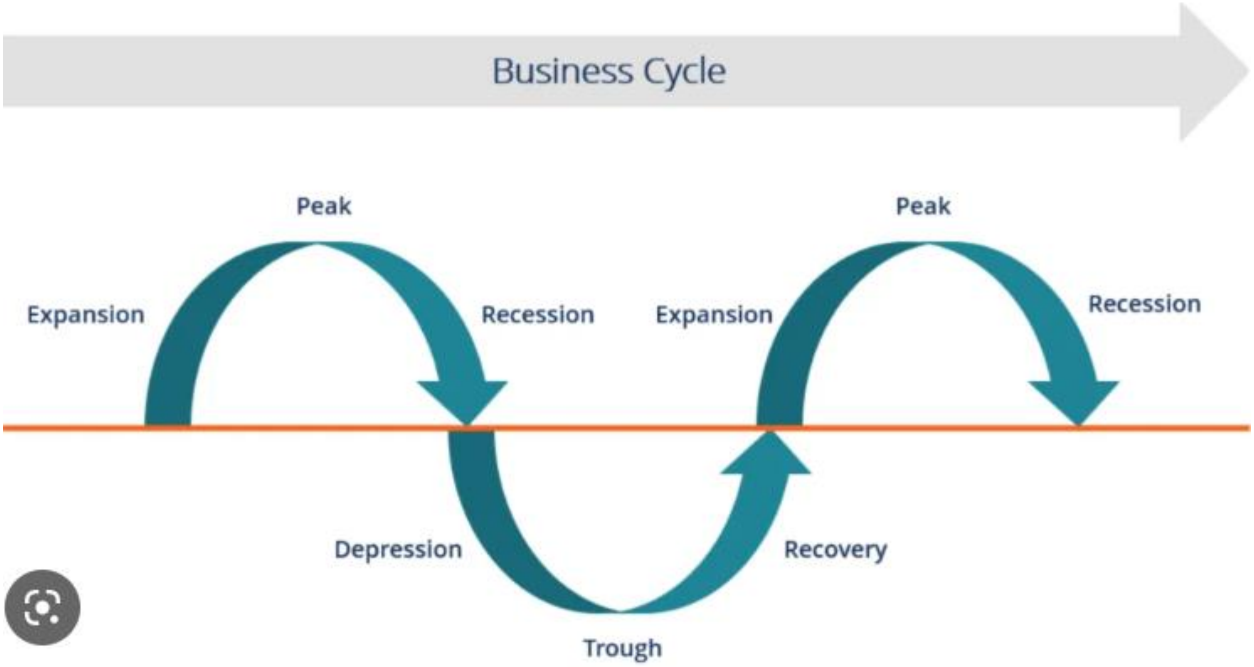
Q.1	Explain the importance of of digital economy. Do you thionk Digitalization has benefitted the whole country?

- The term “digital economy” dates back to the 1990s when the internet was still an add-on to analog products and services.
- Digital economy essential refers to the fast penetration of information and technology in various sectors of an economy. For examples E- business, E- commerce, E- distributions, E- finance, E- banking, E- manufacturing, E- payment gateways and E- virtual education to name a few.
- Digital economy is not a heavy weight economy but is a light weight economy which is faster, efficient and more users centric.
- Digital economy is seamless and efficient.
- Digital economy survives on efficient data speed, data storage and data analytics.
- Digital economy handles the big data in an error free manner which is beyond the capacities of human being.
- Digital economy assists in faster policy framing and long term decisions.
- Digital economy improves the gross domestic product of the country.

Q.2	Explain various phases of business cycle.Analyze the toughest part of a business cycle.

The business cycle is a natural occurrence in the economy. It is generally described as a sequence of periods of expansion, followed by a period of contraction, and finally a period of recovery.



The business cycle has six phases:

1. Expansion
This is the first phase of the business cycle, and it's generally marked by an increase in economic activity.

GDP (Gross Domestic Product) rises, unemployment falls, and prices increase. During this period, businesses are steadily growing their production and investing in new opportunities.

2. Peak
The peak is the point at which an expansion turns into contraction. It's also known as the business cycle's boom phase.

Expansion has reached its maximum growth, and now businesses are maxed out. They no longer have room to grow or invest, so they stop doing both—which affects supply (production), demand (usage of goods and services), employment, investment, prices, etc.

3. Recession
The recession is a period of economic decline that lasts from six months to a year; sometimes it can last up to 18 months or more (referred to as "Depression").

During this period most types of economic activity come to a halt. The unemployment rate rises as businesses lay off workers, and prices for goods and services drop.

4. Depression

This is the lowest point of the business cycle, which may also be referred to as the recession's trough. At this point, GDP (Gross Domestic Product), employment, production, consumption, investment, personal income, and business profits are all low.

5. Trough

The trough is the bottom of the recession. This is where the economy hits its lowest point. In terms of GDP, employment, investment, prices, etc., it's generally a very bleak time.

6. Recovery

The recovery phase starts when economic activity begins to rise again. It's marked by an increase in economic activity, as businesses start hiring again and production begins to pick up. Unemployment declines and prices begin to increase modestly.This period can last for months or years depending on how long it takes an economy to recover from a depression—which happens in a small number of depressions that have been studied by economists.

Q.3	What are the different types of Mergers you have learnt? Elaborate in your own words the advantages of merger.

Types of mergers and acquisitions

There are different types of mergers and acquisitions including horizontal, vertical, concentric, and conglomerate.

1. Horizontal Merger : A horizontal merger is when a company mergers or acquires another company that provides the same service or product to final customers. Both companies are in the same industry, have the same customers, and are at the same stage of production.

2. Vertical Merger: A vertical merger is similar but the companies are in different stages of production. For example, if a car company acquired another company that supplied seat belts for the cars, that would be a vertical merger. Both companies are in the same industry, but separate stages of production.

3. Concentric Merger: Another type of M&A is a concentric merger. This is when two businesses have the same customers in a specific industry, but they offer different products and services. For a merger to be considered concentric, the products or services must complement each other. An example of a concentric merger would be if a cell phone company merged with a cell phone case company.

4. Conglomerate Merger: If a merger happens between two completely unique businesses, it is considered a conglomerate merger. This type of M&A is typically done to expand into other industries.

Advantages of mergers and acquisitions

1. Higher growth : The promise of higher growth is, to some extent, present in almost every single M&A transaction. In theory, acquiring or merging with another company should enable a company to achieve revenues and income much faster than it would be able to achieve organically.

2. Synergies :Synergies describe the extra value that is generated when two companies combine, or simply put “one plus one equals three.” This occurs when a resource such as capital or intellectual property is shared between the two firms in the new entity, allowing two companies to benefit from the resource instead of one

. 3. Horizontal integration :This type of acquisition or merger involves two companies that operateat similar levels of the supply chain coming together to generate extra value. For example, the merger of two supermarket chains would allow both companies to enjoy greater distribution and stronger buying power.

4. Vertical integration :This involves the acquisition of companies at different levels in the supply chain to that of the buying company. For example, a supermarket chain could buy a manufacturing plant to start making its own-brand products, or a courier service to begin a grocery delivery service.

5. Diversification : In the sense that no two companies are identical, all M&A represents diversification to a certain extent

Q.4 Analyze the concept of top line and bottom line growth in an economy.

The top line is a reference to gross figures reported by a company, such as sales or revenue. It is called the top line because it is displayed at the very top of a company's income statement, and is reserved for the reporting of gross sales or revenue. A company that increases its revenue or sales is said to be generating top-line growth.

- Top line refers to the gross figures reported by a company, which is primarily revenues or sales.
- The term "top line" derives its name from the fact that it is the first item on an income statement.
- The importance of the top line is that it reflects a company's ability to sell its goods or services as well as indicates if a company is growing from one period to the next.
- The top line is the starting point of an income statement where costs and other items are deducted from it to arrive at net income.
- The opposite of the top line is the bottom line, which is net income or profits, after all costs, taxes, and other items have been deducted from the top line.

The bottom line refers to a company's earnings, profit, net income, or earnings per share (EPS). The reference to the bottom line describes the relative location of the net income figure on a company's income statement.

The term "bottom line" is commonly used in reference to any actions that may increase or decrease net earnings or a company's overall profit. A company that is growing its earnings or reducing its costs is said to be improving its bottom line. Most companies aim to improve their bottom lines through two simultaneous methods: increasing revenues (i.e., generate top-line growth) and improving efficiency (or cutting costs).

- The bottom line refers to a company's net income, which is presented at the bottom of the income statement.
- Management can increase the bottom line by enacting strategies to increase revenues or decrease expenses.
- Net income, or the bottom line, can be retained for future use in the business, distributed in the form of dividends, or used to repurchase shares of outstanding stock.
- The top line refers to gross sales or revenues, which are found on the top line of the income statement.
- Triple bottom line (TPL) refers to measuring the profitability of a company, along with how socially and environmentally responsible a company is.

Q.5	What are the Challenges of adopting e-waste management techniques that will create a sustainable Future?What are the environmental risk of E waste?

Q.6	What is the contribution of E-Commerce in the economic growth of a country?

- E-commerce stimulates the economy by increasing productivity, encouraging innovation and improving the shopping experience.
- This indicates that the use of e-commerce can significantly boost the country’s economy.
- In addition to accelerating economic development, the growth of e-commerce has also increased the income and consumption of people around the world.
- Both entrepreneurs and governments should leverage the social and economic benefits of e-commerce to increase cross-border market penetration and benefit from economies of scale. Compared to traditional physical transactions, the current e-commerce environment has more market share and fewer barriers to entry, encouraging entrepreneurship and encouraging competition among businesses of all sizes.

Q.7	Analyze the essential Differences between angel investing and venture capital.

- Angel investors are affluent individuals who invest their own money into startup ventures, whereas venture capital (VC) investors are employed by a risk capital company (where they invest other people's money).
- Angel investors are generally more eager to place a big bet on a startup with an interesting idea, whereas a VC firm will want to see growth potential.
- On average, VC firms will invest a larger amount of money than angel investors, but VC investors will also get a higher equity stake in the company.
- Perhaps the most important difference is that VC firms usually demand that they have some level of operational control, whereas angel investors prefer to be passive investors.

Basis for Comparison	Venture Capitalist	Angel Investor
Meaning	A venture capitalist (VC) can be described as an investor in private equity who lends capital to companies with high growth potential in exchange for equity stakes.	Angel investors are people who offer promising start-up businesses funding by offering a share of the company, generally as royalties or equity.
What is it?	Professionally managed public/private firm.	Individual investors(often successful businessmen(.
Money	Pools money from funds, foundations, corporations, and insurance companies, to invest.	Invest their own funds.
Investment	The investment made in the pre-profitability business.	An Investment made in the pre-revenue business.
Post Investment role	Strategic	Active
Investment size	Comparatively large	Less
Screening	Undertaken by an outside firm specialised in the same or an experts' team.	Undertaken by the angel investor as per their own experience.
Approach to agency risk control	Principal-agent approach	Incomplete contracts approach
Stresses on	Investment criteria as per initial screening of investment opportunities.	Investment criteria as per ex-post involvement.

Q.8 | Discuss in your own words the advantages & disadvantages of Organic Growth model in business.

Advantages	Disadvantages
• Can maintain current management style, culture and ethics • Less risk - expanding what the business is good at • Usually financed using profits so less risk • Easy for the business to manage internal growth • Easy to control how much the business will grow • Less disruptive changes mean workers' efficiency, productivity & morale remain high	• Can take a long time to grow internally • Can take a while for the business to adapt to big changes in the market • Market size not affected by organic growth • If market not growing, business is restricted to increasing its market share or finding a new market to sell products to • Businesses might miss out on opportunities for more ambitious growth by only growing internally

PROS OF ORGANIC GROWTH

- Management knows the company inside and out. Since organic growth occurs in a relatively tighter-knit organization, management knows the company strategies and operations more intimately than an organization that has recently undergone a merger or acquisition. This means the company is typically able to adapt to changes in the marketplace more quickly.
- Less integration challenges and restructuring. During a merger or acquisition, there's typically restructuring of personnel and operations that occurs to manage the new volume of business. This can often mean layoffs, changes in the leadership team, and overall figuring out how to monitor more employees and assets. During organic growth, integration challenges or management/personnel changes are typically more gradual, which can feel more comfortable and natural for the internal culture.
- Stay true to your dream. Without mergers or acquisitions, entrepreneurs have more control over the direction the business is headed.
- It's more obviously sustainable. Sustainable growth is the ultimate goal of any company. Without organic growth, there's no investor interest, little possibility of becoming an acquisition target, and virtually no chance that the company will become vibrant enough to sell. Bringing inconsistent or growing revenues is a sign that things are working within an organization and is an important step in business success.

CONS OF ORGANIC GROWTH

- Growth can be significantly slower. Since there's no infusion of market, product, assets, or resources, a company growing organically must do so at a sustainable pace. This means growth can't overshoot the personnel, support, and resources available.
- May decrease your competitive edge. We all know that the best way to succeed in any industry is to out-play your competitors. If your competitors are growing quickly or if your industry has high M&A activity, then growing too slowly can mean you'll be quickly overtaken by competitors.
- There is sometimes a glass ceiling. Businesses that rely on organic growth often find that they lack the resources to continue to grow in a way that allows them to achieve their goals. As business and customer needs grow, receivables and other cash-consuming items and resources grow as well.
- Competition drives the market. M&A activity is like dominoes—once companies in an industry begin merging, it puts the heat on all the other companies to grow more quickly than is organically possible, or they may be left behind. Competitor's influx of resources and business may allow them to lower prices or employ other tactics to steal market share, making it more difficult for smaller companies in the industry to grow.