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& Commerce

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Letter***

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Message from the Editorial Board

It is pride for us to state that the Department of Commerce, RCASC is bringing out – “E- VANIJYA” student newsletter. It is one of the steps towards institutional social responsibility by reducing paper usage in the campus. It is heartening to note that this issue of “E-Vanijya” lives up to its expectations with large number of contributions from the students.

Yet again another batch of students has left the portals of this great institution to join the corporate world. There is a bunch of wishes to all of them & we are sure that they will do us, their parents & institution proud. The students of commerce have achieved excellence in academic and cocurricular activities and won prizes in various intercollegiate competitions

I immensely thank Management, Honourable Chairman of GEF Sri Dr. M.R Jayaram, Honourable ‘Directors of GEF, RCASC Sri M.R Janakiram and Sri M.R Kodandaram. CEO of GEF –GS Sri B.S. Ramaparshad and COF Sri. G. Ramachandra, Principal Dr. A. Nagarathna and all staff members for their support. I thank all students who have contributed articles for this newsletter.

Our commitment to share best practices & experiences to the readers of E-Vanijya continues.

We hope you will enjoy reading this edition. Prof. B.S. JAYARAMA Vice-Principal & HOD of Commerce

*Prof. B.S. JAYARAMA
Vice-Principal &
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FACULTY- DEPARTMENT OF COMMERCE

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Photo Gallery



Why have major E-commerce websites in India been running in deficits?

-KEERTHANA B V



The Indian E-commerce market is primarily dominated by Amazon.in and Flipkart who constitute nearly 90% of the market share, these firms entered the Indian e-commerce space back in 2012 and 2007 respectively and since then, they have done business amounting to billions but they are still in deficit i.e., they are still in loss in spite of the hike in their revenues. This is primarily because of the strategies adopted by these firms. For Flipkart and Amazon, making continuous losses is a conscious decision. In an interview, one of Flipkart's promoters said, "Profitability is not a focus area. It's a strategic decision. We can be profitable from today if we want."

We can stop investing in one area and start making profits; it's possible, but we don't want to remain as a small profitable company." This statement clearly shows the money guzzler strategy adopted by these firms where they burn the investments which they have received from venture capitalists and investors by providing customer's heavy discounts and doing serious expenditures on digital marketing and advertisement. The sole purpose of offering such discounts and doing such advertisements is to expand the consumer base, these firms are eyeing on long term profits rather than short term ones.

For example, Amazon.us was operating under loss for more than a decade but in this period, it expanded its customer base to all possible corners of the U.S.A and it is now that they have started earning profits. The same model has been adopted in India and as a result, Flipkart had a loss of

Rs 3200 crore for the fiscal year 2018 and amazon.in had to face a loss of Rs 6290 crore – close to a billion for the fiscal year 2018. When we take into account the aggregate of these facts and figures it becomes clear that the major e-commerce websites in India have been running in deficits by choice and not by market conditions or any other factor.

Cryptocurrency as a primary medium of exchange

- SAI DEEKSHITH G N



Cryptocurrency is a digital currency based on Blockchain technology. Digital currencies are potential successors to the traditional currency system – The Fiat Currency Aka Paper currency. The first crypto was developed in the year 1990 by David Chaum namely, DigiCash. DigiCash paved the way for many pioneering cryptocurrencies in the future. In 2009, a person/ group with the pseudonym Satoshi Nakamoto introduced Bitcoin. Bitcoin is a decentralized and non-intermediary digital currency that works on the underlying Cryptography and Blockchain technology.

Blockchain helps cryptos in a few ways. The transactions made to- and-from the node (user) are completely non-transparent and highly organized. Every transaction is linked to the previous one with data stored in blocks. The ‘keys’ to these blocks are encrypted via cryptography and are also synchronized every second. So, they can only be accessed by the owner of the keys; reducing the

risk of fraud and crypto crime. Cryptocurrency, while still being an early standard of adaptation for currency-exchange, is widely used around the world for vast purposes. Crypto has its share of merits and demerits; all of them subjective. So, if cryptocurrency is to be used as a primary medium of currency exchange, this would be the pros and cons of the same... Pros Cryptocurrency will make cross-border payments more seamless and mobile than ever before: The traditional method for sending money overseas is the moneywire method which has many intermediaries in the process, takes time and the money is subjected to high commission value and tax(s). With cryptocurrency, these problems can vanish. Crypto's can be traded among people in different countries without the need for any mediators with minimal wallet charges.

Cryptocurrencies could facilitate e-commerce: International e-commerce platforms like Ali Express or Shopify can only accept payments from the financial service they've partnered with. For example, a VISA- partnered online marketplace cannot accept payments from a Mastercardpartnered one and vice-versa; with some exceptions. This can cause a hindrance to the International shopping experience. These problems can be solved by implementing Cryptos as a medium of exchange between different countries and online platforms. Banks adopting Cryptocurrencies: Banks operate on the principle of lending money on interest and investing the money received from people.

Cryptocurrencies can escalate the level of banking operations fourfold with the implementation of block chain technology which can organize their digital ledgers in a much systematic manner. Cons Cryptocurrencies are still in a developmental stage: No matter how much media attention and hype bitcoins and altcoins are subjected to, there is no denying the fact that bitcoin is still not completely developed and not an appropriate method of currency exchange. It needs a lot of work and attention.

It needs more security. Cryptocurrencies occupy only a small share of the World's economy: At its peak, The Cryptocurrency market of the World was valued at a mere \$800 Billion. That is a minuscule amount compared to The Gold market – valued at \$7.9 Trillion – and the United States Stock Market – valued at \$28 Trillion. This relatively small market size can mean smaller forces can have large impacts on the value. Crypto's aren't backed by any intrinsic or valuable commodity: Crypto's are purely digital. Cryptocurrencies are decentralized. Ergo, there is no government backing it up. Moreover, its value isn't backed (predicted) by any valuable commodity

like Gold/ Silver or Real-Estate or shares. This makes it vulnerable to unprecedented and unconditional price fluctuation – making it unreliable. Rise of Human and Drug Trafficking: Crypto's will increase the number of Human and Drug trafficking cases. Cryptocurrency transactions aren't transparent. A person, over the dark web, can trade Drugs and Weapons and at worst humans, to their country or City or vicinity without leaving a trace of the transaction behind. One past example is the "Silk Road" marketplace.

Cryptocurrencies could propagate Corruption and Money Laundering: Imagine when money launderers wouldn't have to hide money physically or bother about opening bank accounts in different countries to hide them. They can just send money to different wallets without having the Government knowing about them. Cryptocurrencies will uncontrollably facilitate corruption and Money laundering. The Security breaches involved in Cryptocurrencies (CryptoCrime): In this early development stage of Cryptocurrencies, they are much vulnerable and prone to a security breach. A security breach wherein your "key" to your blockchain can be hacked, accessed and can be manipulated as per the wish of the hacker.

This particularly has happened a lot of times. Cryptocurrency exchange platform "Binance" confirmed that there was a cryptobreach wherein 7000 Bitcoins worth approximately \$40 Million were stolen from their servers and transferred to hacker's wallet. In Conclusion, Cryptocurrencies are a pioneering, fancy yet abstruse and under- developed piece of technology with abstruse and underdeveloped being the keywords. Cryptos may or may not be used in the future as a primary medium of exchange but the underlying and underrated blockchain technology possesses a lot of potential for the near future.

Behavioral Finance

-SUBHAM AGARWAL



19th October 1987; it was a Monday morning like any other at first, until stockbrokers from Hong Kong, New York, London and just about any city in the world with a stock exchange stared at their screens in horror as they saw stock prices declining at an alarming rate. The Dow Jones industrial average (DJIA) fell by 22.61% on that day and this remains the largest one-day percentage decline in the DJIA even today. This day would later be dubbed as the black Monday; a day that saw an unprecedented and unexpected fall in the stock market that would leave economists scratching their heads for decades to come. This and other such stock market booms and crashes worked against the popular economic theory- the efficient market hypothesis.

The efficient market hypothesis (EMH) says that share prices reflect all the information available in the market. This effectively means that no investor can consistently outperform the market using any new information except by pure luck. This is because any new information that is available in the market is immediately acted upon by other investors and is hence already reflected in the share price. The EMH does not assume that all investors make rational financial decisions but it does assume that markets are always rational and efficient which effectively means that, on average, most investors are rational.

This assumption is cast into doubt due to events like the black Monday that show that the stock markets may witness a dramatic rise or fall in security prices without any new information being the explanation. This disproves the idea that markets are always rational and efficient and that it ensures that stock prices depict the stock's fair value and are an accurate forecast for the future.

The EMH reached the peak of its popularity among academic circles in the 1970s but come the 1980s, academicians recognized that even though there was a good amount of evidence in support of the EMH, there was an equal amount of evidence against it. The belief that market participants always act in a rational and wealth maximizing manner is unrealistic and severely limits a financial model's ability to make accurate or detailed predictions. Economists in the 1980s understood that, for a financial model to be realistic, it has to address the fact that humans don't always make rational decisions. But for them to make logical predictions, they needed to underpin what causes us to take such decisions in the first place. As a result of this shift in focus, behavioral finance was born.

The behavioral finance theory combined behavioral and cognitive psychological theory with conventional economics and finance to explain why investors make irrational financial decisions.

The Human rationale is subject to many biases. Naturally, these biases also affect our decisions when it comes to financial matters. One of the prime examples of such a bias is the herd instinct. Herd behavior leads people to follow popular trends without carrying out an analysis of their own. This is one of the major reasons why markets tend to overreact to even the smallest of news. Other such biases that affect investment decisions are confirmation bias, disposition bias, etc. The behavioral finance theory talks about these biases and how they affect decision making in investors.

In the last three decades, the field of behavioral finance has expanded rapidly. Economists and psychologists have formed theories like Amos Tversky and Daniel Kahneman's prospect theory and Richard Thaler's theory of mental accounting. The prospect theory says that individuals value gains and losses differently and place more weight on perceived gains than perceived losses. So if there is an option where they are receiving straight \$25 and another option where they are receiving \$50 and then losing \$25, they are most likely to pick the first option even though the ultimate result is the same. Mental accounting refers to the different values people place on money, based on subjective criteria that often have detrimental results.

Mental accounting often leads to irrational decision making and behaving in financially counterproductive ways. An example of this is individuals funding a low-interest savings account instead of paying out a high-interest credit card balance. These and other such theories aim to explain why humans tend to make decisions that aren't always financially sound. Even today, most economic models are built around the EMH and they assume that humans are rational individuals making sound decisions. But behavioral finance challenges this assumption and aims to develop more realistic models so that economists and businesses can make better predictions and forecasts for the future.

WAGE DISPARITY

- SACHIN KUMAR DEVAREDDY



It is often said that ‘the world is changing for the better’. It is common to find women working across different economic sectors of the country. Does that mean women have managed to create a space for themselves and are thriving in that space? The answer is not really a ‘YES’, as lack of equal opportunities and wage disparity are some of the challenging issues faced by women. Gender based wage disparity has become a global phenomenon. In fact, it is an even bigger issue than most of us are likely to believe it is. Gender based wage disparity is the difference between the average pay scale of men and women on the basis of their gender. It leads to the exclusion of women from decision-making and access to economic and social resources.

This is due to many factors like occupational segregation, bias against working mothers, and direct pay discrimination. Additionally, factors like racial bias, disability, access to education, and age also have an impact. Wage disparity is a grim reality and no sector, be it finance, marketing or showbiz, is left unaffected. It is even more prevalent in the tasks involving unskilled labour.

Though we have striking examples of great women achievers like Indira Nooyi, Kiran Bedi and P.V. Sindhu to name a few, but the stark reality is that gender pay gap is very real. It continues to prevail regardless of education and work experience and gets worse as women progress to higher levels. The movements on wage disparity started in early 1912 with the ‘Bread and Roses Strike’. It was commonly associated with the successful textile strike in the United States. The movement primarily focused on improving women's working conditions, gaining universal suffrage and

establishing fair labour practices. The women argued that they not only wanted 'bread' but 'roses' too. This served as a foundation for other wage disparity movements.

Equal Pay Day was started by the National Committee on Pay Equity, U.S in 1996 to highlight the gaps between men and women's wages. It is celebrated every year to symbolise the progress made by women. In India, the Equal Remuneration Act was passed long back in 1976, with the aim of providing equal remuneration to both male and female workers and to prevent any discrimination on the basis of gender. Many new laws throughout the world have been enacted to strengthen women's position.

In 2017, the U.S. women's soccer team had filed a lawsuit against United States Soccer Federation accusing them of gender based discrimination. The lawsuit has its own relevance as it also highlights instances of many other women who have been denied equal pay for equal work. The World Economic Fund, in 2018, estimated that it would take 217 years for the gender pay gap and disparities in opportunities between men and women to be closed if no further action is taken. Thus, it is high time that the female population is provided equal status and opportunities.

CHANDA KOCHHAR Rise and fall of a Padma Bhushan awardee

- SURABHI NANDI



Mrs Chanda Kochhar is the ex CEO and MD of ICICI Bank. She has been a significant figure in shaping India's retail sector. Under her leadership ICICI Bank not only flourished but also bagged the 'Best Retail Bank Award' for four consecutive years from 2001-2004. She was conferred the 'Padma Bhusan' Award in 2011. She has appeared consistently in Fortune's list of most powerful women since 2005.

Mrs. Kochhar has been accused in a case wherein a fraud of more than 1600 crores of rupees was done by Videocon and its representative Venugopal Dhoot. It all started when Videocon asked a consortium of banks to lend it loans of around 40000 crores of rupees. There were a total of 28 banks and ICICI Bank was one of them. ICICI Bank had vouched to lend around 3600 crores but could not do so and could only lend around 1730 crores of rupees which later turned into NPA. There were a series of transactions which had taken place between Videocon and ICICI Bank during the time when Mrs Kochhar was the CEO. Incidentally during this time, Deepak Kochhar ; husband of Chanda Kochhar and Venugopal Dhoot formed a company named 'NUPOWER' and Mr. Dhoot provided this company a loan of 64 crores.

Things took an interesting turn when Mr Dhoot transferred almost all the shares of 'Nupower' to Mr Deepak Kochhar and his father's company and his family members. This had a reek of conspiracy and CBI sprang into action and accused Mrs Kochhar of nepotism, abuse of power and other charges against corruption. An independent panel was set up under the Chairmanship of a Retd .Chief Justice of Supreme court, Sri B N Srikrishan and this committee held her guilty as she was not able to prove no conflict of interest on her part .She has been accused of corruption, nepotism and violation of code of conduct.

She was removed from her post and all her bonuses for the last ten 10 years have been scrapped. The case is still on and only time will tell whether Mrs Kochhar was actually guilty of misconduct or not. But this case has certainly maligned the image of Mrs Kochhar who had worked earnestly for the progress of ICICI Bank and all her contributions to the banking sector have gone in vain. She has appealed again in the Supreme court and only after the case is settled, things will become more clear. People both in favour and against Mrs. Chanda Kochhar have come up. Till the decision of the final court of appeal, the debate is still on.

DIGITAL MARKETING

- VP TEJA



So what is Digital marketing?? Is it selling up of good and rendering services only?? Or is it marketing up of only digital items?? Is it safe for the customers?? Yes, here is an answer to all of your questions!! Digital Marketing has a very wide scope starting with promotion of different brands products through advertisements, pamphlets, short clips and many more. Today's Youngsters are too lazy to go out and have shopping of products and asking to render services, digital marketing have provided a scope to all those problems. All you have to know is to work online, choose among varieties of brands the thing which is best suited to you. Digital Marketing is a combo of two skills Digital Platforms + Marketing Science.

One has to be excelling in both to be expertise in it. From competitive advantages point of view, by using Internet platforms, businesses can create competitive advantage through various means. Through this a business can create a system in which they are able to pinpoint behavioural patterns of clients and feedback.

If we talk about today's time then, there are number of Institutes over World and India which provide knowledge about digital marketing. Digital marketing have not only made work easy of customers but it have provided employment to various people, it is exploring day by day and plans to lead all over the globe. The first objective is *Customer Satisfaction* and then earning of profit. If we talk about safe zone of customers then we have cash on delivery option, use or debit or credit

card as per their convenience and we have a separate department to look after the grievances and complaints of Customers, to look after it.

DIGITAL MARKETING IS NOT FREE NOT COST EFFECTIVE EITHER, IT IS MORE PRODUCTIVE, IT'S A TWO WAY COMMUNICATION.

CRYPTO CURRENCY: THE WAY FORWARD?

- V S DARSHAN GOWDA

“The best way to destroy the capitalist system is to debauch the currency” –Vladimir Lenin Few things have revolutionised the field of trade, commerce and economics as currency has done. The very existence of a reliable and standardised means of exchange has pushed the envelope for better trades and in turn, better lives. With the increasing permeation of technology in our lives, it's hardly a surprise that technology has changed the way we transact and trade. The latest in the run is the Crypto currency, known popularly by its eponym, Bit coin.

But what exactly is it and more importantly, how does it work? Before we answer these questions, we need to understand what the essential features of a currency are. A currency is durable, divisible, transferrable and non-counterfeit able. The Dollars and Rupees we use typically fulfil all of these characteristics and in addition, are controlled by a Central Bank. Similarly, crypto currency (hereafter referred to as coins) is a digital form of currency. It is termed 'crypto currency' as it uses cryptographic techniques (like hashing, game theory etc.) for security.

But unlike traditional currency, it is not controlled by a Central Bank or a government. That is, it is open-source in nature. It's not controlled or governed by one particular institution or group of individuals, but rather it works on a principle of a distributed public ledger. This distributed public ledger is known as Block chain. A Block chain essential ensures there's no duplicity of coins and that every transaction that happens between any two users is recorded and maintained. The Block chain makes sure that no one makes a duplicate of his or her own coin and uses that to transact.

To understand how the whole system of crypto currency works, we can imagine a simple filing cabinet, that has multiple drawers that can be added over time and this cabinet can have infinite such drawers. Suppose there're two people A and B, who wish to transact and C who is a random person who wishes to facilitate the transaction for them. A wishes to give a coin to B, so he writes "A paid a coin to B" on a piece of paper and creates multiple copies of it and folds each one up exactly same, using a certain technique.

Now A has two options- he can either open the cabinet (which requires a constantly changing key pattern to open) and put the paper inside a drawer himself, or he can spare himself the trouble and give each copy of his folded paper to people like C, who're known as miners, to unfold and place inside the cabinet (for a small fee, of course). The second option is more interesting to study. Now each miner will attempt to open the paper up, read it and then file it in the cabinet. In the process, they have mined a block (here, the ledger for a transaction) and they get rewarded in coins. The first miner to unfold gets the transaction fees and a reward for working on the Block chain.

This ledger is saved on the network for everyone to see, so that if A tries to give a copy of his coin to someone else, say D, everyone can see the note in the cabinet that says "A paid a coin to B" and thus has no original coins (because it was already given to B) and thus the system balances and validates itself. The Block chain uses cryptography to keep its ledgers secure from any tampering. Any person can also mine coins by simply solving an auto-generated algorithm but this too happens in a controlled way to prevent over-mining. Every coin requires a marginally harder algorithm to be solved, than its preceding one, to be mined.

This ensures that only people who really want it actually have the incentive to mine. The system is thus also Pareto efficient. There are various crypto currencies on the internet at this point. Some of them are Bit coin, Litecoin, Ethereum, Dogecoin, Ripple XRP etc. But with all this permeability, there comes concerns. We need to understand what benefits the crypto currency provides us and what its drawbacks are. The benefits include the ease of use (you don't need to provide documents to use it, all you need is an internet enabled device), decentralization(no central control & the system works just fine even if a part of it goes down), anonymity, highly secured and transparent. The primary drawback being that crypto currencies are highly volatile: that is, their values vary quite frequently. Other drawbacks include the lack of wide acceptance, inability to reverse wrong payments and lastly the very risks associated with an anonymous currency. Crypto currency is

often used in terrorist and illegal activities, and there are no legal remedies for any grievances related to crypto currencies. Thus, despite being the latest in the series of technological marvels, crypto currencies are still untested waters and only time will tell if they strike gold.

Emerging Trends in Ecommerce

-DILLIP BABU A

2017 was a great year for the ecommerce industry. It is estimated that the ecommerce industry can grow up to an annual rate of almost 19.11 percent worldwide. Acting and adapting to current trends is the simple reason behind such growth. Businesses should analyse all fads and trends carefully to remain and grow in market. What are the trends that are going to change the ecommerce in 2019 is what we all need to know? Context and Programmatic ads are a trend which sees a rise this year. Social media sites are already revamping the design to cater these trends. This advertising uses datasets to decide the target audience.

These ads are shown to the audience chosen on the basis of their consumption. In simple terms; it is about attracting the right audience to the right ad at the right moment. Enhanced Shipping Options is another trend that is emerging these days and Amazon has already started testing drone deliveries in USA. With the help of Google Maps integration, these drones are able to discover the shortest route to the destination. This trend will grow as the technology improves. But due to various rules and regulations regarding usage of drones its future in India remains in doubt. Snap and Shop is new feature and a trend under which users can point their camera towards a product they see to order it from an online store. There are many photo apps available like Google Lens, Cam Finder, and many more will popup this year.

We can also expect a great deal of ROPO in 2019 in the ecommerce industry. ROPO means Research Online Purchase Offline. It has been a noticeable customer shopping habit especially in India. Customers prefer researching products online before they make any offline purchases as it helps them to get the product they want at the best price possible. Micro-payments – Among the most revolutionary changes in the coming months— not years—is the use of micro-payment

systems from a variety of financial firms, e.g., Paypal, Visa, Western Union, among others, including banks. This trend is facilitated by the W3C working group that approved these protocols and technical standards for the interworking. Our world is changing. Ecommerce will only get bigger and better in 2019. Adopting new technologies and trends will help it to achieve that. The best thing you can do for your business is provide the right experience at the right time, which ultimately is what all these trends are about.

EFFECT OF GST ON MIDDLEMEN

-ASHWIN S NAYAK

GST is an indirect tax which has replaced many other indirect taxes in India which used to exist before. The Goods & Services tax act was passed in the parliament on 29th march, 2017. This act came into effect on 1st July, 2017. Goods and Services tax law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.

GST affected middlemen directly, as with the GSTs implementation, the middlemen will come into the organised bracket & will have to pay taxes for the very first time. Being the middlemen they make gains from unbilled goods that do not attract VAT. For instance, if a product which should have cost the wholesaler Rs.112.5 (assuming 12.5% VAT & Rs.100 product cost) it will cost him only Rs.100, so it was a profit for the wholesaler. With introduction of GST they have to pay tax at every level. This lead to an increase in compliance costs and taxation for them. The result of GST at every level of distribution chain made the companies to think over their direct network to reach retailers.

FMCG (Fast Moving Consumer Goods) companies such as Emami, Dabur and Bajaj corporations that totally relied upon layers up middlemen are now setting up their direct network to reach the retailers. Companies say that decision to reduce dependence on the wholesale network while increasing focus on direct distribution will help to mitigate challenge of GST. From Emami Ltd. to Dabur India, is trying to reduce their dependence on wholesale market. Before GST implementation wholesale contributed 50-52% on Emami's overall sales, but after GST

implementation it reduced to 40-42%. Dabur India is also planning to significantly increase its direct reach to its retailers because of implementation of GST.

Sunil Duggal, the CEO said “we plan to increase it (direct reach) by at least 20%. After the implementation of GST the profit margin of the wholesalers remains as low as 1 percent. Since under the GST regime every invoice pertaining to taxable supply has to be uploaded on GSTN’s common portal and has to be accepted by the buyer, the wholesalers are unable to escape their tax liability. The only possibility for tax invasion for wholesalers would rise if the entire supply chain is outside the tax network and did not file a return under GST, which is very unlikely. Nowadays, the wholesale sector is undergoing a major change in the way they do business. The implementation of GST has reduced the cost advantage of wholesalers drastically. They are in very big loss.

STARTUP INDIA

-BHARAT JAYARAM

Start-up India is a flagship initiative of the Government of India, intended to build a strong ecosystem that is Conducive for the growth of start-up business; to generate large scale employment opportunities and to enhance the economic growth of India. The government through this scheme aims at building a robust system of start-ups and enhance innovation in the country. The vision of making India a place of job creators instead of Job seekers can be achieved through this scheme. This initiative has created an atmosphere of innovative ideas and many entrepreneurs an availing the benefits of standing their own business in India.

The Government has launched in 19- point Start-up India Action Plan which envisages several incubation centres, easier patent filling, tax consumption, ease of setting business, an INR 10000 Crores Corpus fund and a faster exit mechanism. This scheme at providing “ease of business” by removing License Raj, permission from various authorities, cleanness from different departments; it is run under the department of Industry and Internal Trade. The schemes provide youth a platform for showing their skills and fulfilling their ambitions through this. They also avail cheaper loans through MUDRA Scheme- an initiative which aims to provide micro- finance low interest

rates to entrepreneurs. This scheme has provide a mile- stone and Government has left no stone unturned to make this scheme a successful one.

This has provided a freedom from tax for first 3 years of operations. It aims at creating own innovation hub, under have collaborated with IITs NITs IISERs and NIPERs to setup over 75 innovation hubs across the country. The state has actively participated in this scheme and Gujarat has topped the 2018 Start-up state Rankings declared by DIPP (Dept. of Industrial Policy and promotion). The vision of Indian Government to increase employment and make India an easier place to invest in, have been fairly achieved through this.

CAREERS RELATED TO COMMERCE

-HARSHA RAJ M R

With the positive changing scenario around the world in the realm of economic activity, Commerce as a career option is one of the best to grab. Commerce students are familiar with concepts of business, trade, market fluctuations, basics of economics, fiscal policies, industrial policies, stock markets, etc. It is way more than just a subject. It's so dynamic that it encompasses a whole field of knowledge in itself. A person who is in this field for a number of years knows how to predict an event, decide upon its outcome how it may affect the decisions made by him in present and in future.

Here are some of the best career options that one may pursue after graduating from high school.

- The first and the most popular course that attracts maximum number of students is Bachelor of Commerce (B.Com). It is a degree course that continues for a period of 3 years. It covers subjects like Marketing, Law, Corporate Accounting, Business Environment, etc.
- The other important course is Bachelor of Economics that has subjects like Micro and Macro Economics, Indian Economy, International Trade, etc.
- Bachelor of Business Administration (BBA) is another course where students gain expertise of how to manage business and its administration. It is best recommended for people for have a knack for managing business and the subject matters relate to doing managerial tasks.

- Chartered Accountancy (CA) is a professional course which is administered by The Institute of Chartered Accountants (ICAI). The level of difficulty is higher in this as compared to bachelor courses. It involves subjects like Taxation, Law, Auditing, Costing, etc
- Company Secretary (CS) is apt for students who have interest in Law and theoretical subjects. It is also a professional course and involves different levels like that of CA. By undergoing this course, students understand the functioning and legal compliance related to companies. It is administered by The Institute of Company Secretaries of India (ICSI).
- Cost and Management Accountant (CMA) is another professional course that includes knowledge relating to Costing, Planning, Controlling and different aspects of Management Accounting. It is governed by The Institute of Cost Accountants of India.
- Certified Financial Planner (CFP) is meant for students who have interest in areas like personal finance, wealth management, insurance planning and mutual fund investing. It is governed by Financial Planning Standards Board India (FPSB).
- Last but not the least Diploma in Digital Marketing is one of the best career options available today. Digital marketing is different from traditional marketing where one can promote brand, services or products sitting on a chair through digital mediums. Statistics shows that digital marketing managers are getting 16% higher incentives in comparison to others and many of market researchers have claimed that by the end of 2020, it will generate more than 2 million job opportunities. At last what I can say is that commerce as a career is still a developing and in the near future it will provide the maximum number of employment to the people all around the globe and with time, it will only expand. And that gives the conclusion that **FUTURE IS COMMERCE.**

FACTS

\$1 Million too costly for Google?: - In 1999, Google's founders were willing to sell the company to a web portal called Excite for under \$1 million. However, Excite passed on the offer. The rest is history. **GOOGLE:** - Google was originally named BackRub. Larry Page and Sergey Brin renamed their company 'Google' in 1997.

ANALYSIS OF ILFS CRISIS.

-NAVEEN MALVIYA

The Infrastructure Leasing and Financial Services (ILFS), is a core investment company, formed in 1987 and registered with RBI. It is majorly supported by Government controlled financial institutions, like: a) Central Bank of India b) HDFC c) Unit Trust of India the Main Shareholders of ILFS include LIC with 25.3%, SBI with 6.42%, Japan Orix Corp with 23% and Abu Dhabi investing authority with 12% stake holding respectively. ILFS is an institution which provides finance and loans for the construction of major infrastructure projects. It grew from a small road building company to an infrastructure giant within 3 decades. Few main constructions of ILFS are: a) Delhi-Noida Toll Bridge b) Tamil Nadu Power Company ILFS crashed because it lent to a lot of projects that went sour, one way or the other. It was unable to re-finance after it started defaulting and its credit ratings fell. Its debts are the result of mismanaged borrowings in the past. The credit crunch faced by ILFS has roiled the nation's financial markets triggering concerns about risk in the rest of the country's shadow banking sector.

The main reasons of ILFS facing such Crisis are: 1) It piled up too much debt to be paid back in a short term while revenue from its assets is skewed towards the longer term. It's net debt to earnings before interest, tax, depreciation and amortization, a measure of company's ability to pay debt through its operating income, was hovering around a ratio of 11 at the end of March 2018. Whereas, anything above 5 is considered as the 'Red Flag'. 2) It has revealed a series of delays and defaults on its debt obligations and intercorporate deposits .The Company and its Subsidiaries have a total debt pile of nearly \$12billion /INR 91000 core. It also faced a string of rating downgrades. The ILFS Crisis is a classic case of over leveraging and an asset-liability mismatch caused by funding projects of 20-25 years payback period with relatively short term funds of 8-10 years. The problem appears to be of liquidity rather than solvency. This asset-liability mismatch was created by the shift in business model of the company which added to the complexity of the structure. It shifted the focus from project sponsorship to that of project advisory and project facilitator for development and implementation of projects.

There was no independent check on costs which should have been a standard clause in any project. ILFS has become a poster child of reckless infrastructure investment. It has become a symbol of everything that is wrong in infrastructure in country. In greed for profits, very few players pay attention to the soundness of their business model. All the Financial Market Institutions must learn the lesson from the ILFS episode.