famous influencers are being increasingly leveraged by brands to reach their dedicated group of followers for marketing products and services. "Micro-influencers" in the form of Instagram celebrities and YouTube stars provide more cost-effective engagement levels for the brands compared to the costlier A-list celebrities.

Moment marketing:

Moment marketing is "to leverage the ongoing current events to create relatable and relevant content which the audiences can easily understand". The latest trends or fads can be utilized to market the products in a humorous way, which creates a sort of 'virality' among the masses. Moment Marketing is probably the biggest buzz-word in marketing world today, with brands competing to establish their digital presence and engage with the users who spend most of their time online.



Cause marketing:

Cause Marketing is done by For-profit organizations, usually in collaboration with a Non-profit organization, to increase profits as well as to enhance society, in line with corporate social responsibility.

The principles of Cause Marketing are to align a brand with a cause to produce profits as well as societal benefits for both parties. The mutual benefits can include creating social value, increased connection with the public, and communication of shared values. Different companies often get involved with social causes to create a meaningful impact and drive authentic consumer engagement, as well as brand building. Some popular examples include 'Jaago Re' by TATA Tea (Various social issues), 'Help A Child Reach 5' by Lifebuoy (Promoting sanitation in Rural India), '#PlateOfHope' by KFC (Feeding the hungry).

ECONOMICS

Economics can be broadly classified into Microeconomics and Macroeconomics. While microeconomics deals with demand and supply of an individual and a firm, macroeconomics deals with the aggregate demand and supply of industries and the economy.

State Economy: It is the economy where the decision production, distribution, supply and price is solely taken by the state.

Mixed Economy: It is the economy where some elements of the economy is controlled by the state and rest of the elements are regulated by the market. In other way, it can be said that it is the combination of capitalist economy and state economy.

National Income: IT refers to the total amount of money earned within a country. The income of the Nation can be calculated in four different ways: **GDP, NDP, GNP, NNP.**

GDP: Gross Domestic Product is the value of all the final goods and services produced within the boundary of the nation during the period of one year. It is the summation of national private consumption, gross investment, government spending and trade balance.

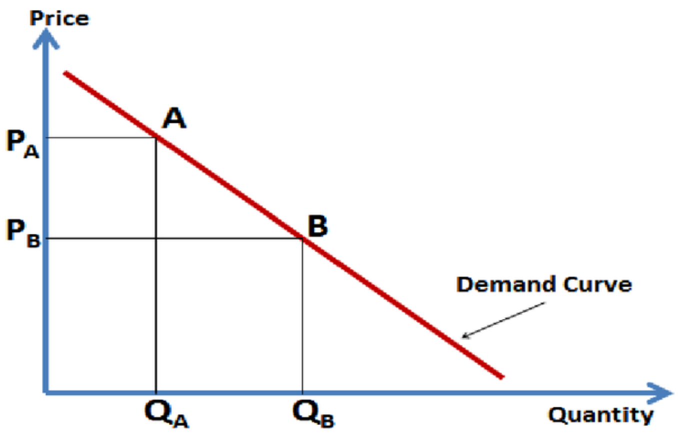
NDP: Net Domestic Product (NDP) is the GDP minus the depreciation of the goods and services produced.

GNP: Gross National Product is the summation of the GDP of a nation and the income of the nation from outside of the nation. GNP indicates both the quantitative and qualitative aspect of economy.

NNP: Net National Product (NNP) is the GNP minus the depreciation of the economy. Inflation: Inflation is the quantitative measure of the increase in the general price level of goods and services which results in the decreasing of the purchasing power per unit of a currency.

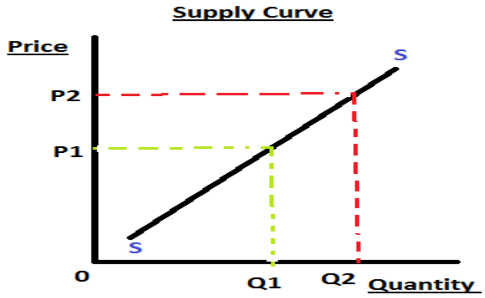
Law of Demand

It defines the relationship between the demand and price of a product. The demand for a product is inversely proportional to its price, other factors like income, the price of substitutes, taste, and preferences remaining same. As the price of a good decreases, the quantity demanded increases.



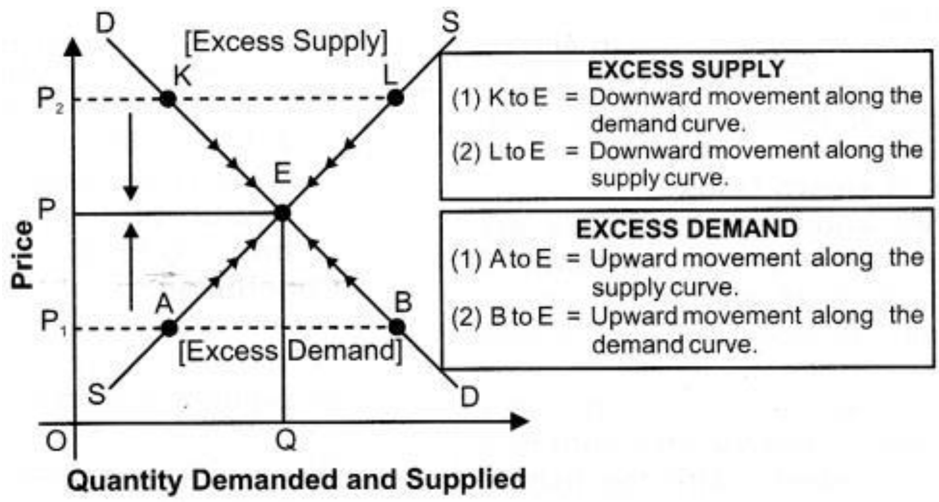
Law of Supply

It defines the relationship between the supply and price of a product. The supply of a product is directly proportional to its price, other factors like income, the price of substitutes, taste, and preferences remaining same. As the price of a good increases, the quantity supplied increases.



Equilibrium

Equilibrium refers to a situation in which the price has reached the level where the quantity supplied equals the quantity demanded.



In the given diagram:

I Suppose that initially, the price in the market is P1. At this price, the consumer demands P1B, and the producer supplies P1A, i.e., consumers want more than what the producer is willing to supply. There is excess demand equal to AB. So, the price cannot stay on P1 as excess demand will create competition among the buyers and push the price up till, we reach equilibrium. Due to the rise in price from P1 to P2, there is upward movement along the supply curve (expansion in supply) from A to E and upward movement along the demand curve (contraction in demand) from B to E.

II Similarly, at price supplied P2L. There is excess supply, equal to KL, which will create competition among the sellers and lower the price. The price will keep falling as long as there is an excess supply. Due to the fall in price from P2 to P, there is downward movement along the supply curve (contraction in supply) from L to E and downward movement along the demand curve (expansion in demand) from K to E.

Fiscal & Monetary Policy

The government exerts its control over the nation's economy using two distinct set of policies. One is the monetary policy (the central bank manages this on behalf of the government) and secondly the fiscal policy. Fiscal policy is the use of government expenditure and revenue collection through taxation to influence economic activity. With the help of monetary policy, the Reserve Bank of India (RBI) attempts to stabilize the economy by controlling interest rates and spending. The monetary policy comprises of various policy rates and reserve ratios.

The policy by which the government regulates and monitors the economy through expenditure and taxing adjustments.

Reserve Ratios:

Cash Reserve Ratio: The Cash Reserve Ratio is the required percentage of a bank's equity held in liquid cash by the Reserve Bank of India to combat inflation and maintain liquidity.

SLR is for Statutory Liquidity Ratio, which is the percentage of a bank's deposits held in the form of liquid assets at the Reserve Bank of India to ensure the bank's solvency and money flow in the economy.

Policy Rates:

Bank Rate - Bank Rate is the rate at which the Reserve Bank of India lends to commercial banks and other financial institutions for long-term purposes. A change in bank rates affects customers as it influences prime interest rates for personal loans. The bank rate signals the central bank's long-term outlook on interest rates. If the bank rate moves up, long-term interest rates also tend to move up, and vice-versa.

Repo Rate - Repo rate is the rate at which the central bank of a country (Reserve Bank of India in the case of India) lends money to commercial banks in the event of any shortfall of funds. Repo rate is used by monetary authorities to control inflation.

Reverse Repo Rate - The rate at which RBI borrows money from the banks (or banks lend money to the RBI) is termed as reverse repo rate. Reverse repo rate signifies the rate at which the central bank absorbs liquidity from the banks, while repo signifies the rate at which liquidity is injected. The RBI uses this tool when it feels there is too much money floating in the banking system.

Types of Inflation

Inflation

Inflation is a rise in the general level of prices of goods and services in an economy over a period. Consequently, inflation also reflects an erosion in the purchasing power of money – a loss of real value in the internal medium of exchange and unit of account in the economy. RBI 's desired level of inflation is 2-6 %, above which it becomes hawkish to check inflation.

Deflation

Deflation is a decrease in the general price level of goods and services. Deflation occurs when the inflation rate falls below 0% (a negative inflation rate). Inflation reduces the real value of money over time; conversely, deflation increases the real value of money– the currency of a national or regional economy. This allows one to buy more goods with the same amount of money over time. Deflation results in a lower level of demand in the economy due to lower production capacity requirements of industry and this further leads to increased unemployment.

Disinflation

Disinflation is a decrease in the rate of inflation i.e., a slowdown in the rate of increase of the general price level of goods and services in a nation's gross domestic product over time.

Stagflation

Stagflation is a situation in which the inflation rate is high, and the economic growth rate is low.

Hyperinflation

Hyperinflation is very high and typically accelerating inflation. It is usually caused by a rapid increase in the money supply.

FDI & FII Foreign Direct Investment (FDI) refers to the investment by foreign investors in projects in the country. This type of investment is more involved with the management, technology transfer and other field expertise and know-how in the project. FII refers to Foreign Institutional Investors. These investors invest in the country indirectly by purchasing stocks of companies listed on the stock exchanges. The FII money inflows or outflows are also called hot money flows.

Exchange Rate

Exchange rate is the rate at which one currency will be exchanged for another. It is also regarded as the value of one country's currency in relation to another currency.

Purchasing Power Parity (PPP)

Purchasing Power Parity states that when trade is costless i.e. in absence of transaction costs, tariffs and taxes, the price of goods or services in one nation should be same as the exchange rate adjusted price of the same good in another nation.

Interest Rate Parity

Interest rate parity is a no-arbitrage condition representing an equilibrium state under which investors will be indifferent to interest rates available on bank deposits in two countries.

Types of Industries

1. Monopoly – It exists when a specific individual or an enterprise has enough control over a particular product or service to determine significantly the terms on which other individuals shall have access to it. Monopolies often arise as a result of barriers to entry.

2. Perfect Competition – It describes markets where no participants are large enough to have the market power to set the price of a homogeneous product. A perfectly competitive market has the following characteristics like there are many buyers & sellers in the market, the goods offered by the various sellers are largely the same and firms can freely enter or exit the market. A competitive market has many buyers and sellers trading identical products so that each buyer and seller is a price taker. Buyers and sellers must accept the price determined by the market.

Perfect competition serves as a benchmark against which to measure real-life and imperfectly competitive markets.

3. Oligopoly – An oligopoly is a market form in which a market or industry is dominated by a small number of sellers. Only a few sellers characterize it, each offering a similar or identical product to the others. Because of the few sellers, the key feature of oligopoly is the issue between cooperation and self-interest. At least some firm has large market shares and thus can influence the price of the product.

4. Monopolistic Competition- Monopolistic competition characterizes an industry in which many firms offer products or services that are similar (but not perfect) substitutes

Characteristic:	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
Number of Firms	Many	Many	Few	One
Type of product	Identical	Differentiated	Identical or Differentiated	Unique
Ease of Entry	High	High	Low	Entry Blocked
Examples of Industries	Growing wheat Growing apples	Clothing stores, restaurants.	Manufacturing computers, manufacturing automobiles	First class mail delivery, tap water.

FINANCE:

What is the definition of finance?

Finance refers to the administration, creation, and analysis of money and investments. Finance can be split into three categories in general:

- Public finance
- Corporate finance
- Personal finance

Assets, Equity and Liabilities

An asset is a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit.

Assets are of two types:

1) Fixed assets- Assets which are purchased for long term. E.g.- Building, Land etc.

2) Current assets- Assets which can be quickly converted into cash. E.g.-Cash and cash equivalents (Mutual Funds).

Equity and Liability: Equity shows the amount the owners have invested in the entity. Liability is an obligation to transfer an asset or provide services to outside parties arising from the events that have already happened. It constitutes Equities, Non-current and Current Liabilities.

Career Prospects

Consumer Banking, Investment Banking, Institutional Finance, Merchant Banking, Corporate Finance, International Finance

Three Main Financial Statements:

The balance sheet, income statement, and cash flow statement each have their own set of details, yet they are all connected. The three statements together provide a complete picture of the company's operations.

The Balance Sheet

A firm's balance sheet, also known as the statement of financial position, gives information on how much the company is worth in terms of book value. The balance sheet is divided into three sections and summarises the company's assets, liabilities, and shareholders' equity as of a certain date.

Balance sheet example

TEDDY FAB INC.
BALANCE SHEET
December 31, 2100

ASSETS	
Current assets	
Cash and cash equivalents	$ 100,000
Accounts receivable	20,000
Inventory	15,000
Prepaid expense	4,000
Investments	10,000
Total current assets	149,000
Property and equipment	
Land	24,300
Buildings and improvements	250,000
Equipment	50,000
Less accumulated depreciation	(5,000)
Other assets	
Intangible assets	4,000
Less accumulated amortization	(200)
Total assets	$ 472,100

LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Accounts payable	$ 30,000
Notes payable	10,000
Accrued expenses	5,000
Deferred revenue	2,000
Total current liabilities	47,000
Long-term debt	200,000
Total liabilities	247,000
Shareholders' Equity	
Common stock	10,000
Additional paid-in capital	20,000
Retained earnings	197,100
Treasury stock	(2,000)
Total liabilities and shareholders' equity	$ 472,100

The Income Statement is a financial statement that shows how much money

The income statement of a business shows how much money the company makes and how much money it spends on its operations. Overall, it provides more granular information on a company's overall operating activities. The income statement summarises a company's direct, indirect, and capital expenses.

Paul's Guitar Shop, Inc. Income Statement For the Year Ended December 31, 2015		
Revenues		
Merchandise Sales	$ 24,800	
Music Lesson Income	3,000	
Total Revenues:		$ 27,800
Expenses		
Cost of Goods Sold	10,200	
Depreciation expense	2,000	
Wage expense	750	
Rent expense	500	
Interest expense	500	
Supplies expense	500	
Utilities expense	400	
Total Expenses:		14,850
Net Income		$ 12,950

The Cash Flow Statement is a financial statement that shows how much money is coming

The cash flow statement shows cash transaction activity and gives a picture of a company's overall liquidity. It sums up all cash inflows and outflows over the course of an accounting period to give a total cash available figure.

Components of Cash Flow Statement:

The three components of the Cash Flows Statement are Cash from Operations, Cash from Investing, and Cash from Financing.

1. Cash from Operations – Cash generated or lost through normal operations, sales, and changes in working capital (more detail on working capital below).

2. Cash from Investing – Cash generated or spent on investing activities; may include, for example, capital expenditures (use of cash) or asset sales (source of cash). This section will also show any investments in the financial markets and operating subsidiaries.

3. Cash from Financing – Cash generated or spent on financing the business; may include proceeds from debt or equity issuance (source of cash) or cost of debt or equity repurchase (use of cash)

Cash Flow Statement For the Year Ended December 31, 2016	
Cash Flow from Operations	
Cash receipts from customers	86,772
Cash paid for inventory	(7,400)
Cash paid for wages	(53,000)
Net Cash Flow from Operations	**26,372**
Cash Flow from Investing	
Cash receipts from sale of property and equipment	13,500
Cash paid for purchase of equipment	(17,500)
Net Cash Flow from Investing	**(4,000)**
Cash Flow from Financing	
Cash paid for loan repayment	(5,000)
Net Cash Flow from Investing	**(5,000)**
Net Increase in Cash	**17,372**

Accounting and Financial Analysis

As per traditional classification, there are 3 types of accounts namely Real, Personal and Nominal.

Account	Definition	Rule
Real	They are permanent accounts whose balances are carried forward to the next accounting year.	Debit what comes in, Credit what goes out
Personal	It consists of accounts of the natural, artificial and representative person.	Debit the Receiver, Credit the giver
Nominal	They are temporary accounts whose balance is transferred to Income statement at the end of the accounting year.	Debit all expenses & losses Credit all incomes & gain

The Link between the Balance Sheet and the Financial Statement:

The main link between the two statements is that profits generated in the Income Statement get added to shareholder's equity on the Balance Sheet as Retained Earnings. Also, debt on the Balance Sheet is used to calculate interest expense in the Income Statement.

The Link between the Balance Sheet and Statement of Cash Flows:

The Statement of Cash Flows starts with the beginning cash balance, which comes from the Balance Sheet. Also, Cash from Operations is derived using the changes in Balance Sheet accounts (such as Accounts Payable, Accounts Receivable, etc.). The net increase in cash flow for the prior year goes back onto the next year's Balance Sheet.

Ratio Analysis

It can be divided into 4 different categories. Details are given below:

Ratios	Meaning
Profitability Ratios	They assess the firm's ability to generate earnings concerning its revenue, operating costs etc. over a period.
Turnover Ratios	They assess the efficiency of management of an enterprise
Solvency Ratios	They are related to the firm's financial management. These ratios look at the company's liquidity and solvency.
Dividend policy Ratios	These ratios provide insight into the amount of dividend paid relative to its earnings and share's market value.

Financial Market:

Financial Market refers to a marketplace, where creation and trading of financial assets, such as shares, debentures, bonds, derivatives, currencies, etc. take place. It plays a crucial role in allocating limited resources, in the country's economy. It acts as an intermediary between the savers and investors by mobilising funds between them.

Classification of Financial Market:

It can be segregated into 2 parts:

• **Money Market:** It deals in financial instruments whose maturity period is less than 1 year. It helps in raising short term funds and temporary deployments of excess funds for earning a return.

• **Capital Market:** It allows long term trading of debt and equity. It consists of financial institutions, banks, corporate entities, foreign investors. Instruments involved are Debt, Equity, Bonds, etc. It is divided into 2 parts:

1. Primary Market: The primary market is the market where a new stock or bond is sold the first time it comes to market.

2. Secondary Market: The secondary market is where the security will trade after its initial public offering (BSE, NSE, Nasdaq).

Some basic terms of finance:

• **Asset -** A resource with value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.

• **Real assets -** assets used by the company in its normal business to generate profits. For example, land, building, raw materials, finished products etc. They may be tangible (assets that physically exist e.g., machinery and buildings) or intangible (assets that do not physically exist e.g., goodwill, trademarks, brand names etc.)

• **Financial assets -** assets issued by the company to generate money to buy real assets. There are basically of 2 types i.e., shares and bonds. Share/Stocks/Equities give ownership to the business which is not the case with bonds (they are debt instruments)

• **Liability -** This is a company's legal debts or obligations that arise during business operations. Liabilities are settled over time through the transfer of economic benefits including money, goods or services.

• **Debt -** It is the money borrowed by one party from another. Many corporations/individuals use debt as a method for making large purchases that they could not afford under normal circumstances. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back later, usually with interest.

• **Credit** - A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future, generally with interest.

• **Debit -** An accounting entry that results in either an increase in assets or a decrease in liabilities on a company's balance sheet or in your bank account.

• **Depreciation -** Depreciation is defined as the measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset, whether arising from Efflux (passage) of time, or Obsolescence through technological or market change

Initial Public Offering IPO is the acronym for Initial Public Offering. It is the first time a privately held company sells shares of stock to the public market. Usually, a company goes public to raise capital for growing the business or to allow the original owners and investors to cash out some of their investment.

The Company raising its Stock Price

Any positive news about the company can potentially raise the stock price. If the company repurchases stock, it lowers the shares outstanding and raises the EPS, which would raise the stock price. A repurchase is also seen as a positive signal in the market. A company could announce operational efficiencies or other cost-cuts, or a change to its organizational structure such as consolidations. It could announce an accretive merger or acquisition that would increase earnings per share. Any of these occurrences would most likely raise the company's stock price.

Mutual Fund

A mutual fund is an investment vehicle made up of a pool of money collected from many investors to invest 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.

Beta:

Beta is the value that represents a stock's volatility concerning overall market volatility. Market Risk Premium The market risk premium is the excess return that investors require for choosing to purchase stocks over "risk-free" securities. It is calculated as the average return on the market (normally the S&P 500, typically around 1012%) minus the risk-free rate (current yield on a 10-year Treasury).

Private Equity:

The simplest definition of private equity is that it is equity – that is, shares representing ownership of or an interest in an entity – that is not publicly listed or traded. A source of investment capital, private equity derives from high-net-worth individuals and firms that purchase shares of private companies or acquire control of public companies with plans to make them private, eventually delisting them from public stock exchanges. Most of the private equity industry is made up of large institutional investors, such as pension funds, and large private equity firms funded by a group of accredited investors.

Arbitrage:

Arbitrage occurs when an investor buys and sells related assets simultaneously 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.

Diversification:

Diversification is creating a portfolio of different types of investments. It means investing in stocks, bonds, alternative investments, etc. It also means investing in different industries. If investors are properly diversified, they can essentially eliminate all unsystematic risk from their portfolios, meaning that they can limit the risk associated with individual stocks so that their portfolios will be affected only by factors affecting the entire market.

Venture Capital:

According to the National Venture Capital Association (NVCA), venture capital firms “invest mostly in young, private companies that have great promise for innovation and growth.” They provide both funding and professional expertise to these companies. Some VC firms invest in traditional fields such as financial services, consumer goods, manufacturing, health care services, and business services and products. The companies a VC firm invests in becoming part of the VC firm’s portfolio— typically for 7 to 10 years.

Scope of Finance Function

1. Investment Decision

2. Financing Decision

3. Dividend Division

1. Investment Decision: It includes those that create revenue and profits as well as those that save money. They relate to the asset composition of the firm. It consists of Capital Budgeting and Working Capital decisions.

2. Financing Decision: It deals with the financing pattern of the firm. It answers the question of sources of funds.

3. Dividend Decision: It deals with the appropriation of profit after tax. These profits are available to be distributed among shareholders or can be retained by the firm for reinvestments.

Refer the following video to know more about how stock market works:

How Stock Market Works?

Cost of Capital:

The cost of capital is generally the opportunity cost of the project, which is the rate of return foregone to undertake the current project or the return of the next best alternative project.

Different Multiples to value a Company:

The most used multiple is price-to-earnings multiple, or "P/E ratio." This is the ratio of the Market Price of a stock and the Net Income per number of outstanding shares. Other multiples that are used include revenue, EBITDA, EBIT, and book value. The relevant multiple depends on the industry. For example, Internet companies are often valued with revenue multiples; this explains why companies with low profits can have such high market caps.

Few more Questions to read about:

- Who are Angel Investors?
- What is Nifty and Sensex?

CONSULTING AND STRATEGY

Consulting and strategic management is the continuous planning, monitoring, analysis and assessment of all that is necessary for an organization to meet its goals and objectives. Fast-paced innovation, emerging technologies and customer expectations force organizations to think and make decisions strategically to remain successful. The strategic management process helps company leaders assess their company's present situation, chalk out strategies, deploy them and analyse the effectiveness of the implemented strategies. The strategic management process involves analysing cross-functional business decisions prior to implementing them. Strategic management typically involves:

1. Analysing internal and external strengths and weaknesses.

2. Formulating action plans.

3. Executing action plans.

4. Evaluating to what degree action plans have been successful and making changes when desired results are not being produced.

STRATEGY TOOLS:

Business experts and consultants around the world have several tools and frameworks that they rely on to analyse a company's performance. Here are a few of them that might come in handy during your selection process:

1. SWOT Analysis: A SWOT (strengths, weaknesses, opportunities and threats) analysis is a planning process that helps your company overcome challenges and determine what new leads to pursue. A SWOT analysis is a compilation of your company's strengths, weaknesses, opportunities and threats. The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors involved in making a business decision.

1. Identify Core Strengths - It provides a clear view of your core competencies and allows you to build on them to meet your business objectives.

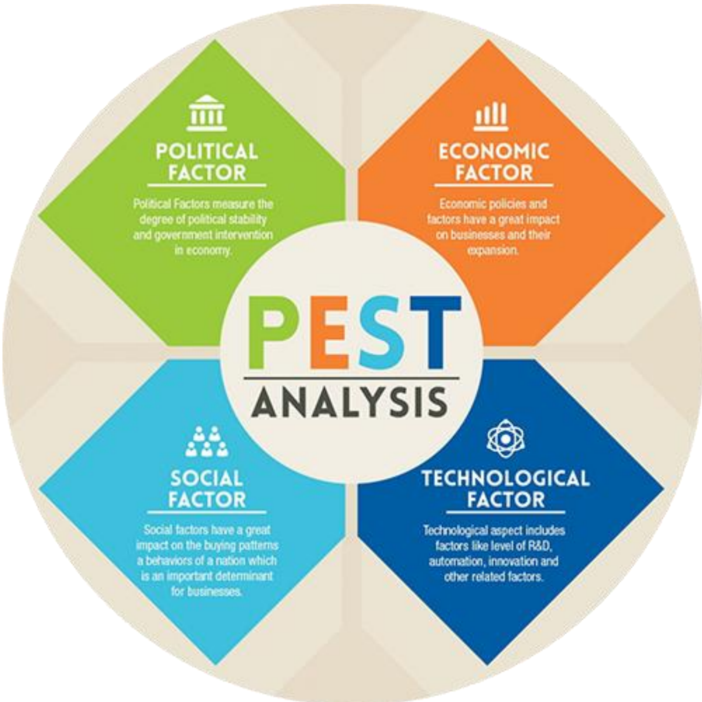
2. Identify Weaknesses - Recognizing your company's weaknesses is one of the first steps to improve your business. It reveals your weaknesses and provides a chance to reverse them.

3. Explore Opportunities - It helps you to explore the opportunities that lie ahead. Using this, you can draft your strategic growth plans based on your strengths and weaknesses.

4. Recognize Potential Threats - It helps you analyse possible threats to your business, and you can subsequently make necessary changes to the business policies and necessary actions. Additionally, it facilitates making supplementary or alternative plans, contingency plans, and so on.

2. PESTEL Analysis: PESTEL Analysis is a strategic framework used to evaluate the external environment of a business by breaking down the opportunities and risks into Political, Economic, Social, Technological, Environmental, and Legal factors.

- Political: They are all about how and to what degree a government intervenes in the economy.
- Economic: This is all about how an organisation does business and how profitable they are.
- Social: This are all about socio-cultural factors population growth, age distribution.
- Technological: This is about the new ways of producing, distributing goods and services with target markets.
- Environmental: This is about factors such as scarcity of raw material, pollution targets that a company must deal with.
- Legal: This includes health and safety, equal opportunities, advertising standards and other rules and regulations.



Political • Political Stability • Corruption • Tax Policy • Foreign Trade Policy • Funding Grants	Economic • Economic Growth • Interest Rates • Inflation • Disposable Income • Labour Cost	Social • Population Growth • Age Distribution • Cultural Barrier • Consumer views • Workplace Trends
Technological • Emerging Technologies • Maturing Technologies • Copyright and Patents • Production and Distribution • Research and Investments	Legal • Regulation • Employment Laws • Consumer Protection Laws • Tax Policies • Anti-Trust Laws	Environmental • Climate • Environmental Policies • Availability of Inputs • CSR

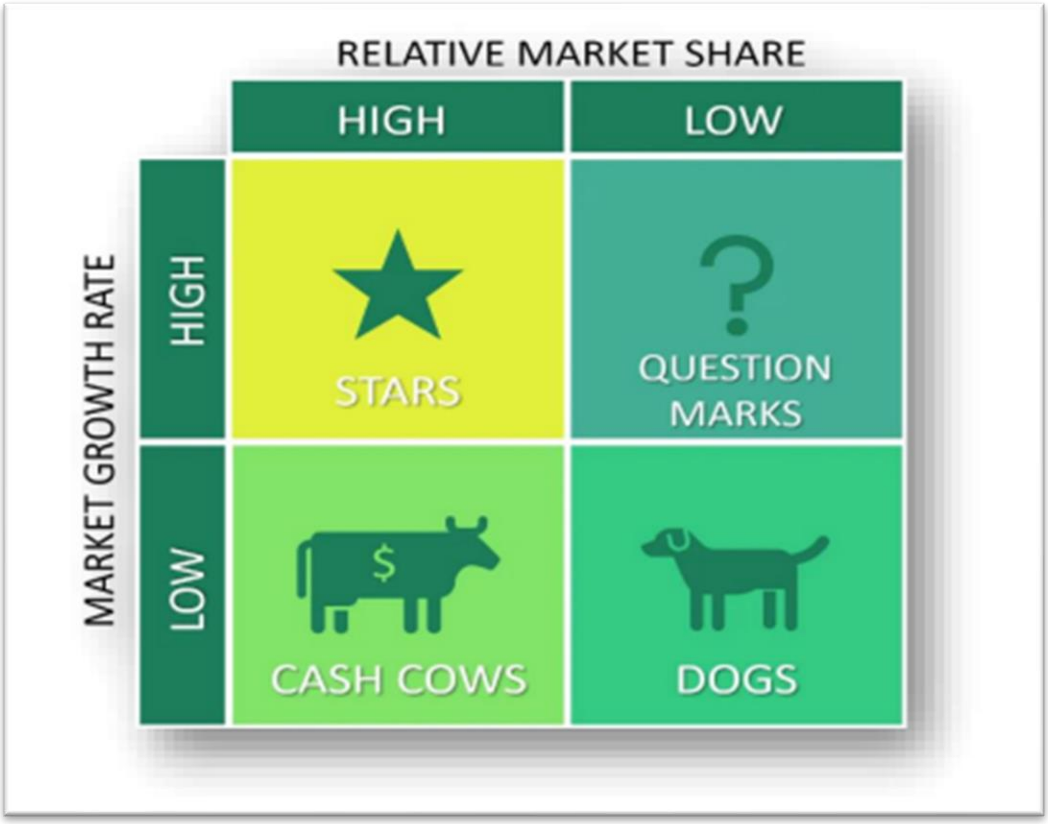
3. BCG Matrix- Created by the Boston Consulting Group, the BCG matrix – also known as the Boston or growth share matrix – provides a strategy for analyzing products according to growth and relative market share. The BCG model has been used since 1968 to help companies gain insights on what products best help them capitalize on market share growth opportunities and give them a competitive advantage.

• Cash Cows: Large Market Share in a mature industry. Requires little investment.

• Star: Larger Market Share in a growing industry. May require investment to maintain the lead.

• Question Marks: Small Market Share in a growing market. Requires focus and resources.

• Dog: Small Market Share in a mature industry. Little prospect for gain



4. PORTER'S FIVE: Porter's Five Forces is a model that identifies and analyses five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. Five Forces analysis is frequently used to identify an industry's structure to determine corporate strategy. 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. The Five Forces model is named after Harvard Business School professor, Michael E. Porter.

1. Rivalry among Existing Competitors: Intense competition leads to reduced profit potential for companies in the same industry

2. Threat of New Entrants: Act as a deterrent against new competitors

3. Threat of Substitutes: Availability of substitute products will limit your ability to raise prices

4. Bargaining power of Suppliers: Powerful suppliers can demand premium prices and limit your profit

5. Bargaining power of Buyers: Powerful buyers have a significant impact on prices

Competitors:

Existing rivalry between firms can take a firm's profits to zero and may lead to shut down. In a competitive environment, firm's decision is highly influenced by what the competitors do.

Barriers to Entry:

The threat of new entrants to the market determines the sustainability of estimated market share. It is evaluated in terms of market entry barriers which may be in the form of high fixed cost, product differentiation etc.

Substitutes:

There is always a threat of substitute products replacing the existing product(s) of a firm.

Suppliers:

A competitive market with limited suppliers brings with its high level of bargaining power of suppliers.

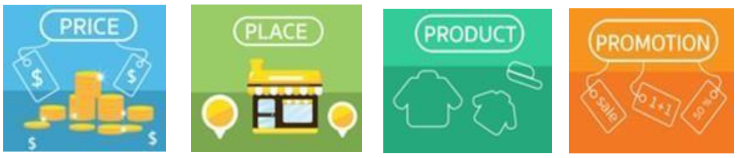
Buyers:

Multiple products of same category gives the buyers an advantage in bargaining, thus high bargaining power of buyers exists in multi-brand products

5. 4P's of Marketing Mix (https://www.youtube.com/watch?v=Mco8vBAwOmA)

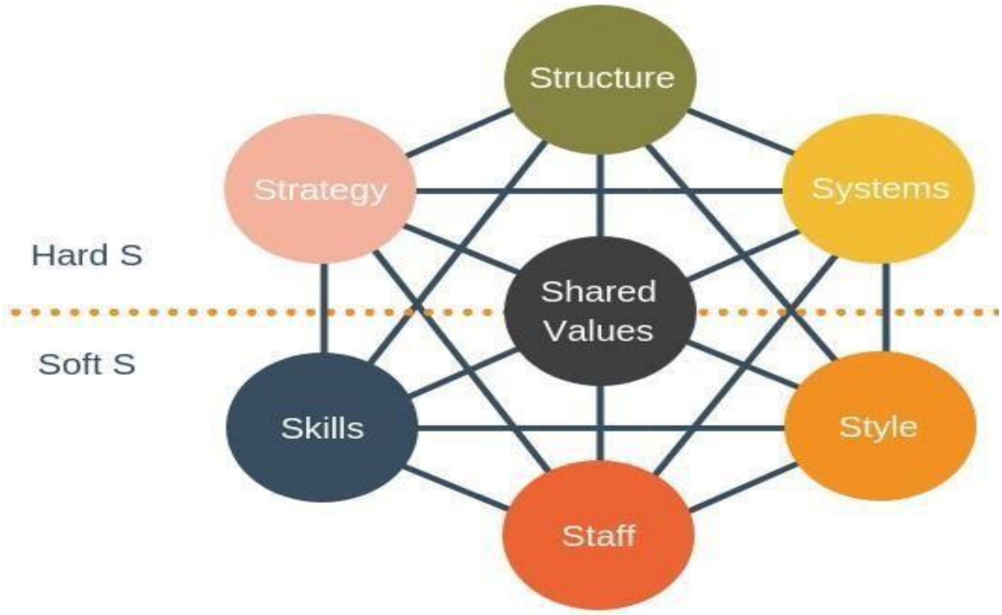
This model is meant to help you enhance the components of your marketing mix i.e. the manner in which you take a new product to the market. It helps you in defining the options in terms of the 4Ps – Price, Place, Product & Promotion so that your offering can satisfy or meet certain specific needs of the customers.

A good way of understanding the 4Ps is through questions which you need to ask in order to define the marketing mix. Mentioned below are some such questions which can better help you understand the 4 elements.



6. McKinsey's 7S (https://tallyfy.com/mckinsey-7s-framework/)

This is a tool which helps in analyzing any corporates organizational design by taking into consideration the below 7 mentioned internal elements in order to identify whether they are effectively aligned for the company to achieve its objectives. The key point here is to see that all 7 areas are interconnected and a change in one asks for a change in all others in order to function effectively. So, any element if tweaked must be done so keeping in sync with the others.



• **Strategy** – It is basically a plan developed by the firm to achieve a competitive advantage and compete successfully in the market. In general, any good strategy has to be articulated well, must be long term and help the company in getting a competitive advantage. Usually, a short-term strategy is said to be a poor choice, however, if aligned with the remaining elements it can deliver good results.

• **Structure** – the structure refers to the way business unit and divisions are done, including the chain of command and who is accountable for what, basically the organizational chart of the organization. It is the most easily changeable elements in the framework.

• **Systems** – this includes the procedures and processes of the company revealing daily business activities and the decision-making processes. This is the area which helps determine how business is done and should usually be the main focus when it comes to organizational change.

• **Skills** – these are the competency and abilities possessed by the organization's employees and includes the activities they perform well. During organizational change, questions often arise of what skills are needed to enforce a new strategy or new structure.

• **Staff -** this concerns the manpower aspect of the organization, as in how many employees are needed in the organization, how would they be recruited, trained, rewarded and motivated.

• **Style** – this represents the management style of the top-level managers of the company, what actions do they take, how are they interacting and their general symbolic value.

• **Shared Values –** these are at the core of this 7S model. These include the standards and norms that guide the behavior of the employee and the actions of the company, placing them at the very foundation of all organizations.

OPERATIONS AND SUPPLY CHAIN MANAGEMENT

Operations management is an area of management that is concerned with designing, redesigning and controlling the process of production of goods and services that provide value addition to the customer. The goal of operations management is to maximize efficiency of goods production and services that effectively fulfil customer needs.

Several operating decisions must be made that have both long and short-term impact on the organization's ability to produce goods and services. If the organization has made good operating decisions in designing and executing its transformation system to meet the needs of the customers, its prospects for long term survival are greatly enhanced.

For example: If an organization makes furniture, some of the operations management decisions involve the following:

1. Purchasing wood and fabric
2. Hiring and training workers
3. Location and layout of the furniture factory
4. Purchase cutting tools and other fabrication equipment.

If the organization makes good operations decisions, it will be able to produce affordable furniture with greater production efficiency and reduce defects in manufacturing. Thereby reducing the cost of furniture and leading to greater profits for the organization.

Operations management requires making strategic and tactical decisions.

Project Management

The management of the projects involves three major phases:

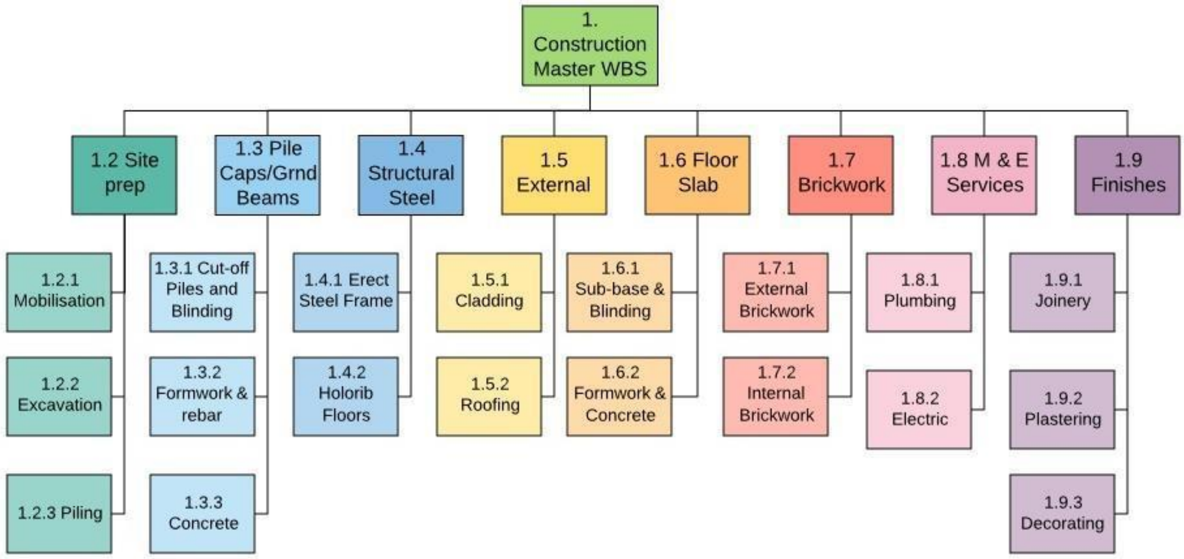
1. **Planning**: It includes goal setting, defining the project and team organization

2. **Scheduling:** It relates people, money, and supplies to specific activities and relates activities to each other

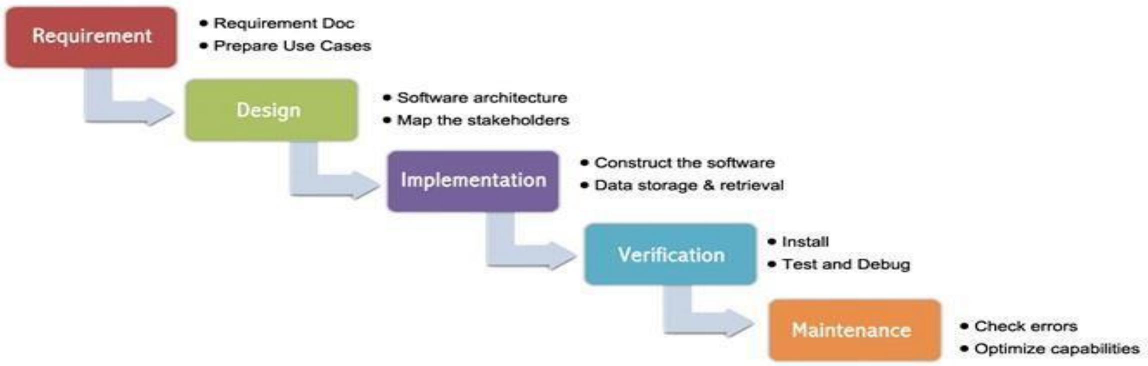
3. **Controlling:** Monitoring of resources, costs, quality, and budgets in order the revise the plans and shifts resources to meet time and demands

Work Breakdown Structure (WBS)

It defines the project by dividing it into its major subcomponents (or tasks), which are then subdivided into more detailed components, and finally into a set of activities and their related costs.



Project Management Methodologies



Here we look at some key operations management decisions and associated key terminology:

Capacity planning — The process of determining the production capacity needed by an organization to meet changing demands for its products. Different types of capacity exist. For example, Design capacity is the maximum amount of work that an organization can complete in each period; effective capacity is the maximum amount of work that an organization can complete in each period due to constraints such as quality problems, delays, and material management.

Efficiency — Performing activities at the lowest possible cost.

Enterprise Resource Planning (ERP) — Large, sophisticated software systems used for identifying and planning the enterprise-wide resources needed to coordinate all activities involved in the production and delivering products.

Forecasting — The process of predicting future events, including product demand.

Just-In-Time — A philosophy designed to achieve high-volume production through the elimination of waste and continuous improvement. It is an inventory optimization method where every batch of items arrives "just in time" to fulfil the needs of the next stage, which could be either a shipment or a production cycle.

Lean Systems — sometimes synonymous with just-in-time, it is a philosophy that takes a total system approach to create efficient operations through the elimination of waste.

Location Analysis — Identifying the best location for the facilities of production.

Mass Customization — The ability of a firm to highly customize its goods and services at high volumes through its operations management function.

Operations Management (OM) — The business function that refers to the transformation process of converting raw materials into finished goods and services. OM used to be called production and operations management (P&OM). As the field evolved from being primarily tactical (e.g., making inventory and scheduling decisions) to being strategic, the term moved to focus on the broad notion of operations rather than mere production.

Product Design — The process of deciding on the unique and specific features of a product.

Process Selection — Process selection typically goes hand in hand with product design, as we need to create a process that gives rise to the product design desired. An excellent product design is worthless if a process for its creation cannot be developed.

Total quality management (TQM) — A philosophy that seeks to improve quality by eliminating the causes of product defects and by making quality standards, the responsibility of every individual in the organization. Practiced by some companies in the 1980s, TQM became pervasive in the 1990s and is an area of operations management that no competitive company has been able to ignore. **Value-added** — A term used to describe the net increase created during the transformation of inputs into outputs. The OM function seeks to create value added in the transformation process.

- Quality management — The process used to ensure the quality of a product, including measuring quality and identifying quality issues.
- Reengineering — The process of redesigning a company's processes to increase its production efficiency, improve quality, and reduce costs. In many companies, things are done in a certain way that has been passed down over the years. Operations management is a key player in a company's reengineering efforts.

Forecasting:

Forecasting is the process of making predictions of the future based on past and present data and most commonly by analysis of trends. A commonplace example might be estimation of some variable of interest at some specified future date.

Why Forecast?

• Lead times require that decisions be made in advance of uncertain events.

• Forecasts of product demand, materials, labour, financing are an important input to scheduling, acquiring resources, and determining resource requirements

• Forecasting is an important for all strategic and planning decisions in a business organization.

Fore casting is a part of demand management:

Forecasting Horizons:

• Short Term (0 to 3 months): for inventory management and scheduling.

• Medium Term (3 months to 2 years): for production planning, purchasing, and distribution.

• Long Term (2 years and more): for capacity planning, facility location, and strategic planning.

Principles of Forecasting

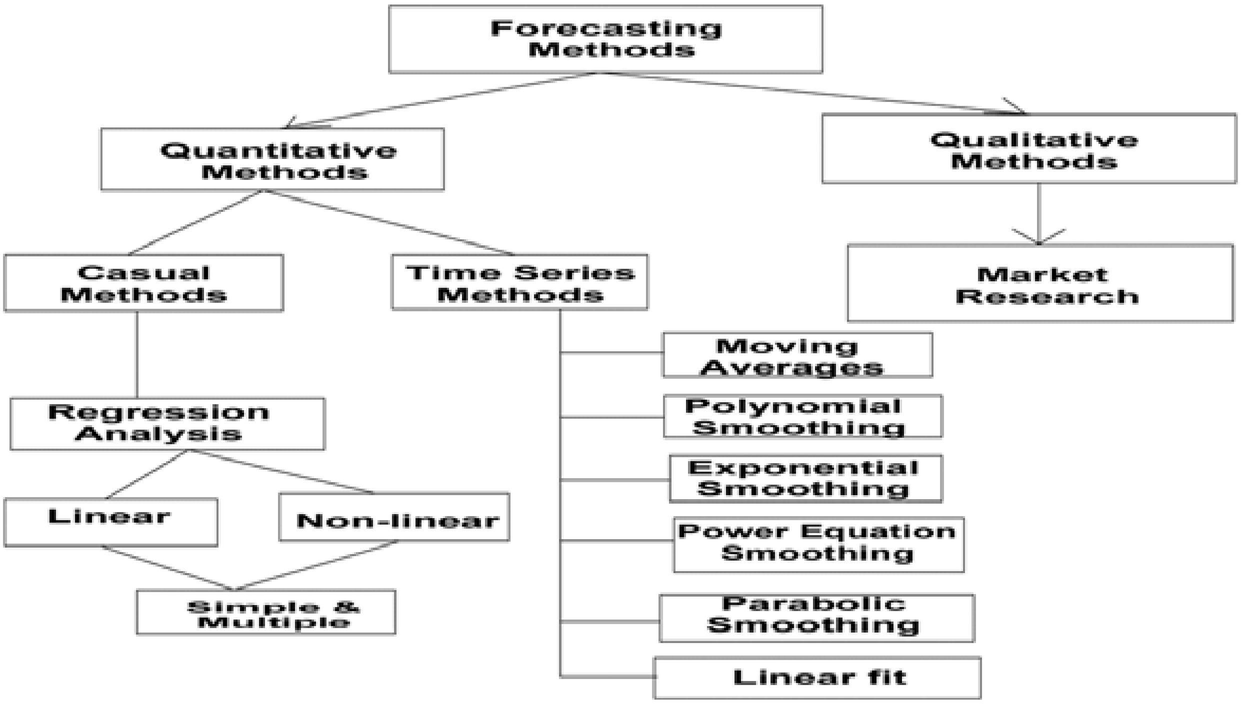
• Forecasts are almost always wrong.

• The greater the degree of aggregation, the more accurate the forecast

• Every forecast should include an estimate of the forecast error.

• Long-term forecasts are usually less accurate than short-term forecasts

Forecasting Methods:



Supply chain management

The management of the flow of goods and services involves the movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption.

1. **Logistics:** The time-related positioning of resources to meet user requirements.
2. **Consignment:** This term has more than one meaning, most often it means the act of placing your goods in the care of a third-party warehouse owner (known as the

3. consignee) who maintains them for a fee. In addition to storing the goods, the consignee may sell or ship them to customers on your behalf for a fee.
4. **Inventory:** A term used to describe all the goods and materials held by an organization for future sale or use a list of items held in stock.
5. **FIFO:** First in, first out is a method of cost lot tracking where items are valued and sold in the order they were purchased.
6. **Landed Cost:** The total cost of ownership of an item. This includes the cost price, shipping charges, customs duties, taxes and any other charges that were borne by the buyer.
7. **LIFO:** Last in, first out is a method of cost lot tracking where your most recent purchases are sold first. It works exactly opposite to FIFO.
8. **Bill of Material:** A listing of components, parts, and other items needed to manufacture a product, showing the quantity of each required to produce each end item.
9. **Demand Driven Supply Chains:** This is where a supply system is in direct response to a single point of demand. All the components across a supply chain are synchronized to meet the demand that it is trying to fulfil
10. **Transit Time:** The time taken to move goods physically between different locations in a supply chain or laterally to another facility.
11. **Turn Around Time (TAT):** The total time taken to repair a component at the repair location, including waiting time but excluding transit time.
12. **Reverse Logistics:** The requirement to plan the flow of surplus or unwanted material or equipment back through the supply chain after meeting customer demand.