

# The Luminary



## COMMERCE SECTION

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## Editorial

E-Commerce is the buying and selling of products and services on a universal platform that connects people across the globe through a web of strong communication networks that provides them with all the necessary information. It is a way of converting the traditional methods of doing business into digital ways. E-business refers to all aspects of operating an online business.

Amazon, Flipkart, Swiggy are the e-businesses which are on everyone's lips these days. People have started preferring the online modes of shopping over the traditional methods. Right from buying clothes to booking flight tickets or movie tickets, everything has become easily accessible on a single click through the internet.

The low investment and high returns in e-businesses have attracted audiences at a large scale. The developed nations view it as the potential means for capturing the world markets while the developing and the least developed nations view it as a means of making qualitative advancement in the business techniques which brings a sense of parity between them and the developed nations. The growth has been tremendous over years. The multidirectional communication has helped companies reach out to global markets, connecting them with each other without leaving their seats at the office.

Being a developing nation, India has a success story in the e-commerce sector. Currently 158 companies including Pepsi, Coca Cola, McDonalds are outsourcing their software requirements in India. According to the latest statistical data, India is the fastest growing market for the E-Commerce sector. India has a large reservoir of English speaking manpower, availability of technology and the private sector which has led to the e-commerce revolution in India.

E-commerce is also an effective tool of employment generation. The success stories are uncountable. Be it the famous shopping sites like Amazon, Flipkart which provide a platform to lakhs of designers and retailers to sell their products or the food ordering sites like Swiggy, Zomato providing employment to young men and increasing the restaurant sales, the field of E-Commerce is versatile. The ATM's in banks, the Airline Reservation websites, The Stock Exchange Transactions, Real Estate Market websites like 99acres.com are all the examples of E-Commerce businesses. Not only this, it has even stepped into the education sector providing study material, online courses and video lectures to a large number of students through websites and apps like BYJUs or Coursera which are in a hype these

days. Apart from this, it has even generated women employment who can start their own small ventures through the internet or work from home generating income for themselves.

Not only the producers, but this online system of business has made the consumers' life much easier. E-commerce is characterized by its ubiquity i.e. it is present everywhere, at all times. It liberates the market from being restricted to a physical space and makes you shop from your e-devices providing a market space extending beyond traditional boundaries. Since the buying and selling takes place through websites they are accessible anywhere across the globe.

We are provided with things we require at our doorstep. As a result there is a reduction in the travelling costs of the consumers. Along with this consumers are provided with certain discount coupons which always prove very alluring to them. Thus it is useful to both producers and consumers. In nutshell, E-commerce has made a world into the single market.

**Prof. Neena Sareen**  
Department of Commerce

## Student Editorial

Service marketing is marketing based on relationship and value. With the increasing prominence of services in the global economy, service marketing has become a subject that needs to be studied separately. Marketing services is different from marketing goods because of the unique characteristics of services namely, intangibility, heterogeneity, perishability and inseparability.

The services that need service marketing are medical services, legal services, online services, consultancy services and automotive services etc. Selling an intangible product is a challenging task. Any method that can communicate a service appeal and benefit to customer is a valid approach including informational content, promotional deal, advertisements and many other kinds of marketing material. Business can create their best fit marketing model by using service marketing tools.

All organizations that provide service of some kind use service marketing strategies. These falls into two categories; organizations that provide services to individuals (business to customer i.e. B2C) and the organizations that provide services to other organizations (business to business i.e. B2B). The marketer needs to be more innovative and clear when it comes to approach the target market like telecommunications companies use symbols such as mercury to emphasize speed and burger king use

boxes and packaging which emphasizes its marketing communications. Well known public faces are also used for marketing services these days.

In most countries, services add more economic value than agriculture, raw materials and manufactured goods. In developed economies, employment is dominated by service jobs and most new job growth comes from services. Service organizations can be of any size from huge global corporations to local small businesses. Most activities by the government agencies and non-profit organizations involve services.

In nutshell, service marketing is a specialized branch of marketing which needs different strategies as compared to marketing of physical goods.

**Reetika**  
BCom-III

### **Cross Border Investment**

Cross border investment refers to investment in any country other than investor's own country. It refers to the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor.

It can be classified into two types:-

- Inward investment
- Outward investment.

The former is also called FDI (FORIEGN DIRECT INVESTMENT) which is meant for international integration and the latter is meant to expand domestic economy of investor.A Cross border investment can be made by an individual, a public company, a private company, government of a country, a trust, an institution etc.The various factors that an investor has to consider for cross border investment are the availability of natural resources , the level of technology ,manpower and the policies of the country in which he is investing.

The mode of Investment is:-

- Incorporating a subsidiary and/or a company which is owned by the parent company;
- Acquiring shares in an associated enterprise;
- Through Mergers and Acquisitions with a local Company;
- Participating with an Equity Joint Venture with another investor and enterprise;

By engaging in cross border e-commerce, MSME will be able to access a larger pool of global consumers. Through traditional export, companies typically focus their efforts on little geography area ; cross border e-commerce allows companies to attract customers from even remote locations, with whom there is not so much

trade . Thus, companies are able to export to 30-40 economies as opposed to simply 3-4.

Companies in India and China continue to develop and build their competitive positioning domestically; entrepreneurs in both countries are increasingly looking to acquire skills and assets outside their domestic markets. In this regard, there is significant untapped potential for commercial collaboration between Indian and Chinese companies. Corporate collaboration in these sectors could help companies develop domestic markets on the one hand and strengthen the value proposition of companies seeking to compete abroad.

**Minakshi**  
MCom- II

### **Startup Culture**

A start-up culture is a workplace environment that values creative problem solving, open communication and a flat hierarchy. In a corporate culture, core values are typically informed by the identity of the company, including its mission statement, products and customer service. In start-up cultures, these core values tend to reflect the personalities and ethos of the people who worked for the business in the early days.

Initially start-up founders struggle to devote time to define their culture from the beginning, only to come from the painful realization that culture certainly has an impact on the operational side of the business. Seasoned founders and CEOs, who believe that there must be a room for culture from the beginning, always experience less culture-related stress as they grow more in their organization.

New businesses must adapt quickly to internal and external market pressures in order to survive, a start-up culture also promotes business agility and adaptability as being key virtues.Startup culture can be defined by examining the company:-Identity, Growth Strategy, and Relationships with outside world.

Ways for creating successful startup culture are-

- Spend time with entrepreneurs-Now-a-days companies are planting some of their employees within co-working spaces as they want their team to get experience of working in an environment that is fast-paced and entrepreneurial by nature.
- Empower your employees to take action- When the work team has the autonomy to make decisions to improve customer's situation, it positions them to look for more opportunities to do so and also helps them to start thinking for the

company the way an entrepreneur does.

- Spend time with your customers-A growing body of research shows that when an organization connect their work team with the customers, the employees feel a greater sense of meaning in their work.
- Resist proxies- Process are important to help the enterprise operate both efficiently and effectively. The entrepreneurs must establish the systems that an organization need to run the business.
- Make decisions quickly-The rule that must be followed for successful start-ups is “make decisions when the organization have nearly about 70 percent of the information”.
- Stay abreast of emerging trends-For successful Start-ups, the new and changing trends must be adopted at the earliest.
- Make experimentation part of the culture- Failure leads the personnel to experiment with the new ways and gave them important lessons for the future aspect .
- Foster creativity- The one of the key responsibility of the business is to innovate and to have a steady flow of ideas to test out as a means to add greater value to the organization.
- Encourage dissent- Team members need to be feel comfortable to express their concerns. They must be given freedom to bring new ideas without any feeling of fear .
- Hire a diverse team-The company must try to recruit those people who look, think, and have experience that are different than existing employees in the enterprise.
- Make your team the face of the company-The owners should make their company's work team as the face of the company by creating a sense of belongingness and freedom to innovate.

The workplace values supported by startup cultures are increasingly resonating with business leaders at large organizations. As the pace of business speeds up, quickened in part by advances in technology, large companies are realizing that they could benefit greatly by putting more emphasis on startup culture values, including the value of the individual.

**Jagdeep Kaur**  
MCom- II

## **Guerilla Marketing**

Guerilla marketing is a kind of advertisement strategy to promote products or services on the streets or other public places with little money. In today's business world, with the rising competition, it

is becoming tougher to make a place in the crowd. Guerilla marketing proved out to be the most effective advertising tool, employing low investments and getting the most effective results. Guerrilla marketing manages to reach more people, elicit more responses and generate more word of mouth publicity than conventional promotions. It is used to create a buzz around a product.

Types of Guerrilla Marketing:-

- Outdoor Guerrilla Marketing- It adds something to pre-existing urban environments, like putting something removable onto a statue, or putting temporary artwork on sidewalks and streets.
- Indoor Guerilla Marketing-It is similar to outdoor guerrilla marketing, only it takes place in indoor locations like train stations, shops, and university campus buildings.
- Event Ambush Guerilla Marketing- Leveraging the audience of an in-progress event -- like a concert or a sporting game -- to promote a product or service in a noticeable way, usually without permission from the event sponsors.
- Experiential Guerilla Marketing- It is executed in a way that requires the public to interact with the brand.

Like the guerrilla warfare, from a form of irregular warfare relating to the small tactic strategies like sabotage, raids and elements of surprise used by armed civilians, it uses the same sort of tactics in the marketing industry. This alternative advertising style relies heavily on the unconventional marketing strategy, high energy and imagination rather than high costs and high risks of the investments made. One of the aim of the strategy is to cause an emotional reaction on the clients, leaving an impact on their minds, a memorable experience so that when they step out, the product becomes their word of mouth and automatically becomes the talk of the town. So, the ultimate goal of guerrilla marketing is to get people to remember products or brands in a different way than they are accustomed and to catch them off guard, causing an emotional response: laughter, shock, sadness being the best sellers.

Unlike the traditional methods which involves print, radio, television, guerrilla marketing focuses on taking the consumer to give a big impression about the product or brand. It is relatively inexpensive as it focuses more on frequency than reach. For guerrilla campaigns to be successful, companies don't need to spend large amounts, they just need to have imagination, energy and time and the trio can yield unanticipated results thereon. Guerrilla marketing has the potential to be effective for small businesses, who find it difficult to compete against the bigger ones.



The challenge of it is just to find the correct place, timings, strategy and to implement it in the best possible way so that it can do wonders to a business.

**Ishita Gupta**  
BCom- II

### **Atal Innovation Mission**

Atal Innovation Mission (AIM) including the Self-Employment and Talent Utilization (SETU) is Government of India's endeavor to promote a culture of innovation and entrepreneurship. Its objective is to serve as a platform for promotion of world-class Innovation Hubs, Grand Challenges, Start-up businesses and other self-employment activities, particularly in technology driven areas.

The Atal Innovation Mission shall have two core functions:

- Entrepreneurship promotion through Self-Employment and Talent Utilization, wherein innovators would be supported and mentored to become successful entrepreneurs
- Innovation promotion: to provide a platform where innovative ideas are generated. It includes:-
  - Atal Tinkering Labs
  - Atal Incubation Centers
  - Scale-up support to Established Incubators

#### **Publications**

NITI Aayog is proud to partner with CII (Centre for Innovation Incubation and Entrepreneurship) to provide the handbook "ATAL INNOVATION MISSION" for incubator managers, which will be a critical guide for the managers of incubators in India and further spur Indian entrepreneurship. The Atal Tinkering Lab Handbook together with capturing the experiences of the young innovators of the country with the Atal Tinkering Lab, provides a compendium of guidelines, resources, methodologies, key learning, case studies of the ATL ecosystem.

#### **Innovation Marathon 2018**

Atal Innovation Mission, NITI Aayog and The Better India have come together to encourage India's spirit of innovation by recognizing ideas developed by young Indians to solve some of the country's most pressing challenges. It is a nation-wide innovation marathon open to those under the age of 18.

#### **Our Mission**

Innovation Marathon, 2018, is drawn on the philosophy that recognition and encouragement are excellent enablers to create an exponential wave of innovation and entrepreneurship among children at a young age. The Innovation Marathon will recognize India's top innovations that are solving various issues to help different communities.

### **Our Vision**

Our Vision is to create a platform for young Indian innovators to take their ideas and prototypes to the next level of implementation. It is of extreme importance to give innovators a chance to rise above paper models and see their ideas take concrete shapes. With the Innovation Marathon, our goal is to create a paradigm shift in the mindsets of India's youth and prepare them to become the next generation of neoteric innovators.

**Kuljeet Kaur**  
MCom- I

### **Business Process Re-engineering**

Business process re-engineering is the act of recreating a core business process with the goal of improving product output, quality and reducing cost. It involves the analysis of company workflows, finding processes that are inefficient and figuring out ways to get rid of them or change them. Business process reengineering became popular in the business world in 1990's inspired by an article called Reengineering Work: Don't Automate, Obliterate which was published in the Harvard Business review by Michael Hammer. BPR seeks to help companies radically restructure their organizations by focusing on the ground-up design of their business processes.

#### **Need of business process re-engineering-**

##### **Increases productivity:-**

The goal of BPR is to modernize outdated processes and that yields time-saving results and thereby increases productivity. For example: - after performing BPR, the organization can discover that a certain process can be carried out by two employees instead of four.

##### **Improves competitive position:-**

In order to keep up with the competition and to satisfy customer needs, BPR is ideally suited because it leads the changes to be implemented in a relatively short period of time and helps the organization to achieve strategic position in the market.

##### **Implements new technology:-**

Business process re-engineering enables employees to work more effectively and efficiently and helps them to adjust with new technology and changes very quickly.

##### **Reduce costs and cycle time:-**

Business Process Reengineering reduces costs and cycle time by eliminating unproductive activities and the employees who perform them. Reorganization of teams decreases the need for management layers, accelerates information flows

and eliminates the errors.

#### **Improves quality and customer focus:-**

Business Process Reengineering improves quality by reducing the fragmentation of work and by establishing clear ownership of processes. Workers gain responsibility for their output and can measure their performance based on their prompt feedback.

One of the best-known examples of organization which used BPR as an effort to become more efficient is Ford, a car manufacturer. In 1980s, the car industry went through a recession, and the managers of Ford decided to analyze the business processes thoroughly. They noticed that over 500 people worked in the accounting department. They compare them with 100 people working in the same department at their competitor Mazda.

Despite Ford being a larger company, they decided to reduce the number of employees in that department to just hundred people. Ford put together a team which started to analyze the process. Instead of making minor changes; Ford developed a completely new process and Information technology played an important role in this new process. They developed a database in which a notification was sent when the purchasing department had placed an order. When the materials were delivered, a warehouse employee would input this into the computer. The computer was able to verify in a fraction of a second whether the delivered materials were in order and then automatically paid. Due to changes in business processes, Ford reduced the number of administrative employees by 75%.

Business Process Reengineering is a management strategy with which organizations can save costs, increase customer focus and increase their competitive position. By analyzing and rebuilding existing business processes, both small and large organizations can radically innovate and make changes.

**Reetika**  
BCom-III

### **Capital Infusion**

Capital infusion refers to the **CROSS-SUBSIDIZATION OF DIVISIONS** within a firm. It is provision of funds to a relatively unsuccessful division from the profits of another division within a firm. When one division is not doing well, it might benefit from an infusion of new fund from the more successful divisions. So basically it refers to funds received from a venture capitalist to either get the firm started or to save it from failing due to lack of cash. Capital infusion may help a start-up firm to survive in the first few

months or years before it becomes profitable, or it may help a failing business to maintain its operations as it restructures or reforms. Capital infusions are typically made by company management to prop up a division or subsidiary. Management may infuse a division with capital if it believes that it will eventually become profitable.

Adding capital to your business can perform a variety of useful functions. You can use an infusion of capital to complete your start-up process and get your small business started. Or, you may use an infusion of capital to expand your current business operation. But at the end of the day, people investing their money in your business will likely care very little about what you need to start, maintain or expand your business. Rather, their primary focus will more be likely on whether or not you have something that is in demand, and if they will get a good return on the money they invest in your business. Even Capital infusion is also done in **PUBLIC SECTOR BANKS** & it is a Band Aid Solution. In the past 15 years, a lot of capital has been infused in PSU banks but this capital is eroding due to rising bad assets.

Private & Public, in both sector, every company is interested to have Capital Infusion. AMAZON has also raised money through allotment of Equity Shares to its US Parent Company. Even **FLIPKART**, the wholesale arm of the Walmart owned E-Commerce marketplace in India, has also raised fresh capital from its Singapore-based parent entity Flipkart Private Limited. The investment will be the third largest fund infusion. So Capital is not only raised from Domestic Country, it is also raised from Abroad & company can receive funds at low rate of interest. So it is an effective source of finance.

**Gulbir Kaur**  
MCom-I

### **Effect of Trade War on Indian Economy**

A trade war is an economic conflict that occurs when one country (Country A) raises tariffs on another country's (Country B) imports in retaliation for Country B raising tariffs on Country A's imports. A tariff is a tax imposed on imported goods and services. A trade war that begins in one sector can grow to affect other sectors. Likewise, a trade war that begins between two countries can affect other countries also who were not initially involved in the trade war.

A trade war can result from protectionism. Protectionism represents government actions and policies that restrict international trade, generally with the intent of protecting local businesses and jobs from

foreign competition. In 2017 and 2018, U.S. President Donald Trump has embarked on a protectionist campaign, attempting to bring manufacturing jobs back to the United States from other nations to where they have historically been outsourced, such as China and India. A trade war is distinct from other actions (e.g. sanctions) that have detrimental effects on the trading relationship between two countries. Sanctions, for example, may also have humanitarian goals.

#### **Impact of Trade war between China and India**

- The value of the Rupee has dropped to an all-time low during the trade war.
- Indian stock markets--Amid concerns over the global trade war, key indices in the Indian share market dropped due to the cautious approach of the investors. During this period, the BSE Sensex saw regular plunges in points. NSE Nifty's performance too was along the same lines as it also saw significant drops.
- **India-US duties-** As the United States of America imposed duties on steel and aluminium, India now has to pay approximately \$241 million worth of tax to the US. India, on the other hand, as a counter-measure has proposed imposing duties on 30 different types of goods. This will ensure that the US has to pay about \$238 million as duties to India. However, this will make life more difficult for the end consumers as everything that falls under the tariff scanner is expected to become more expensive.

As far as the manufacturing industry is concerned, the additional duty imposed could have a detrimental impact, as the cost of production will go up due to the rise in the price of raw materials. Moreover, other things which may face an increase in price include foreign motorbikes with high engine capacity and food products like almonds, walnuts, pulses, etc.

Trade wars are bad and nobody wins. It has been argued that protectionism often hurts the people. It is intended to protect in long term by slowing economic growth and cultural exchange. Protectionism can lead to price increase with manufacturing in particular often being more expensive domestically.

Proponents of protectionism argue that well-crafted policies provide competitive advantages and create more jobs. In addition to tariffs, protectionist policies can be implemented by placing a cap on import quotas, setting clear product standards, or implementing government subsidies for U.S. processes to deter outsourcing.

**Divyam**  
MCom-I

## **Employee Diversity: A Key To Innovation**

Workforce diversity means similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. Diversity makes the work force heterogeneous. In current scenario, employing diversified workforce is a necessity for every organization.

This concept critically analyses the workforce diversity and its impact on productivity of an organization and the innovation in the organisation. Employee Diversity fosters creativity. We need to generate the best ideas from our people in all levels of the company and incorporate them into our business practices. In order to survive cut throat competitive world the organizations will have to hire an effective and an efficient workforce that can handle such competitive environment. Employing diversified workforce is an essence for every organization.

As companies are increasingly facing fierce competition at a global level, diversity of thought and dynamic teams have become paramount for success. The basic formula for diversity is rapidly evolving. It is no longer simply a matter of creating a heterogeneous work- force, but using that workforce to create innovation.

Employee diversity fosters various traits of innovation.

- Subjective traits of innovation include the processes of creativity and original thinking, the communication of creative and original thinking to others, and the uptake of those ideas by others.
- Objective traits of innovation include the structures within which such ideas are thought about, transmitted to, and taken up by others, and the output and outcome in terms of definable benefits.

The vital foundation for innovation derives from employee diversity which becomes a valuable resource for innovation through a diverse workforce that reflects today's marketplace through consumer insights and "wisdom of the crowd" that can lead to creative betterment. People see problems and solutions from different perspectives. These perspectives are accompanied by the heuristics that define how individuals search for solutions.

Benefits of employee diversity at workplace are:-

- Increased adaptability
- Broader service range
- Variety of viewpoints
- More effective execution

Challenges to employee diversity at workplace are communication , resistance to change ,Implementation of diversity in the workplace policies and Successful



Management of Diversity in the Workplace. Diversity is important at workplace to employees due to mutual respect, conflict resolution, business reputation, job promotion and increased exposure.

A Diverse and inclusive workforce is critical for success. The globalization of business has created a sophisticated, complex, and competitive environment. A diverse and inclusive workforce is necessary to drive innovation, foster creativity, and guide business strategies. While diversity and inclusion efforts at companies are a given, organizations still face external and internal challenges in implementing these policies and procedures. Companies must also grapple with an aging workforce, a declining pipeline of qualified talent, and the challenges of managing a multigenerational workforce.

**Devanshi Mittal**  
MCom-II

### **Farmer Loan Waiver**

Loan waivers for loans taken by farmers are unique to India. Economists have generally regarded this to be a populist and fiscally risky measure that can cause long term problems. The Loan Waivers can constitute a significant fraction of the GDP. The first nation-wide farm loan waiver was implemented in 1990 by Janata Party government led by then Prime Minister V.P. Singh and cost of the government was Rs 10,000 crores. A number of agitations by farmers have been held, demanding loan waivers, and the political parties have capitulated or competed by announcing Loan waivers for farmers.

On 29 February 2008, P. Chidambaram, Finance Minister of India at that time, announced a scheme called the Agricultural Debt Waiver and Debt Relief Scheme which provides complete waiver of loans given to small and marginal farmers and the scheme was implemented on 30 June 2008.

Guidelines were issued to every branch of every lending institution including public sector banks, scheduled commercial banks, Regional Rural Banks (RRBs) and cooperative lending institutions. The top executives of these banks and institutions were also urged by the Indian Government to visit their rural and semi-urban branches to enable better and faster implementation of the scheme.

In 2017, at least four states Uttar Pradesh, Maharashtra, Punjab and Karnataka, announced farmer loan waivers. The RBI opposes the loan waivers. The waivers hurt India's public sector banks which were already under stress. Many farmers in other states have stopped paying loans and are

withdrawing deposits from banks in anticipation of waivers. In Punjab, farmers are depositing their income in other banks and avoiding the lending banks. According to a Karnataka report, for loans taken from Cooperative banks and Nationalized banks, the state is responsible for paying the interest and the principle. The loans taken from private moneylenders will be simply nullified.

### **Beneficiaries of Loan Waivers in India**

The mid-size farmers are the ones who gain the most from farm loan waivers. The loan waivers during the one loan cycle prompt banks to reduce credit outlay for small or marginal farmers during the next loan cycle.

The Agricultural Debt Waiver and Debt Relief Scheme was initiated by the United Progressive Alliance (UPA) government and has faced sharp criticisms from many groups including the opposition parties in the Parliament, agricultural experts, and bankers. Critics said that the loan waiver was simply a popular move by the UPA Government in view of the forthcoming elections. An important feature of the program which has been heavily criticized is that it covers only formal sources of credit and excludes any kind of informal loan. Thus, while it benefitted wealthy and large-scale farmers who had access to institutional credit, small and marginal farmers, who borrow the majority of their funds from private moneylenders, would not benefit from the scheme. Another criticism of this scheme was that it might cripple the agricultural credit system.

Loan waiver is not the solution even if the entire debt had waived, the farmers would again fall into trap as agriculture sector is not economically viable and the agriculture sector needs a policy overhaul. Loan waiver provides instant temporary relief but largely fails to benefit farmers in the long run. If government is seriously willing to compensate farmers, it must protect them from incessant natural disasters and price volatility through Crop insurance and better marketing systems.

**Bhoomika Bansal**  
MCom- II

### **Financial Inclusion**

Financial inclusion is the pursuit of making financial services accessible at affordable costs to all individuals and businesses. Financial inclusion strives to address and provide solutions to the constraints that exclude people from participating in the financial sector.

### **Objectives of Financial Inclusion**

- Financial inclusion intends to help people to



secure financial services and products at economical prices such as deposits, fund transfer services, loans, insurance, payment services, etc.

- It aims to establish proper financial institutions to cater the needs of the poor people.
- Financial inclusion aims to build and maintain financial sustainability so that the less fortunate people can have a certainty of funds which they struggle to have.

#### **BSBDA (Basic Saving Bank Deposit Account)**

All the accounts opened earlier as no frill a/c should be renamed as BSBDA. The aim of introducing BSBDA is a part of the efforts of RBI for further financial inclusion objectives. The key points of BSBDA are:-

- An individual is eligible to have only one BSBDA in one bank.
- Accounts holder of BSBDA will not be eligible for opening any other saving account in that bank. If a customer has any other existing saving a/c in that bank, he or she will be required to close it within 30 days from the date of opening a BSBDA.
- Banks should offer ATM debit card free of cost and no annual fee should be charged on such cards.
- The normal saving a/c can be converted into BSBDA at the request of a customer.
- BSBDA small a/c would be subject of following conditions such as maximum balance in the a/c should not exceed Rs. 50000 at any time. Total credit in such a/c should not exceed Rs. 100000 in one year and the total of debts by the way of cash withdrawals and transfer will not exceed Rs. 10000 in a month.

#### **Special Financial Products Offered For Attaining Financial Inclusion**

- General Credit Cards (GCC): -Banks offer General Credit Card facilities with an amount of up to Rs.25,000 at their branches located in semi-urban and rural areas.
- Kissan Credit Cards (KCC): The Reserve Bank of India instructed banks to provide Kissan Credit Cards exclusively to small farmers who earn very low incomes and who have very limited funds due to which they cannot invest in proper farming tools, fertilizers, pesticides, crop seeds, tractors, land for farming, storage warehouses, etc.
- ICT-Based Accounts via BCs: The Reserve Bank devised a plan to help banks to reach out to the unbanked individuals of the society by offering information and communications technology (ICT)-based bank accounts with the help of business correspondents (BCs). These accounts allow users to make withdrawals of cash, create deposits, and apply for loans and other forms of

credit through electronic forms making banking inexpensive and simple.

- Increase in ATMs: In order to increase the availability of physical cash for these people, the number of ATMs increased massively, especially in rural areas. Non availability of ATM's hampers many buying and selling operations of the people residing in rural areas.

#### **Pradhan Mantri Jan-dhan Yojana (PMJDY)**

Pradhan Mantri Jan Dhan Yojana is a scheme for financial inclusion launched by the PM of India Narendra Modi on 28 August 2014. Special benefits under PMJDY scheme are-

- Accidental insurance cover of rupees 1 lakhs.
- No minimum balance required.
- Easy transfer of money across India.
- Access to pension, insurance products.
- Overdraft facility up to rupees 5000 is available in only one account per household, preferably lady of the household.

#### **Self Help Group (SHG)**

It refers to a voluntary group of 12 for BPL to 20 persons formed for pursuing some economic activity. The group works from its own funds for about 6 months after which the group is sanctioned a bank loan in proportion to savings of the group. In India, the concept has officially been adopted by NABARD and implemented through banks.

#### **Microfinance Institution ( MFI)**

These are intermediary financial institutions which are given soft loans by the banks for giving smaller loans to the beneficiaries in backward/ interior areas. MFI's have earned a bad name as most of them started indulging in a variety of financial malpractices, since almost all their customers were illiterate. A major recommendation of the committee was that RBI should be asked to regulate the functioning of MFI' s and government has accepted it.

**Himani Goel**  
MCom- II

### **Health Insurance Policies**

Health is an important factor which must be considered first. For rich as well as poor, for male as well as female, young as well as old being diagnosed with illness can be a tough ordeal. Heart problem, kidney failure, stroke etc are the common diseases nowadays but thanks to the advancement of medical science they can be cured easily, but the main thing is cost involved in it, it can be afforded by rich but cannot by poor. Disease which requires hospitalization cost can easily run into five digit bill but these can be reimbursed by your health insurance policy. A health

insurance policy can cover all your expenditure incurred on treatment.

### **Categories Of Health Insurance Policy**

- Hospitalization:- These plans are indemnity plans that pay cost of hospitalization and medical costs of insured.
- Family floater health insurance: - It covers entire family under one insurance plan on the assumption that all the members of family will not suffer from illness at one time.
- Pre-existing disease cover plan:- It offers cover against disease that the policyholder had before buying health insurance policy and after waiting for a period of 2-4 years, it provide all covers to insurer.
- Senior citizen health insurance:-This plan is for old age people in the family who are above 60 years of age.
- Maternity health insurance: - This plan considers both pre and post maternal care.
- Hospital daily cash benefit plan: - It is a policy that pay sum of money for every day of hospitalization.
- Critical illness plan:- These are benefit based policies which pay a lump sum benefit on diagnosis of covered critical illness and medical procedures.
- Disease specific special plans:- Some companies offer specially designed disease specific plans like dengue care. These are designed keeping in mind growing occurrence of viral diseases.

### **Payment Options**

- Direct payment or cashless facility:-Under this facility the person does not need to pay cash to the hospital as the insurer pays directly to the hospital.
- Reimbursement at the end of hospital stay:-After the treatment, the patient can take a reimbursement from the insurer for the treatment that is covered under the policy undertaken.

Insurance companies offer health insurance from a sum insured of ₹5000 to ₹50 lakhs and person having policy can claim tax benefit under section 80D.

### **Aysuhman Bharat Yojana**

It aims to provide healthcare facilities to over 10 crore families covering urban and rural poor. It is government sponsored scheme which offers cover of ₹5 lakhs covering over 50 crore citizens.

**Navneet Kaur**  
MCom-I

## **Knowledge Management System**

We live in knowledge oriented economy, making knowledge as one of the modern company's most important asset. Therefore, the companies are now

starting to opt knowledge management system. Knowledge Management is the process of creating , sharing , using and managing the knowledge and information of an organization. It refers to a multidisciplinary approach to achieve organizational objectives by making the best use of knowledge. Knowledge management efforts focus on organizational objectives such as improved performance, competitive advantages, innovation and the continuous improvement of the organization . It also includes a search feature so users can get the answers to the specific questions and the top articles. The main example of knowledge management system is R Studio. The one has more of the community focus, as you can post and answer questions.

Knowledge management is often confused with Business Intelligence, which also focus on acquiring data for making business decisions. The main difference between the two is that Business intelligence focuses on explicit knowledge whereas Knowledge management is a broader category that includes both explicit and implicit knowledge. This differentiation has led many to classify Business Intelligence as a part of Knowledge Management. Building a knowledge based system gives us the various benefits that are:-

- Spend less time recreating existing knowledge.
- Get the information you need sooner and with fewer headaches.
- Make fewer mistakes.
- Make informed decisions.
- Standardize processes.
- Provide the better service to employees and the customers.

But, one of the biggest hurdles when implementing a knowledge management system is getting employees to embrace it. They may fear that a new system will take too much of their time or that sharing their knowledge will reduce the value they provide and put their jobs at risk. So it's important to form a strategy for not only how the company will store and share knowledge, but also how you will encourage employees to do the same. To be successful, you should prioritize knowledge sharing. Thus, the goal of a knowledge management program shouldn't just be to drive positive business outcomes. It should drive positive outcomes for your employees too. When your employees understand the upsides, your chances of successfully rolling out knowledge management program are much higher.

**Marry Garg**  
MCom-I

## Mega Mergers

A Merger is a combination of two companies into one by either closing the old entities into one new entity or by one company absorbing the other. Merger is also called AMALGAMATION in India. It can take place in two ways- Merger through absorption and merger through consolidation. Mergers can be either horizontal or vertical or conglomerate merger.

Biggest merger of world's history-According to July 2018 report, the biggest merger till now takes place between Vodafone and Mannesmann. Vodafone is the UK based company which acquired German company named Mannesmann in year 2000 making Vodafone the largest mobile operator in the world and Largest merger of Indian history has taken place between Tata Steel and Corus on January 30, 2007 for \$12.2 billion making Tata Steel the 5th largest steel company.

### Various mega mergers take place in India –

- Walmart- Flipkart –The merger takes place in May 2018 for about \$16 billion when Walmart acquired 77% stake in Flipkart. With this deal, India will now have Walmart, Amazon and Paytm Mall as the key players to compete in the Indian e-commerce market.
- Vodafone-Idea (Approved)-The most awaiting merger completed on 31st august 2018 making the Vodafone-idea no.1 player in Indian telecom market.
- Bank of Baroda- Vijaya Bank -Dena Bank-It will come into force on 1st April 2019. The merger is known to be the trio merger proposed by the Government. It aims to make the merged entity the India's 3rd largest bank.
- ONGC-HPCL- Oil and Natural Gas Corporation Ltd announced an acquisition of a 51% stake in Hindustan Petroleum Corporation Ltd. It aimed at helping the central government meet its disinvestment target for 2017-18.

The mega mergers affect the shareholders of the acquired company in a positive way while shareholders of the acquiring company get adversely affected. Mergers also affect management and employees of the Company causing the problem of cultural clash.

### Advantages of Mergers-

- Research and development- A merger enables the firm to be more profitable and have greater funds for research and development.
- International competition- Mergers can help firms deal with the threat of multinationals and compete on an international scale.
- Protect an industry from closing- Mergers may be

beneficial in a declining industry where firms are struggling to stay afloat.

- Economies of scale- This occurs when a larger firm with increased output can reduce average costs. Lower average costs enable lower prices for consumers.

The fact that the more mega mergers continues to happen depend upon:-

- The intentions of the company.
- The nature of the deal.
- The internal handling of the merger.
- The amount of competition reduced by the merger.
- The objectives of the enterprise.

We must consider merger as a neutral move in general, considering each individual merger action as a unique situation into itself.

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## Smart Marketing

In this era of technological enhancement, marketing has gained an unprecedented importance in our current business environment. Hence, major business firms are focusing more on marketing rather than other business activities to increase profit. But Marketing only focuses on selling of products and services from the firm's point of view rather than that of the customer.

A good way to construct an effective marketing plan is to use the SMART outline. SMART is an acronym for Specific, Measurable, Achievable, Realistic and Timely. If an individual develops their company's goals and objectives to meet these requirements, then the marketing plan will have a good chance for success. Smart Marketing is Customer Oriented as it produces and sells goods according to the customer needs. Products are advertised through Social media such as – Facebook, Instagram, Whatsapp, Twitter etc.

### Essentials Of Smart Marketing

#### Define a Specific Outcome:

Each objective must define a specific outcome. The goal should contain enough detail so that the people involved could understand what results are expected. Generalities only create confusion and lead to poor results. Just having an objective to "get more business" is not helpful to anyone.

Let's suppose that The Shoe Rack Corporation now sells 6,000 pairs of running shoes each year and wants to increase its sales. An effective goal could be to "increase sales of running shoes by 4 per cent in the next six months." This would mean selling 240 (6,000 times 4 per cent) more pairs of running shoes over the



next six months. For tracking purposes, you would look to sell 40 more pairs of running shoes each month.

#### **Defined Measurable Results**

An objective without a defined measurable result is like playing football and not keeping the score. Numbers are essential for keeping track of your progress towards a goal and defining the expected outcome. It is impossible to know if an objective has been reached unless it can be measured. In this example, you're going to make sure that sales are increasing by 40 pairs per month to meet the objective of raising sales by 240 pairs in six months.

#### **Goals must be Achievable**

One way to assure certain failure is to set goals that no one believes can be reached in a realistic time period. Objectives are achieved by taking well-defined, measurable small steps on the path to the goal.

People must agree that the goals are attainable, and that they have the tools and skills needed to reach the objectives. The sales staff has agreed that increasing sales by 4 per cent in the next six months is realistic and achievable.

#### **Goals must be Realistic**

Goals must be formed in the context of current economic conditions and realities of the business climate. It would be unrealistic to set a goal of increasing sales by 25 % when a recession is looming on the horizon, and when three new competitors just opened up down the street.

Make sure you have the resources needed to achieve the objective. Do you have the right people, enough money, the best machines and materials necessary to reach your goal? The current economic climate is positive, so consumers have discretionary income available to buy more running shoes from The Shoe Rack. The company is currently operating at 78 per cent of manufacturing capacity, so the plant has the ability to handle the increase in production.

#### **Deadlines to meet a Timely Goal**

Experience shows that goals are not reached if there is no specified deadline. Efforts toward achieving a goal matters, if time expiration does not exist. The objective to increase sales of running shoes has a time limit of six months, so it meets the requirement of establishing a deadline to meet the goal.

The objective to "increase sales of running shoes by 4 per cent in the next six months" meets all of the SMART criteria, so it has an excellent chance of being successful. Business managers can also apply the SMART outline to other areas of a company such as increasing productivity, improving the collection of accounts receivable and expanding the skills of employees.

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## **Terror Funding**

Terror funding is also known as terror financing. Terror funding is the raising, moving, storing and using of financial resources for the purpose of Terrorism. Factors responsible for growing terrorism are poverty, unemployment, illiteracy and lack of justice.

**Hawala** is also a method of transferring money without any actual movement. As hawala means trust. It is an alternative method which works outside the circle of banks and formal financial systems. The parties involved in hawala are a customer who wants to send money, a local intermediary (hawaladar) with a counterpart in the country where the customer wants to send the money and a Hawaladar in the receiving country who will provide the actual money to the recipient. Thus, hawala acts as an informal transactional credit system without the need to physically transfer currency from place to place.

**Demonetization And Terrorism:-** The act to cease a currency as a legal tender is known as demonetization. After demonetization of 2016, Rs 500 and Rs.1000 notes are completely banned, thereby most of the cash held with the terrorists turned worthless in Pakistan and other neighbouring countries.

**Terrorism And Trade:-** As the trade is adversely affected by terrorism, the three principal ways which interrupt the international trade:-

- First, terrorism leads to insecurity and thereby raises the costs of doing business.
- Secondly, the response to an increase in terrorist activity results in increase in security regulations making trade more expensive by increasing delivery times.
- Third, there is a risk of direct destruction of traded goods or particular transport modes.

As terrorist groups utilize multiple methods for moving funds, demonetization how they are flexible and adaptive when one method becomes riskier or costlier, they move to another method. Terrorists also take advantage of legal and regulatory differences between states, finding the seams where they can work and also adversely affect international trade.

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## **Total Productive Maintenance (TPM)**

Total productive maintenance (TPM) is a method of maintaining and improving the integrity of production and quality systems through the machines, equipment, employees and the supporting processes that add value to the organization. The



TPM was first used in 1961 by the JAPANESE company DENSO .It was developed by Seeich Nakajima in Japan.TPM focuses on keeping all equipments in proper working condition to avoid breakdown and delays in manufacturing processes.TPM can be of great value and its target is to improve core business. TPM is about productivity improvement and optimization of machine availability through which machines are operate at their optimal level.

#### **In TPM**

- T include Total efficiency, Total life cycle of production system and Total Manpower coverage
- P include Productivity maximization by :
  - a) Zero accident, b) Zero Defects, c) Zero breakdowns
- M include Maintenance cover of life cycle of production system.

Seven Pillars of Total productive maintenance

- Autonomous Maintenance
- Kobetsu Kaizen (Focused improvement)
- Planned Maintenance
- Quality Maintenance
- Training and Education
- Office TPM
- Safety Health Environment(SHE)

5'S in Total productive maintenance

- Seiri – Sort
- Seiton – Simplify
- Seiso – Sweep
- Seiketsu– Standardize
- Shitsuke- Sustain

TPM main focus on maximization effectiveness of equipments. It's main objective is to increase the improvement in production, reduction in the cost and it involves Zero break down.TPM and TQM have lots of similarities but the main difference is that TQM focus on the Quality of product and TPM focus on the equipment used to produce the products.

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### **New Skill Development Initiatives**

Skill India is a campaign launched by Prime Minister Narendra Damodardas Modi on 15 July 2015 which aim to train over 40 crores (400 million) people in India in different skills by 2022.

This is the first time in India's history that a project that assures financial prosperity to all Indian citizens, eradicates poverty, reduces unemployment and helps develop Micro, Small, Medium Enterprises (MSMEs) is being implemented. Skill India will help reduce

dependence on urban and semi-urban jobs.

#### **Key Aspects:-**

- Train Indian citizens of all ages, especially youth, to get employment or launch own MSMEs.
- Provide training, technical and financial support for various trades including leather crafts, blacksmiths, healthcare workers, fashion designers, Khadi, and handloom artisans and others.
- Skill India will also focus on core sectors including construction, gems and jewellery, banking and finance, transport and tourism and entrepreneurship.

#### **Pradhan Mantri Kaushal Vikas Yojana (PMKVY) – New scheme under skill development initiatives**

- Enable and mobilize a large number of Indian youth to take up skill training and become employable and earn their livelihood
- Increase productivity of the existing workforce and align the training and certification to the needs of the country
- Reward candidates undergoing skill training by authorized institutions at an average monetary reward of Rs. 8,000 (Rupees Eight Thousand) per candidate.
- Benefit 24 lakh youth at an approximate total cost of Rs. 1,500 Crores.

#### **Deen Dayal Upadhyaya Grameen Kaushalya Yojana**

- Enable Poor and Marginalized to Access Benefits
- Inclusive Program Design
- Shifting Emphasis from Training to Career Progression
- Greater Support for Placed Candidates
- Proactive Approach to Build Placement Partnerships
- Enhancing the Capacity of Implementation Partners
- Regional Focus
- Standards-led Delivery

#### **Beneficiary Eligibility:-**

- Rural Youth: 15 - 35 Years/
- SC/ST/Women/PVTG/PWD: upto 45 Years.

#### **Financial Assistance for Skill Training of Persons with Disabilities.**

- The Scheme aims at providing financial assistance for skill training for persons with disabilities.
- The scheme will cover Persons with Disabilities (PwDs) with not less than 40% disability and having a disability certificate to this effect issued by a competent medical authority.
- 30% reservation for women candidates: As an endeavour to encourage women, 30% of the total

intake of each training program shall be earmarked for women candidates.

- The scheme will operate through training institutions recognised by this Department as per the eligibility conditions contained in this scheme.

#### **National Apprenticeship Promotion Scheme**

The main objective of the scheme is to promote apprenticeship training and to increase the engagement of apprentices from present 2.3 lakh to 50 lakh cumulatively by 2020.

#### **The scheme has the following two components:-**

- Sharing of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice with the employers. The stipend support would not be given during the basic training period for fresher apprentices.
- Sharing of basic training cost in respect of apprentices who come directly to apprenticeship training without any formal trade training. Basic training cost will be limited to Rs. 7500/- for a maximum of 500 hours per 3 months.

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MCom- II

### **Food Security in India**

Removal of hunger and malnutrition among masses is not socially desirable but also necessary for improving overall development of the country, as healthy people contribute more to the economy with their relatively higher level of productivity and efficiency. Food security is not to be viewed in terms of procurement and distribution of food, but also in terms of food production, people's livelihood and overall management of food economy.

Food security is a situation that exists when all the people, at all the times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. Food security has three dimensions: availability, affordability and food absorption. Availability can be improved through raising domestic production, more import and better distribution system. Affordability can be ensured by providing better income and employment opportunities to the workforce. Poor quality of water and sanitation generate negative externality and affect the food absorption. Therefore economic, social and environmental aspects need serious attention for ensuring an effective food security system.

Food and Agriculture Organization study shows that there has been significant improvement in

nutrition status of India. Although absolute number of undernourished population has declined during the different periods but percentage share of India in the world's undernourished population has increased.

#### **Government Initiatives**

- The National Food Security Act, 2013 (NFSA 2013): The National Food Security Bill, 2013(also Right to Food Bill) aims to provide subsidized food grains to approximately two thirds of Indian population. The bill provide uniform allocation of food grains. Food availability is a necessary condition for food security. Ensuring food security is an issue of great importance in India where one third of population is estimated to poor. The Government of India is maintaining various schemes to ensure food security and communicating these to different States. The responsibility of the government is to procure, store and transport the food grains from purchase points to central godown and to lift these commodities from central godowns and distribute them to consumers under Food Security Act of India. The Government of Punjab is trying to achieve it through different state corporations.

#### **The Challenge of Food Security in India**

The crux of India's food problem today pertains not so much on increasing food availability or production but with distribution of foods. This is not to suggest that the challenges associated with ensuring food availability in sustainable ways is not a policy concern but rather in terms of immediacy of challenges. Ensuring food access would appear to score over concerns over food availability. The National Food Security Mission has played a key role in augmenting production in cereals and pulses. Further policy focus must be on removing the supply-side bottlenecks by raising investment in agriculture infrastructure, R&D, human capital, roads, market, storage and processing along with support to organic farming. The proposed legislation of Food Security Bill 2013 mark a paradigm shift in addressing the problem of food security from the current welfare approach to a right based approach. About two third of the population will be entitled to receive subsidized food grains under ' Targeted Public Distribution System.' The situation of overflowing godowns and vulnerable sections of the society which are not consuming adequate food has been improved by restructuring the procurement, storage and public distribution system as per the norms of Food Security Act.

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