Ask customers not to buy gold, but invest in financial assets: FM to banks

Finance Minister P Chidambaram has asked banks to advise their customers not to buy gold but to invest in financial assets that will encourage economic growth, arguing that surging imports of the yellow metal are unsustainable. Banks have a role to play in dampening the enthusiasm for gold. I would urge all banks to please advise their branches that they should not encourage their customers to invest in or buy gold.

Indian finance pros lack business skills: survey

Companies are losing millions of dollars as a large number of finance professionals lack sound business knowledge and analytical skills to assess projects, a survey by financial training and consulting firm Elements Akademia has said. As much as 70-90 per cent finance staff lack business acumen and presentation skills, the survey, conducted among 110 company executives in 30 companies and 100 chartered accountants (finance profile) has found.

Finance Ministry detects tax evasion of over ₹4,500 crore

Increased efforts to check revenue leakage by the Finance Ministry have resulted in detection of over ₹4,500 crore in service tax, excise and customs duty evasion during last year. Out of the total ₹4,744.92 crore of indirect tax evasion detected during April and December last year, officials made a recovery of ₹531 crore, according to official data.

Finance Ministry to decide on Jet-Etihad, Telenor FDI plans

The FM will take a call on the ₹2,000 crore Jet-Etihad deal, the largest foreign investment in the Indian aviation sector and the FDI proposal of Norway's Telenor, among others. The Foreign Investment Promotion Board (FIPB), headed by Economic Affairs Secretary Arvind Mayaram, will also take up 28 other FDI proposals including that of Multi Commodity Exchange (MCX). While Jet Airways plans to sell 24 per cent stake to Abu Dhabi-based Etihad for about ₹2,058 crore, Telenor is seeking government approval to hike stake by 25 per cent in its domestic subsidiary Telewings to 74 per cent.

PMO gets finance ministry reply, may okay CIL selloff

The Prime Minister's Office may approve the proposed 10 per cent stake sale in Coal India with the finance ministry having responded to all concerns raised by the workers of the state-run coal monopoly. According to two officials, the ministry has told the PMO that former finance minister Pranab Mukherjee had not given any assurance to Coal India's workers that there would be no more divestment in the company after the government sold a 10 per cent stake in it in 2010.
Finance Ministry asks banks to have independent corporate debt restructuring oversight panel

To restrict the use of loan restructuring mechanism only to deserving cases, the Finance Ministry asked bankers to have an independent oversight committee that will vet the corporate debt restructuring (CDR) applications. Financial Services Secretary Rajiv Takru asked banks to have the committee consisting of an expert from the legal field, investigative agencies and a finance professional, to make sure that there will not be any scope for allegations.

70 per cent finance professionals lack business analysis skills: survey

Companies are losing millions of dollars as a large number of finance professionals lack sound business knowledge and analytical skills to assess the projects, a survey has claimed. According to the study conducted by financial training and consulting firm Elements Akademia, 70-90 per cent finance staff lack business acumen and presentation skills which lead to failed business projects and possible loss in revenue. The survey, conducted among 110 company executives in 30 companies and 100 chartered accountants (finance profile) found that most finance managers are restricted to a mechanical role of book keeping, auditing and reporting.

L&T Finance may have to tweak structure for banking foray

L&T Finance, one of the aspirants for a new banking licence, might have to tweak its corporate structure following the Reserve Bank of India (RBI)’s clarifications on the new Bank’s licensing guidelines. The central bank said private players aspiring to enter the banking space need to create a non-operative financial holding company (NOFHC). “The requirement is that not less than 51 per cent of the voting equity shares of NOFHC shall be held by companies in the promoter group, in which the public hold not less than 51 per cent of the voting equity,” RBI said in its clarifications released.

Rotate customs, central excise officers every 2 years: Fin Min

The Finance Ministry has emphasized on rotation of Indian Revenue Service officers working in service tax, excise and customs departments every two years to provide them adequate exposure. In a recent directive, the Ministry has asked Chief Commissioners and Director Generals of Central Excise and Customs to "meticulously adhere" to the transfer policy for IRS (C & CE) officers. The officers will, as far as possible, be rotated between the Customs and Central Excise branches every two years and adequate experience in Service Tax branch will also be ensured as far as possible.

Finance Ministry seeks RBI approval for all-women bank

To make all-women bank a reality by October, the Finance Ministry has approached the Reserve Bank for clearance to set up the country’s first such bank. The committee set up to prepare the blueprint for all-women bank has submitted its report to the Finance Minister. We have sought in-principle approval from RBI for all women bank, Financial Services Secretary, Rajiv Takru told PTI.
Former CIA staff says he leaked surveillance data
A 29-year-old former CIA computer technician went public on 9th June’13 as the source behind the daily drumbeat of disclosures about the nation's surveillance programs, saying he took the extraordinary step because "the public needs to decide whether these programs and policies are right or wrong". During a 12-minute video interview that went online 9th June’13, Edward Joseph Snowden calmly answered questions about his journey from being a well-compensated government contractor with nearly unlimited access to America's intelligence secrets to being holed up in a Hong Kong hotel room, the subject of a US investigation.

Japan revises growth to annual 4.1per cent in boost for Abenomics
Japan’s economy grew more than the government initially estimated in the first quarter, helping Prime Minister Shinzo Abe to sustain confidence in his campaign to defeat deflation. GDP expanded an annualized 4.1per cent, compared with a preliminary calculation of 3.5per cent, the Cabinet Office said in Tokyo 11th June’13. Nominal GDP, which is unadjusted for changes in prices, rose 0.6 per cent from the previous three months, leaving the economy 7per cent smaller than in the same period in 1997.

China Leaders Tested on Growth Resolve after Slowdown
China’s new leaders face a test of their resolve to forgo short-term stimulus for slower, more-sustainable growth after May trade, inflation and lending data trailed estimates, signaling weaker global and domestic demand. Industrial production rose a less-than-forecast 9.2 percent from a year earlier and factory-gate prices fell for a 15th month, National Bureau of Statistics data showed 9th June’13 in Beijing. Export gains were at a 10-month low and imports dropped after a crackdown on fake trade invoices while fixed-asset investment growth moderated and new Yuan loans declined. While the figures boost the case for easing monetary policy or approving more spending, the government’s room is limited by rising home prices, financial risks and overcapacity.

Pickup in hiring points to U.S. economic resilience
Employers stepped up hiring a bit in May in a show of economic resilience that suggests the Federal Reserve could begin to scale back its monetary stimulus later this year. The United States added 175,000 jobs last month after adding only 149,000 in April, the Labor Department said on 7th June’13. The pick up in hiring came despite tax hikes and sweeping budget cuts earlier in the year. The unemployment rate ticked up a tenth of a point to 7.6 percent, which economists called encouraging because more Americans were began to hunt for jobs.

US, Japan leading recovery in major economies, says OECD
The major developed economies are gradually gaining momentum led by faster growth in Japan and the US, the Organization for Economic Cooperation and Development (OECD) said on 10th June’13. The Paris-based OECD said its latest monthly leading indicator as a whole rose to 100.6 in April from 100.5 in March. In its twice-yearly Economic Outlook last month, the OECD forecast that the recession-hit Euro zone would fall further behind a generally
improving US and a rebounding Japan this year, cutting its global growth estimates. The monthly leading indicator underlined this, suggesting that the US and Japan were the only countries among major economies where growth is firming. Meanwhile among the major emerging nations, China and Brazil are ticking along at trend rates, while growth in Russia is "losing momentum" and in India it remains below par.

**China trade data underline growth fears**

China’s exports posted their lowest growth rate in almost a year in May while imports unexpectedly fell, government data showed on 8th June’13 underlining concerns that growth in the world's second-largest economy could slow anew in the second quarter. Evidence has mounted in recent weeks that the economy is fast losing growth momentum as sluggish domestic demand fails to make up for lethargic export sales.

**SAC may cut staff, offices as probe pushes investors away**

Steven A Cohen's embattled hedge fund SAC Capital Advisors is facing a much tougher and less glamorous future, as outside investors pull the bulk of their money from the firm in the wake of an ongoing insider trading probe. The billionaire trader, who founded SAC in 1992, will have to consider shedding staff, shuttering offices and scaling back some of its trading - something that could cost Wall Street firms hundreds of millions of dollars a year in trading commissions, industry experts said. An SAC Capital spokesman declined to comment except to confirm that at the moment the firm's assets under management remain about $15 billion.

**U.S. takes Apple to trial over e-books price-fixing**

Apple Inc goes to trial 3rd June’13 over allegations by federal and state authorities that it conspired with publishers to raise the price of e-books. The Justice Department filed its case against Apple and five of the six largest U.S. book publishers in April 2012. The lawsuit accused them of conspiring to increase e-book prices and break Amazon.com Inc's hold on pricing. The five publishers were Pearson Plc's Penguin Group, News Corp's HarperCollins Publishers Inc, CBS Corp's Simon & Schuster Inc, Hachette Book Group Inc and MacMillan. The U.S. government is not seeking damages but instead an order blocking Apple from engaging in similar conduct. However, if Apple is found liable, it could still face damages in a separate trial by the state attorneys general and consumers pursuing class actions.

**US blacklists Iran's petrochemical sector**

The United States blacklisted on 31st May’13 eight companies in Iran's petrochemical industry, sending a warning to the Islamic Republic's global customers as Washington strives to cut off funds to the country's nuclear programme. Petrochemical companies owned or controlled by the Iranian government that are on the Treasury Department list include Bandar Imam Petrochemical Co, Bou Ali Sina Petrochemical Co and Mobin Petrochemical Co. This was the first time Washington sanctioned the petrochemical industry, which an administration official said was the largest source of foreign earnings for Iran's nuclear programme after oil sales.
Rates and Graph

Gaurav Agarwal
II MBA M

Rate Repo 7.25 per cent
Reverse Repo 6.25 per cent
Call Rate 6.50 per cent – 7.40 per cent
Inflation +4.89 per cent for May 2013
Forex Reserve $287.897 Billion as on 31st May 2013
91day T-Bill 7.3521 per cent
IIP 6.90 GS 2019
2.5 per cent (increase) for April 2013
8.0907 per cent

Graph

Rs/$

[Graph showing the exchange rate of Rs/$ from 13 May to 10 June]

Gold (per 10 gram) Rs.

[Graph showing the price of gold per 10 grams from 13 May to 10 June]
Oil (per bbl) $

13-May 17-May 21-May 25-May 29-May 02-Jun 06-Jun 10-Jun

sensex
nifty

future rates
open interest
Carbon credit was one of the hot topics in the recent past. Carbon credit is a transferable certificate in the form of certificate or permit granting the right to emit one tonne of carbon dioxide or any other greenhouse gas containing carbon dioxide equivalent to the same amount of carbon dioxide. The introduction of carbon credits was an attempt for responsible emission with an eye on sustainable development. Credits are given to countries or organizations which have reduced the carbon emission. The next revolution happened in this field was the trading in these emission certificate whereby organizations or countries who needed additional emission requirement could buy these certificate of emission from the open market. This marked the beginning of emission trading over the globe. The mechanism was made in the Kyoto protocol a union of 170 countries. The instrument is traded in accordance to Marrakesh accord.

The instrument is being traded in the climate exchanges which were formulated for the spot and future trading in emission certificates. European Climate Exchange leads in emission trading. On its kick start, experts were optimistic about the future of emission trading with a projected growth in the market of carbon credit and projected annual growth of 375 million tonnes worth US$ 10 billion each year. The instrument was introduced in the ECX for €16 and saw a rise in price to €32 in 2007-08.

But the oversupply of the carbon credits in the exchange market in the recent time with many environment companies earning the right for emission and selling it in the open market flooded the market with emission credits. Also the recent European financial crisis which forced many prospective buyers to cut down production weakened the demand side for the product and led to a fall in its price to as much as €3.43. It does not seem good for the instrument as UAE investors find it difficult in finding buyers for carbon credits.

India was not so long back in the run for implementing emission trading. Multi Commodity Exchange of India, MCX introduced emission trading in Indian shores by 2008. Unfortunately with the lack of consumer awareness about the product and the low volume trade happening in the market forced them to withdraw it from the market in late 2009. Thus it was the very short saga of emission trading in India. Though many brokerages saw this as a failure of an innovative instrument many experts now considers this as an early exit from a market which short lived. Now, the question that arises in experts mind is that, a move which was once seen as a path breaking move is making a fool out of itself.

References:
Retrieved, June 9th, 2013 from; http://www.greenhouse.unimelb.edu.au
Retrieved, June 9th, 2013 from; http://www.smithsonianmag.com
ARE OIL & GAS COMPANIES BETTER INVESTMENT PLAY ON FALLING RUPEE?

Annapoornaa G
II MBA K

Most of the oil & gas companies have corrected sharply in this past week weighed down by concerns over the weakening trend in currency which has already depreciated 6 per cent in the past one month. Rupee continued its downward journey and slipped to a record low of 58.96 in intraday trade on Tuesday 12.6.2013 against the USD dollar and has plunged over 3 per cent in this week itself. Although oil marketing companies comes under direct impact of falling currency as every fall in rupee increases their under recovery burden, say analysts.

But on a long term basis, OMC stocks offer deep value for long term investors. "Oil marketing companies which have corrected decently well in the past few days, thanks to the way the rupee has moved, but I would surely utilize this as an opportunity if one is looking at possibly the next two-three year investment," said Ambareesh Baliga, Managing Partner-Global Wealth Management, Edelweiss Financial Services in an interview with ETNow. Since these companies are completely regulated and with free pricing coming in things have changed for these companies. Investors can start accumulating stocks like HPCL BSE 0.38 per cent, BPCL BSE 0.96 percent. Despite the increase in fuel prices, which is, of course, a welcome step.

The steady depreciation in rupee has eroded most of the benefits for OMCs. For every ₹1 fall, it impacts the, basically increased the under recoveries of the OMCs by about ₹50 billion for yearly basis. Rupee has plunged nearly ₹3 overall in past one month which may add around 150-200 billion additional under recovery burdens for the oil marketing companies.

Although OMC will get the payment from the government for the upstream business but generally there is some delay in the payment usually from the government's side. So that usually leads to higher interest costs which impacts OMCs bottom line. Most of the negatives are there in the price and given the fact OMCs have not participated in the recent rally, these stocks are likely to get re-rated in near future. It appears that OMC stocks are already reflecting the negative impact of the rupee weakening and we expect these stocks to get re-rated in next three to six months down the line depends that where the crude is.

Both rising crude and the depreciating rupee have taken a toll on OMCs (oil marketing companies). Analysts see multiple factors playing on OMCs and investors should again wait and watch. If one has to take positions within the OMC pack with a very structural view, then BPCL looks like a decent bet on declines considering the kind of E&P activities that it has got on its book. Even though the measures have been taken in terms of diesel price hikes, the overhang on the stocks will remain and if government fails to implement policies, OMCs might come under pressure.

References:
www.economictimes.com
“In Finance everything that is agreeable is unsound, and everything that is sound is disagreeable”, Winston Churchill. For more than a decade’s time, the debate over privatization of Public sectors banks in India has been an underlying thought in the financial section of the society. The discussion has however faced many retaliations and rejections, blocking its way towards enforcement.

Some bookmen preferably argue about the public sectors banks being a bottleneck in the financial administration of the country. They blame the banks for their outdated procedures, lack of control, limited products, corruption etc. resulting in low service quality and improper management of resources. The public sector banks are also slandered for their poor risk appetite, lethargic discharge of services, inefficient use of technology and many other flaws to count for. Privatisation is proposed as a potential solution towards melioration of these banks.

In the present era, the far-famed and celebrated Private Banks are majorly characterized by standardised procedures to ensure quality, use of latest technology and trends, high efficiency, increased employment avenues, more returns on Investment etc. It is assumed that privatisation of the Public Sector banks will help incorporate the features of Private Banks in them as well.

On the other hand, the question that arises is, will Privatisation jeopardise the very basic foundation of Public sector banks laid on ensuring welfare and prosperity in the society? Will it still provide for maintaining scrutiny and social accountability? There are reasons to debate on this, as Privatisation of Public Sector Banks may lead to difficulties in policy implementations (Monetary policy in line with Fiscal policy), security and deregulation risks, and domination of economy by foreign capital etc. Privatisation of banks is considered a step away from redistributive justice in the country. It is also believed to take the banks away from their planned and regulated structure.

Banks being the defenders of economic growth in the country, their appropriate functioning must be essentially ascertained. Since other utilities including Water, Electricity etc. are considered and evaluated for the impacts of privatisation; with considerable thought and preparation, the banks can also endeavour it but not at the peril of deregulating and destabilizing their economic control procedures.

References:

Article by K C Chakrabarty: Banking and beyond – new challenges before Indian financial system”
About the Company:

- Britannia Industries Limited engages in the production and sale of bakery and dairy products in India and internationally.
- Britannia Industries Limited has posted a net profit of ₹878.50 million for the quarter ended March 31, 2013 as compared to ₹530.20 million for the quarter ended March 31, 2012.
- Britannia Industries Ltd has decided to recommend a dividend for the year ended March 31, 2013 at the rate of ₹8.50 (Rupees Eight and Paisa Fifty Only) per equity share of ₹2/- each.
- Britannia Industries Ltd has launched Masala Chaas – a light milk-based beverage in Kerala. Britannia Industries has launched its range of Flavored Yoghurt in three exciting flavors Mango, Vanilla and Strawberry.
- Britannia has got 600,000 outlets across India and is expanding its distribution network in rural areas, where the company is seeing growth in market shares.
- Net Sales and PAT of the company are expected to grow at a CAGR of 12per cent and 20per cent over 2012 to 2015E respectively.

### Financial Estimates & Figures

- The company’s net profit jumps to ₹878.50 million against ₹530.20 million in the corresponding quarter ending of previous year, an increase of 65.69per cent.
- Revenue for the quarter rose 13.66per cent for the current financial year.
- Reported earnings per share of the company stood at ₹7.35 a share during the quarter, registering 65.55per cent increase over previous year period.
- Britannia Industries Ltd has decided to recommend a dividend for the year ended March 31, 2013 at the rate of ₹8.50 (Rupees Eight and Paisa Fifty Only) per equity share of ₹2/- each.
Outlook

- At the current market price of ₹702.00, the stock P/E ratio is at 29.97 x FY14E and 25.83 x FY15E respectively.
- Earnings per share (EPS) of the company for the earnings for FY14E and FY15E is seen at ₹23.42 and ₹27.18 respectively.
- Net Sales and PAT of the company are expected to grow at a CAGR of 12 per cent and 20 per cent over 2012 to 2015E respectively.

Financial Figures:

<table>
<thead>
<tr>
<th>Value(Rs.in.mn)</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>12m</td>
<td>12m</td>
</tr>
<tr>
<td>Net Sales</td>
<td>49741.90</td>
<td>56154.90</td>
</tr>
<tr>
<td>Other Income</td>
<td>585.30</td>
<td>554.70</td>
</tr>
<tr>
<td>Total Income</td>
<td>50327.20</td>
<td>56709.60</td>
</tr>
<tr>
<td>Expenditure</td>
<td>-46949.60</td>
<td>-52439.60</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>3377.60</td>
<td>4270.00</td>
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<tr>
<td>Interest</td>
<td>-380.70</td>
<td>-377.40</td>
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<tr>
<td>Gross Profit</td>
<td>2996.90</td>
<td>3892.60</td>
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<tr>
<td>Depreciation</td>
<td>-473.20</td>
<td>-570.80</td>
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<tr>
<td>Profit Before Tax</td>
<td>2523.70</td>
<td>3321.80</td>
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<tr>
<td>Tax</td>
<td>-656.30</td>
<td>-983.10</td>
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<tr>
<td>Net Profit</td>
<td>1867.40</td>
<td>2338.70</td>
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<tr>
<td>Equity capital</td>
<td>238.90</td>
<td>238.90</td>
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<tr>
<td>Reserves</td>
<td>4961.50</td>
<td>6125.00</td>
</tr>
<tr>
<td>Face value</td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td>EPS</td>
<td>15.63</td>
<td>19.58</td>
</tr>
</tbody>
</table>

The net profit of the company has increased. This is due to the introduction of new products into states of Kerala, Karnataka & Assam. This also explains the increase in the expenditure for the company.

The annual report of the company helps in gaining more clarity on the increase in total income for the firms with its subsidiary companies in other countries like Sri Lanka, Dubai & Mauritius.

The following displays the expenditure growth for the company:

<table>
<thead>
<tr>
<th>Break up of Expenditure</th>
<th>Rs. Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY13</td>
<td>Q4 FY12</td>
</tr>
<tr>
<td>Cost of Material Consumed</td>
<td>6483.70</td>
</tr>
<tr>
<td>Purchase of Stock in Trade</td>
<td>2060.00</td>
</tr>
<tr>
<td>Employee Benefit Expenses</td>
<td>284.40</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization Expense</td>
<td>148.90</td>
</tr>
<tr>
<td>Conversion &amp; Other related Charges</td>
<td>1222.20</td>
</tr>
<tr>
<td>Advertisement &amp; Sales Promotion</td>
<td>1244.00</td>
</tr>
<tr>
<td>Other Expenditure</td>
<td>1585.90</td>
</tr>
</tbody>
</table>
The ratios above display a clear growth patterns indicating right from the earning per share along with the EBITDA Margin on a comparative growth of 12 per cent on a YoY basis.

The return on the equities has also displayed an uptrend movement, which is incurred due to the higher volume in the stock market, considering the market volatility and Britannia, being a safe bet.

Graph (as on 14/6/2013)

The graph, with the 6 months movement has shown a growth of more than 37 per cent.
It has also added on to the growth and the demand in the market.
Compared with Jubilant Foodworks & ITC Ltd, the performance of the stock has been significant.
A safe bet on the market like Britannia is always an add-on to have on the portfolio to minimize the risk essentials which may be allocated to other stocks, specially related to infrastructure companies, banks & automotive companies.

Valuations of the Firm (as on 14/6/2013)

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS (Rs.)</td>
<td>15.63</td>
<td>19.58</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>6.79%</td>
<td>7.60%</td>
</tr>
<tr>
<td>PBT Margin (%)</td>
<td>5.07%</td>
<td>5.92%</td>
</tr>
<tr>
<td>PAT Margin (%)</td>
<td>3.75%</td>
<td>4.16%</td>
</tr>
<tr>
<td>P/E Ratio (x)</td>
<td>44.90</td>
<td>35.85</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>35.91%</td>
<td>36.75%</td>
</tr>
<tr>
<td>ROCE (%)</td>
<td>70.25%</td>
<td>58.60%</td>
</tr>
<tr>
<td>EV/EBITDA (x)</td>
<td>24.82</td>
<td>19.93</td>
</tr>
<tr>
<td>Book Value (Rs.)</td>
<td>43.54</td>
<td>53.28</td>
</tr>
<tr>
<td>P/BV</td>
<td>16.12</td>
<td>13.18</td>
</tr>
</tbody>
</table>

CMP: ₹684
Target: 780
Duration: 3 months
Abhishek Aggarwal  
II MBA I

Nowadays with large number of IPOs entering the market in lesser time frames, it is important for an individual to understand as how one should proceed after the IPO gets listed. We have seen in most of the cases that IPO issues get over-subscribe. The most recent instance is that of Just Dial which got over-subscribed by 12 times. So, in such a case what should a retail investor do as his money gets blocked and he is allotted proportionately and eventually have to wait for days for refund.

A practical approach for these kinds of IPOs can be first evaluating the whole IPO initially and waiting for it to get listed. In such a case an individual will wait for the IPO to get listed and then buy/ sell the particular IPO stock as per his analysis. For example, Just Dial IPO listed at ₹530 and is now currently traded at ₹683. So, in spite of going for the IPO initially the investor can get the stock at the price of ₹530 from the exchange, when it is listed. Due to this practice, his money will not get stuck in over-subscriptions and refund due to under-subscriptions. So, the gain to the investor will be the same as he can sell those stocks at ₹683.

Now, let us take another situation, currently as of 12.06.2013 Just Dial is trading at ₹683 and one can easily make out that this price can fall. So, instead of waiting for a good time to buy, one can short sell or take a Sell Position in Futures which will also provide gains.

So, all of these strategies should be analyzed by the investor so that he can easily make out when to enter and when to exit. All of these strategies compliment the IPO market. So, it is not obvious that an investor should bid for an IPO; AFTERMATH can also lead to gains.

Another important concept lately which is catching the ears of many is “SAFETY NET”. In order to protect the interests of Retail Investors, SEBI has framed draft norms for mandatory safety net mechanism in IPOs. According to SEBI, the safety net mechanism would be available for all securities allotted to original resident retail individual allottees that had made an application for up to ₹50,000. And the total obligation for such provision is capped at five to ten per cent of the issue size.

This Safety Net is now mandatory for all the IPOs and will be triggered in cases where the price of the shares has depreciated by more than 20 per cent from the issue price within a stipulated time period. Safety Net shall be effective for six months from the date of trigger. This practice is adopted by SEBI for enhanced protection of Investors’ interest.

If the market value of the scrip falls below the issue price at any time during the scheme period, promoters will buyback shares at the sale price from original allottees. However, the buyback will be subject to a maximum of 1,000 shares per allottee.

But, as a two edged sword it will pose a burden on the Issuer of the securities as he will have to put this amount of buyback money in an Escrow Account for six months which will have an impact on the Liquidity of the Company.

### UPONING ISSUES

<table>
<thead>
<tr>
<th>Companies</th>
<th>Date of filing with SEBI</th>
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<tbody>
<tr>
<td>Sanco Industries (DRHP)</td>
<td>May 03, 2013</td>
</tr>
<tr>
<td>Wonderla Holidays (DRHP)</td>
<td>April 18, 2013</td>
</tr>
<tr>
<td>Advanced Enzyme Technologies (DRHP)</td>
<td>April 02, 2013</td>
</tr>
<tr>
<td>NCML Industries (DRHP)</td>
<td>April 01, 2013</td>
</tr>
<tr>
<td>Aastha Minmet India (DRHP)</td>
<td>March 28, 2013</td>
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</table>

DRHP: Draft Red Herring Prospectus

### LISTED IPOs PERFORMANCE

<table>
<thead>
<tr>
<th>Companies</th>
<th>Issue Price</th>
<th>Current Price</th>
<th>% Gain / Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just Dial</td>
<td>530</td>
<td>657.3</td>
<td>24.02</td>
</tr>
<tr>
<td>Onesource Tech</td>
<td>14</td>
<td>10.2</td>
<td>-27.14</td>
</tr>
<tr>
<td>Repco Home Fin</td>
<td>172</td>
<td>206.45</td>
<td>20.03</td>
</tr>
<tr>
<td>Bothra Metals</td>
<td>25</td>
<td>26.6</td>
<td>6.4</td>
</tr>
<tr>
<td>HPC Bio</td>
<td>35</td>
<td>52.3</td>
<td>49.43</td>
</tr>
</tbody>
</table>
Name: Somardha Shekhar Hota

Company name, Designation held:
Wipro Technologies, Business Analyst

Put some light on your Company, the job profile and the role you play in your organization?

I work as a Business Analyst at Wipro Technologies. My Job Profile includes working closely with the clients and conducting requirement gathering workshops, business process mapping, documenting As-Is and To-Be processes and functional implementation in the ERP Space. I work on both on premise and cloud ERP’s and also contribute to consulting engagements with the client, to help them in their implementation path of ERP.

What encouraged you to choose this industry and join the particular company?

I always wanted to be in Technology Consulting company as I come from a technical background. I always wanted to work in ERP space across domains. When Wipro came to CCIM for placements, it was an obvious choice for me, as I had envisioned myself in this particular role. I was selected in the campus placements and got a chance to start with my dream role.

How is your experience in the company as well as industry so far?

It has been great learning experience with a great team and very knowledgeable leaders who have encouraged me to take up responsibilities and encouraged me to deliver my best. I have enjoyed interacting with clients and understanding the real life issues they face in their systems and collaborate in trying to solve them.

How is professional world different from the life in MBA?

In professional life, we come across real life issues and problems, which can never be taught in class. It’s a challenge and fun to understand the issues faced by enterprises in their day to day business and trying to solve them. In this era of technology going obsolete in 3-4 months time and enterprises trying to maximize their ROI’s on technology spend, it makes us realize that how we need to think out of the box to solve issues. Classroom teaching can prepare us to an extent in facing those challenges.

Are there any additional courses / certifications that you recommend in this field?

Yes, as I work in ERP consulting, I would highly recommend that whoever wants to work in this space, should do some kind of certification. There are so many certifications available from SAP, Oracle, Salesforce, NetSuite, etc. and people can do certifications in their area of interest like HR, Finance, Sales and Distribution, Project Management, CRM, etc.
Who is your role model and how he/she inspires you?

Strangely, I don’t have a role model. As no one in this world is perfect, I try to gather good qualities of people and ignore the bad ones. There is much to learn from everyone, from a very simple man on the street to a leader of a nation. I believe in learning good qualities of people, he or she may be anyone from anywhere.

What are you doing to ensure that you continue to grow and develop in industry?

I started off in financial domain in ERP and now have branched out to CRM and Sales & Distribution too. Eventually, I want to learn the whole SCM process end to end. This will help me in being a good process consultant which is my medium term goal.

What are the characteristics you believe one should possess to join this company?

You should love talking to clients and understand their issues, because usually they talk in business terms and we have to convert them to technical processes. So, you need strong communication skills, client engagement skills, documenting skills, and domain skills whichever you chose.

What are the opportunities for us (juniors) in your company?

Wipro hires from B-School campuses for Business Analyst roles. BA’s in Wipro are trained in one of the technology and they start off in support or upgrade engagements before moving into client facing implementation engagements.

Will you be willing to come and share more about the industry and the company and your experience with us in an alumni interface?

Yes, Sure.

What are your short-term, mid-term and long-term plans, respectively, for future?

Short Term- To learn business processes and do well in my current engagements and opportunities.
Medium Term- To be an end to end process consultant, irrespective of any ERP product.
Long Term- To move into client engagement and program management roles.

A message for Christites?

Enjoy your time at the college. You will miss it big time once you enter the corporate world. Be clear on what kind of job interests you and work towards getting that dream job. Learn the basics very well.
Natural gas is a colorless, odorless, environment friendly energy source. It is a gas consisting primarily of methane. It is found associated with fossil fuels, in coal beds. Natural gas is commercially produced mostly from oil fields and natural gas fields.

Major uses of Natural Gas in India are: Fuel source for power generation, automobile (CNG), cooking and industrial boilers, Feed source for fertilizers.

In MCX (Multi Commodity Exchange), Natural Gas is measured in units of mmBTU (million British thermal Units) and sold in lots of 1250 mm BTU.

Positive news on Natural Gas:

Natural Gas has experienced a correction in its prices and had a bearish movement in its price during the first week of June 2013. The reason for the downward trend in the Natural Gas prices was because of the USA supply and consumption data. The biggest producer of Natural Gas in India, Reliance Industries Limited is planning to invest ₹150,000 crores over the next three years. Natural Gas after experiencing a fall in its prices can be treated as an investment in the commodity market. The only negative news for an energy generating commodity is its supply or demand data. Natural Gas has already seen the negative side of data related to its production and consumption. Winter being around the corner for most of the western and European countries, consumption levels of Natural gas can be expected to increase when countries start dumping Natural Gas reserves for the winter. So, Natural Gas can be a good medium term investment.

Current performance of Natural Gas in the Commodity Market:

Natural Gas has seen a high of nearly ₹243.9 on May 27. Natural Gas is currently (10th June 2013) being traded with a spot price of ₹221.50/mmBTU. The current Spot prices in MCX for Natural Gas futures are (10th June, 2013): ₹221.5 / mmBTU for 25 June, 2013. ₹223.3 / mmBTU for 26 July, 2013. ₹224.6/ mmBTU for 24 August, 2013. Natural Gas price can be expected to touch ₹232 for 26 July 2013 contract as a medium term investment.

References:
http://www.moneycontrol.com/commodity/naturalgas-price.html
The Helicopter Scam commonly referred as the chopper scam, is a scam which involved bribery and corruption during the purchase of Agusta Westland’s AW101 helicopters. The manufacturer Augusta Westland was given a contract for 12 helicopters which were to be assigned for VVIP duties for important Indian officials.

In 2009, the Andhra Pradesh Chief Minister Dr. YSR Reddy was killed in a chopper accident near Kurnool. The Agusta Westland 139 involved in the incident was an older model and then the government decided to purchase these new choppers to avoid further accidents.

It has been alleged that various Indian Ministers and Army officials have accepted bribes from the manufacturer, Agusta Westland to give them a contract of US$660 million. The Investigation began in early 2013.

The CEO of Finmeccanica, Agusta Westland’s parent company was arrested by the Italian authorities. Hence, the very next day, Indian Defense Minister A.K Antony authorized a full-fledged investigation into the matter.

A 30 member Joint Parliament committee was formed to lead the investigation. Although opposition parties were not supportive the motion was still passed as most of them walked out. They wanted a Supreme Court investigation into the matter but government denied it claiming that they had nothing to hide and that their tracks were clear.

The investigation is still under process. After 2G spectrum scandal and Commonwealth Scandal, the government was still facing the challenge to convince people and now this new Scandal had come to light. Well it’s very sad for us that this land of diverse culture and values has changed into a “LAND OF SCANDAL”.
Definition: Slippage is defined as the difference between the price at which the trade is placed and the price at which the trade is actually executed. This situation often occurs during periods of high volatility or during the period when huge market orders are executed. This may arise due to the lack of the availability of the amount of interest in order to maintain the desired price level. Slippage is a term often used in Forex, Stock Trading and Banking Sector.

Occurrence of Slippage

In Forex, slippage may occur when the stop loss or the limit order may occur at a worse rate than the one it was originally set. It occurs in the periods of High volatility caused by news events, stock prices plummeting, etc. which makes it impossible for the order to be executed at the desire price level. In such cases the traders take the next best possible price and execute the order at this price.

Slippage in the situation of trading stocks may occur in the case of change of spread. It occurs primarily when the trading occurs at a price level worse than the one originally fixed for. In order to protect their interest, traders can enter into forward and future agreements, wherein fixed prices are agreed upon, without considering any volatility or a sudden turn of events, which may affect the desired price level, thus protecting the interest of the traders.

The difference in the actual prices paid, in the case of Future Contracts, may occur due to the transactions cost, market impacted liquidity risks, etc.

An example in this regard would help a person understand the occurrence of slippage in the context of Stock Trading.

If the ASK Price is fixed at ₹151.08 and the BID Price is fixed at ₹151.07. At the BID Price there are a total of 500 shares available and at the ask price of ₹151.08, there are a total of 4000 shares available. These prices and orders are quoted in the electronic trade portal.

Suppose, a trader wants to place an order for 20,000 shares right now. The problem is that the ask price of ₹151.08 contains only 4000 shares being offers for sale, whereas the order placed is for 20,000 shares. If one needs to order for the shares now, then the trader should buy the shares above 4500 shares at the current market price. The difference between the ask price and the market price at which the shares are purchased, would give the amount of slippage borne by the trader.

Slippage in the context of Banking is used to calculate the following Ratio:

\[
\text{Slippage Ratio: (Fresh amount of NPA’s during the year/ Amount of Standard Assets at the beginning of the year) \times 100}
\]

Thus, Slippage used in different contexts, conveys different meanings.

References

INTRODUCTION

TRADE FINANCE refers to International Finance in its primary sense. It essentially means to finance trade. In order to understand the thriving Industry of Trade Finance, one needs to understand the basic terminology and the nuances behind the Trade Finance. For a trade to happen, we have a seller and a buyer and the various intermediaries such as Banks and Financial Institutions with the help of whom trade can be carried out. For example, a seller, that is the exporter may require the purchaser (importer) to make a prepaid purchase or present an advance. In this case the bank will come to the rescue of the importer by providing a Letter of Credit as a guarantee of payment on the presentation of certain documents. The various forms of Trade Finance are Letter of Credit, Bill Collection, Export Factoring and Forfeiting and trade credit insurance.

It is a business in transition wherein the environment is affected by changing accounting policies, intense competition and the drive to reduce costs, the banks have realized the increasing opportunity of trade Finance as the World Economy is now poised to increase trade ties all over the world.

FOREX is a decentralized platform for the trading of currencies on a global level. There are various financial centers around the world that function as intermediaries, to enable trade between the buyers and the sellers around the clock. EBS AND Reuters dealing 300 are the two main interbank FX trading platforms. The FOREX market determines values of relative currencies. The FOREX market assists International Trade and Finance by enabling the currency conversions in order to smoothen out the trade.

REGULATORY ENVIRONMENT

The regulators in U.S, Japan, Europe and the developing economies of the world such as India and China continue to be proactive and in doing so have shaped the International Trade and the FOREX Market. It is said that the online FX Trading alone constitutes nearly $ 185 billion daily or about 4.6per cent of the overall FX Market. The Industry Volumes have shrunk from the 2008 and 2009 due to the new regulatory mandated leverage restrictions on the two of the world economies that is the Japan and the U.S.

The total annual revenue of the Trading Firms is expected to be $ 6 billion. As for the U.S Regulatory environment, it has reduced tremendously in the last few years which has brought down the level of competition and reduced the amount of choices for the consumers.

 Whereas in China the Regulatory Environment remains a mystery, mainly due to their Communist Government. It is not clear as to what things are permitted and where is the economy headed to in terms of Trade Finance.

KEY SUCCESS FACTORS:

Some of the key success factors that determine triumph of organizations in Trade Finance and Forex are:

- **Effective Risk Management**: The Trade Finance and Foreign exchange industry involves considerable amount of risk in terms of potential customer conflicts as well as uncertainty of payment timings.
- **Political and Cultural Influences**: The industry is mostly subjected to various political policies and restrictions as well as cultural influences.
- **Competition**: The industry players may lose out their customers to competition over payment terms.
- **Cost Management**: Managing the transaction costs (particularly for LC) as well as risk mitigation is a challenge and determines the success of players in this industry.
MAJOR PLAYERS:

There are hundreds of banks participating in the Forex network. Whether big or small scale, banks participate in the currency markets not only to offset their own foreign exchange risks and that of their clients, but also to increase wealth of their stock holders.

Each bank, although differently organized, has a dealing desk responsible for order execution, market making and risk management. The role of the foreign exchange dealing desk can also be to make profits trading currency directly through hedging, arbitrage or a different array of strategies.

Accounting for the majority of the transacted volume, there are around 25 major banks such as Deutsche bank, UBS, and others such as Royal bank of Scotland, HSBC, Barclays, Merrill Lynch, JP Morgan Chase, and still others such as ABN Amro, Morgan Stanley etc. which are actively trading in the Forex market.

Among these major banks, huge amounts of funds are being traded in an instant. While it is standard to trade in 5 to10 million Dollar parcels, quite often 100 to 500 million Dollar parcels get quoted. Deals are transacted by telephone with brokers or via an electronic dealing terminal connection to their counter party.

Top 15 world’s largest Forex brokers and total volume for the whole retail Forex market

<table>
<thead>
<tr>
<th>Broker</th>
<th>Monthly</th>
<th>Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>FXCM</td>
<td>341</td>
<td>15.5</td>
</tr>
<tr>
<td>Saxo Bank</td>
<td>250</td>
<td>11.4</td>
</tr>
<tr>
<td>Alpari</td>
<td>202</td>
<td>9.2</td>
</tr>
<tr>
<td>IG Group</td>
<td>160</td>
<td>7.3</td>
</tr>
<tr>
<td>OANDA</td>
<td>160</td>
<td>7.3</td>
</tr>
<tr>
<td>Gain (forex.com)</td>
<td>134</td>
<td>6.1</td>
</tr>
<tr>
<td>GFT</td>
<td>120</td>
<td>5.5</td>
</tr>
<tr>
<td>FxPro</td>
<td>101</td>
<td>4.6</td>
</tr>
<tr>
<td>Forex Club</td>
<td>95</td>
<td>4.3</td>
</tr>
<tr>
<td>FXDD</td>
<td>90</td>
<td>4.1</td>
</tr>
<tr>
<td>City Index/FX Solutions</td>
<td>75</td>
<td>3.4</td>
</tr>
<tr>
<td>Interactive Brokers</td>
<td>60</td>
<td>2.7</td>
</tr>
<tr>
<td>FXOpen</td>
<td>55</td>
<td>2.5</td>
</tr>
<tr>
<td>CMC</td>
<td>55</td>
<td>2.5</td>
</tr>
<tr>
<td>Dukascopy</td>
<td>50</td>
<td>2.3</td>
</tr>
<tr>
<td>Russian Brokers</td>
<td>50</td>
<td>2.3</td>
</tr>
<tr>
<td>South Korean Brokers</td>
<td>30</td>
<td>1.4</td>
</tr>
<tr>
<td>Japanese Brokers 1761</td>
<td>1761</td>
<td>80</td>
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<tr>
<td>500 small brokers 275</td>
<td>275</td>
<td>12.5</td>
</tr>
<tr>
<td><strong>Total (all brokers)</strong></td>
<td><strong>4777</strong></td>
<td><strong>217</strong></td>
</tr>
</tbody>
</table>
RECENT GLOBAL TRENDS:
FX turnover has been trending higher since the BIS began its survey of the global FX market in 1989. There are two main reasons for this:
• The world economy and international trade continue to grow.
• The global financial markets continue to become more integrated.
Although FX turnover has been trending higher, the extent of the rise in turnover between 2001 and 2012 was unprecedented. The global FX turnover increased by over 50 per cent; from an average daily turnover of USD 1,173 billion.
The rise in turnover also reflects some ‘catch-up’ from unusually low levels in 2010. The flow of funds between countries impacts the strength of a country's economy and its currency. The more money that is leaving a country, the weaker the country's economy and currency. Countries that predominantly export, whether physical goods or services, are continually bringing money into their countries. This money can then be reinvested and can stimulate the financial markets within those countries.

SCOPE OF MBA FINANCE:

Commercial Banking
The objective of this role is to pursue working knowledge of how a commercial bank is managed with the Forex markets. The employer will study bank management from the perspective of a chief executive officer. They should have a macro understanding of the industry and the challenges facing senior management of a commercial bank, with emphasis on the current regulatory environment, capital ratios, liquidity management and the extension of various kinds of credit. The position will look at large, multinational banks as well as regional and local banks, and will include guest speakers from several banks and a corporate user of banking services.

Multinational Financial Management
This role deals with the elements of the international business environment and their effect on the resource allocation decisions of the multinational manager in trade finance. It focuses on the corporate decision-maker, his or her analysis of the multinational environment, anticipation of the firm's interaction with that environment and the use of decision models to select among alternative courses of action.

Applied Global Money Management
This role provides an opportunity to blend the theory of international investments with the practical demands of managing a live portfolio of international equity and bond investments in the Forex markets. Academic objectives include developing an understanding of the process of establishing and implementing a portfolio strategy; allocation of assets between equities and fixed income; equity valuation of multinational firms; forecasting countries' macroeconomic outlooks; foreign exchange rate forecasting; and evaluation of a portfolio's performance.

Futures Markets
This role examines future markets, providing rigorous training with firms where derivatives are either of primary importance (e.g., banks, trading firms) or secondary importance (e.g., corporations having interest rate or foreign exchange rate exposure that requires hedging). These include fundamental pricing relations and models (e.g., the cost of carry model), trading strategies (e.g., cash and carry trades, program/algorithmic trading, and portfolio insurance), and risk management. The emphasis is on financial (as opposed to commodity) derivatives for which the underlying assets are stocks, bonds, or foreign exchange.

KEY SKILLS REQUIRED:
• Driving initiatives for Retail Trade / Forex business.
• Knowledge of Trade Finance.
• Managing Equities, Commodities and Derivatives.
• Managing Forex, Currency Broking & Wealth Management
Good knowledge about securities / Broking
Should be capable of handling entire Forex role
Aware of global market and financial scenario

COURSES AND CERTIFICATIONS:

The specific courses in the field of TRADE FINANCE & FOREX are as follows:

<table>
<thead>
<tr>
<th>COURSE / CERTIFICATION</th>
<th>DESCRIPTION</th>
<th>FEES (Rs.)</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCFM Currency Derivatives: A Beginner's Module</td>
<td>The course content is structured to help a person understand what the Currency Derivatives product is, how it is traded and what uses it can be put to.</td>
<td>1,686</td>
<td><a href="http://www.nseindia.com/education/content/module_ncfm.htm">http://www.nseindia.com/education/content/module_ncfm.htm</a></td>
</tr>
<tr>
<td>Certified Foreign Exchange Professional (Vskills)</td>
<td>To demonstrate clear understanding of foreign exchange and practical aspects of foreign exchange markets and to get a visible recognition for this knowledge</td>
<td>2,000</td>
<td><a href="http://www.vskills.in/certification/Certified-Foreign-Exchange-Professional">http://www.vskills.in/certification/Certified-Foreign-Exchange-Professional</a></td>
</tr>
<tr>
<td>Certificate In Commodity And Currency Trading</td>
<td>Three month comprehensive course which gives an in depth knowledge of subject provided by International Institute of Financial Markets (IIFM)</td>
<td>Different Slabs</td>
<td><a href="http://www.iifm.co.in/Certificate_In_Commodity_And_Currency_Trading.html">http://www.iifm.co.in/Certificate_In_Commodity_And_Currency_Trading.html</a></td>
</tr>
<tr>
<td>Certified Forex Manager</td>
<td>The course covers the strategies and techniques that can be used to manage the foreign exchange risks &amp; interest rate risk associated with Forex &amp; treasury operations.</td>
<td>15,000</td>
<td><a href="http://www.iicm.in/certified-course-foreign-exchange-risk-management">http://www.iicm.in/certified-course-foreign-exchange-risk-management</a></td>
</tr>
<tr>
<td>Certificate Examination in Trade Finance (IIBF)</td>
<td>To provide candidates with competencies required to function as trade finance practitioners</td>
<td>1,685</td>
<td><a href="http://www.iibf.org.in/scripts/archives_exam_schedule.asp">http://www.iibf.org.in/scripts/archives_exam_schedule.asp</a></td>
</tr>
<tr>
<td>Certificate in International Trade and Finance CITF®</td>
<td>CITF has been designed to enable trade, export &amp; commodity executives to gain a thorough understanding of key procedures, practices &amp; legislation in trade finance on an international level. It is supported by the British Bankers Association.</td>
<td>68,000</td>
<td><a href="http://institute.ifslarning.ac.uk/Qualifications/QualificationsinTrade-FinanceDocCredits/CITF.aspx">http://institute.ifslarning.ac.uk/Qualifications/QualificationsinTrade-FinanceDocCredits/CITF.aspx</a></td>
</tr>
</tbody>
</table>

Apart from the above courses one can opt for CFA Level I or FRM Level I which are generic in nature and provide a macro level understanding and specialization.

INTERVIEW:

An interview with:
Mr. Shyamlesh Chaudhary
Senior VP & Head – Trade & Forex Operations
Axis Bank, Mumbai

What is the scope for MBA finance student in trade finance and forex?
There is an immense scope and learning opportunities for MBA finance student in trade finance and forex. Many non balance sheet items are there and it is a core business of finance. It is also very important for supply chain.
What should MBA finance students follow to make their career in trade finance and Forex?
They should prove their talent by increasing their efficiency. Up to date knowledge of various rules and regulations and guidelines related to this field are very important.

How one should start career as a fresher in trade finance and forex?
They should first become familiar with RBI regulations, ICC regulations, FEDAI and policies of Govt. of India. Also they should learn as much as they can by on job training.

Do you recommend any course or certification act as a value add to our profile for Entering in this certification?
A person can go for IIFT certification in trade finance.

How is the work culture & job profile in trade finance & forex?
It depends on organization. Ethics, transparency, team building, fungibility, no mental pressure, demand of full proof knowledge, quick decision making error free processing and time bound delivery are the key points which associated with the work culture and job profile in trade finance and forex.

What do you think about switching from one domain to other domain of finance during Professional career and what should be the duration of switching?
Switching is very much required. Every professional should try to acquire various domain Knowledge and they should spend at least 3-4 years in one domain. Public sector banks are very good from this point of view.

What is the significant reason of your growth in industry?
Seriousness towards work and responsibilities, honesty, commitment and dedication towards work, updated knowledge are the main reasons.

What is your overall experience in your professional life?
I joined as probationary officer in 1993, was a forex dealer, money market dealer, branch head and am now heading the trade and forex operations of Axis bank. I carried out different roles and responsibilities and crossed many stages of my professional career along with meeting objectives of the organization.

Any message you want to leave for MBA students?
Wherever you are working, learn as much as you can, try to improve decision making skills and honesty is very important for the success in professional career.

References:
http://topforexbrokersonline.blogspot.in/2013/02/top-10-forex-brokers-online-20122013.html

BUZZWORD

Ankit Dewani II MBA K

HAGGLE:
The process where two parties involved in the purchase of a good and service negotiate the price until both parties can mutual agree on a price. The process of haggling involves two parties making offers and counteroffers to each other. The individual trying to buy the good and service is trying to pay the least amount possible, while the seller’s primary objective is to maximize gains. Globally, haggling has different accepted levels of tolerance. In Europe and North America, haggling is generally accepted for larger ticket items like automobiles, jewelry and real estate but not for smaller day-to-day items. In other regions around the world, haggling for smaller items is generally accepted and is part of the culture. In these regions, children are taught to haggle at a young age to ensure that they are receiving the best perceived deal when making any type of purchase. The acceptance of haggling can also be determined by location. In department and grocery stores, haggling is prohibited, but at places like flea markets, marketplaces and bazaars, haggling is accepted and encouraged.
1) Current president of European Central Bank is _____________ and the latest benchmark interest rate offered by ECB is ____.

2) The current USA Federal Reserve interest rate is ______________.

3) Reserve Bank of India mints coins in four different cities. They are ___________, ___________, ___________ and ___________.

4) The Liquidity Adjustment Facility value for RBI dated 10th June 2013 is ___________.

5) Peoples Bank of China offers an interest rate of ______.

6) The only RBI Governor who went on to become the Indian Finance Minister as well as the Indian prime Minister is ___________.

7) Euro was introduced in a non physical form into the European Union on ______________.

8) Inflation in

   India –
   USA –
   China –
   Japan –

9) Risk free rate in a country is generally taken as the interest rate given on ___________.

10) Highest valued currency unit in the World is ____________ and its value in terms of USD is ______________.

Note :- We would love to receive your answers to these quizzes and the names of the first three correct respondents will be published in the next issue.

Answers Of Quiz of May Issue

1) PWC
2) Insider Trading
3) Circular or round trip trading,
   Global Trust Bank
4) Sub prime mortgages
5) SEBI
6) 6%
7) Forensic accounting
8) Opportunity, rationalization,
   incentive
9) Bankruptcy
10) Skimming
11) Phishing
12) Frankfurt
13) Fiat money
14) Capital adequacy and earning
15) Buying a company to sell its assets
16) CPI
17) Junk bonds
18) Amortization
19) Tarini vaidya of KBC bank India & south Asia
20) Dundee mutual Fund
About Us

Chaanakya is the official Finance Magazine of Wealth Incorporation, the Finance Club. It is released monthly.

Its objective is to keep each & everyone abreast with the activities and events of the world of finance.

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