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Bitcoins: The new virtual currency

Bitcoin is the first decentralized digital currency. They are digital currencies that can be sent through the internet. An international virtual currency that is not real but a speculative bubble. Its value is not fixed and varies and depends upon the market conditions like in a commodity, supply is limited but demand and price varies. It can be described as a virtual currency - a means to store, measure value and facilitate transactions. It was created in 2009 with an objective to buy goods and services online. Bitcoins are denominated in their own numerations. Each Bitcoin (BTC) is subdivided into 100 million smaller units called Satoshis, defined by eight decimal places. Usually, currencies have exchange rates in between, but here, there is no exchange rate between the bitcoins and regular currencies.

The physical form of bitcoin also exists and is mainly used to trade on online and peer to peer transactions. Bitcoins can be obtained by trading goods, money or services with those who have it or through mining. It offers a long list of benefits that includes anything from music downloads to shopping. It can be transferred from one person to another person without a bank or clearing house which means fees are much lower, and can be used in every country without any arbitrary or prerequisite limits. Bitcoins are generated all over the internet by anybody with a free application of bitcoin miner where anybody can review the code. They are used to purchase video games, books, servers, gifts etc. Several currency exchange rates exist, where we can exchange dollars, euros and other currencies. They are used for smart businesses. It doesn’t cost anything as accepting them is free, no charge backs and no fees .

-Sheetal Sabu

Will Jamie Dimon

This article is about Will Jamie Dimon, who is known as the John Meriwether of this generation for obvious reasons .and for people who don't know john Meriwether is was a business man, a pioneer and also the man who found long term capital management hedge fund in Greenwich, Connecticut in 1994.but this metaphor won't make Jamie Dimon the CEO of JP Morgan happy. Let me start with the fact that banks have to hedge their risks if they don't it will turn in to a disaster. However, problems arise when hedging strategies become extremely complex in their try to be as close to costless as possible and overly accurate.

Dimon misled investors and regulators in April as losses rose hazardously to $6.2 billion on a "monstrous" derivatives bet made by the so-called "London Whale" Bruno Iksil. He's frequently making headlines, whether it's for his aggressive attempts to discontinue a buyout at Dell when the PC maker was pushing to go private. A bid he ended up dropping or for fights with another activist investor, Bill Ackman, over Herb life. When other bankers looked at the benefit of every deal, that time Dimon studied the possible disadvantage, nsisting on a "fortress balance sheet." while unemployment rates were near to the ground, he model what the financial background might look like if the jobless rate hit 10%.

Dimon is one of the bankers of our time to look up to he drives a salary of $23 million pay package. He is one role model for many youngsters. Dimon is good at managing risk which is very important .he has been unethical sometimes but it is appreciable for the work he has done.

Tajal shetty

Who says the Rupee will appreciate?

Indian rupee value depreciation is a major issue in India. The depreciation in the Indian rupee has affected Indian economy tremendously. In a short span of time, the rupee value has affected the economy badly. In past few day the value has stabilized that is because of the drastic dip in the current deficit. But I don't think the rupee value will appreciate and I can give a few reasons to support my case.

Firstly looking at the growth of the Indian economy, it can be seen that it has been declining under the 5% mark and the economy will undergo a painful phase of slow economic improvement. This may consider on the rupee's chances of rally. Secondly, the greater demands for dollars from importers and rise in the greenback after strong non-farm payrolls data in the US last week will also put a halt to rupee's appreciation in the near-term. Thirdly, they are dependent only on FII flow. The rupee strengthening in the past few days has unsettled the record buying in equities by overseas investors. Overseas investors pumped in over Rs 3,000 crore in the Indian stock market in the past week mainly on hopes of a strong mandate for the government to be elected in polls starting next month. Fourthly, Bankers also see the Reserve Bank buying dollars from the market to stock up the forex reserves. The country's foreign exchange reserves rose by $954.6 million to $294.36 billion on account of gains in the value of gold eserves, the Reserve Bank said last week.

India has to focus more on these reasons and work on appreciation of rupee value. India has survived the great depression as we have a strong financial background. But we need to focus more on rupee value and current account deficit

Improving financial decision making

Savvy financial decision making begins with understanding that emotions and other elements of the human experience can impair your ability to make good financial decisions. The following list of savvy financial decision examples can help improve financial situation and avoid making poor financial decisions in the first place.

First piece of advice will always be to create a financial plan. A plan will automatically help you increase your financial decision making savvy by showing you the impacts of the decisions you make on a daily basis.

Far too often we buy the things we do not need. When we spend money to buy frivolous items or overpay for things we do need, we are throwing away the opportunity let our savings and investments grow at a faster rate. Take the time to explore the concept of needs and wants, let your conclusions guide your future financial decisions.

In the past, many of us have bought as much house as the bank would let us. We let the lenders and mortgage companies tell us what we could afford. This decision put many of us in a rough financial situation that we are still working through. So if you are exploring the opportunity to buy a house, don’t max out your mortgage.

Taking the emotion out of budgeting and spending less is as easy as opening a bank account. When separating your discretionary and nondiscretionary expenses into two banks you will make it easier to save money by removing the temptation to buy the things you don’t really need.

One of financial planning's first steps is to clearly list your goals and objectives. When going through the mental process of determining your life's goals and objectives, you will quickly discover what's important to you and your family.

This understanding can have a huge impact on your self-confidence and attitude.

An obvious benefit of creating a financial plan is the eventual increase of one's material wealth. However, keep in mind that it is the effect of increased wealth that is most important. To many, an increase in wealth is accompanied by an increase of freedom and independence from the restriction of finite resources. Increases in financial resources enables you to live the life that you want without having to take on the burden of debt. A financial plan, as with every other planning and analysis document, requires the use of assumptions. In contrast to facts, assumptions are uncertain and can change over time. Real life events can significantly change planning assumptions; which in-turn can have a large impact on the implementation of a financial plan and your way of life.

Akshatha D.S.

Is India really becoming a developing country?

Looking at the current scenario in India, it's tough to say that India is really a developing country. India was a closed economy till 1991 but we can see that a lot has changed over the last 50 years. But our path towards the goal of being a developed country has a lot of obstacles to face. Some of the major issues happen to be; Rupee Depreciation, High Fiscal Deficit due to 200% rise in subsidies since 2007-08, High Current Account Deficit, High Inflation etc, these are some of the issues to begin with and sadly these are unresolved issues.

What India should do is to take factors like demographics, rising level of income per individuals, the rising number of people who are getting educated and also the growth technology in our country, to our advantage. With these factors, our country could achieve the status of a developed country within a short span of 5 years.

Over the coming years our country is undoubtedly going to become a much larger force in our world economy. Indian economy has the capability to overshadow the US economy. India has the potential to be the best. So, let's believe in the future and strive to achieve it and start building a healthy with a view of transforming our status to a developed country. And the results are going to be startling.

SHIJU

Myths of corporate governance

Corporate governance has become a popular topic of discussion among the business community, the media, regulators, legislators, and the general public. This is particularly because of the various scandals that took place like the case of Enron, WorldCom, Tyco, etc., and also due to the financial crisis of Bear Stearns, Lehman, AIG, etc. Subsequently all these cases had discussions which focused on how to improve governance systems broadly. In the process, certain myths have developed in order to overcome the situations that had occurred and which are to be accepted.

Corporate governance can be defined as a control system designed to monitor the firm's operations and the conflicts that arise due to the difference in interests between the different stakeholders. The seven myths were developed to improve the governance systems. The most commonly accepted myth in corporate governance is that the structure of the board always tells you something about the quality of the board. These include features such as whether it has an independent chairman, a lead director, the number of outside directors, size, and diversity and also whether the board is interlocked. Another common misconception is that the CEOs are systematically overpaid. It is true that certain individual executives receive their compensation that is unmerited based on the size and performance of their company. It is very difficult to evaluate whether compensation packages of this size are appropriate. The third myth is the pay for performance which is the notion that the amount of compensation awarded to an executive should be on the basis of the value of the services rendered during a specified period by that executive. Another myth, which is the fourth myth in corporate governance, is that boards of directors are prepared to replace the CEO in the event of a transition.

The succession planning at many companies appears to be compliance-based rather than operational based which indicates that the company has a list of potential candidates but could not name a permanent successor, if called to do so immediately. One reason for this lack of preparedness is the Insufficient attention from the part of the board. In the last few years, two major pieces of legislation have been enacted which is relating to governance. The first is the Sarbanes Oxley Act of 2002. The second is the Dodd-Frank Act of 2010. This states the fifth myth which is that the regulation improves corporate governance. Another widely accepted myth of corporate governance is that proxy advisory firms are experts and that their recommendations increase shareholder value. Many institutional investors consult the recommendation of a third-party advisory firm before deciding how to vote the annual proxy. Finally, the most destructive myth in corporate governance is the notion that best practices exist and it will lead to better oversight and performance if it is followed uniformly.

Governance choices affect managerial behaviour and the performance of the firm. When companies makes the selection wrong and get these choices wrong based on “myths” about corporate governance, the welfare of shareholders and stakeholders is harmed. Decisions regarding the structure and processes of a governance system should be taken after consulting and carefully considering the various myths mentioned above.

Divya Trace

Corporate Social Responsibility

A developing country like India, CSR plays a very significant role in any organisation. Be it small or large organisation. CSR is an integral part of functioning in an organisation. At one end of the spectrum, CSR can be viewed as simply a collection of good citizenship activities being engaged in any organisation, while on the other end, CSR can be viewed as doing those businesses which has a significant impact on the society. CSR has become a leading principle of top management and of entrepreneurs. The performance of an organisation should be judged not only on the basis of financial performance but also should examine the CSR performance. The importance of CSR has basically increased in corporate organisations, as they have realised that the ultimate goal is not just profit making, but to create a societal relationship and be a socially responsible citizen and contribute to the society in the best possible way, by optimum utilisation of its resources.

Sustainable development is about utilising the resources in such a manner that it meets the requirements of present generation as well as all the requirements of the coming generation in the near future. Sustainable development lies on three main important pillars i.e. economic growth, ecological balance, and social progress. Organisations are being called upon, to take those responsibilities, for the ways their operations impact societies and the natural environment. The major role CSR plays for sustainable development will only be achieved when an organisation works towards the balance between profit and lowering social backwash or eradicating it. CSR or sustainability therefore has become a prominent feature of any business and society literature addressing topics on various parameters like stakeholder management, business ethics, and corporate social performance.

Over the last few years, a lot of companies have been promoting through corporate social responsibility strategies, because the customers, the public and investors expect them to act sustainable as well as responsible. The most socially responsible organisations are those which continue to revise their short and long term agenda, to stay ahead of rapidly changing challenges, they are also based on core values and business ethics, they also leverage on transparency to increase the level of engagement of key constituents and customers, and also implement an open information technology for more transparent information sharing with multiple stakeholders. There is an increased growing awareness among the business needs to manage its relationship with the wider society. Corporate leaders are responsible for their corporations, impact on society and the natural environment beyond legal compliance and the liability of the individual.

PAYAL JAIN

India to relax fdi in defense sector

As India's FDI percentage of 26% is no more interesting foreign countries to invest in India's defence sector, the defence expert have decided to increase the investment percentage. It is important for the defence department to take on such a move as India and US are on a verge of development. So they will have to take proper decisions in order to attract more foreign investments. This will also result in transferring advanced technologies. It is also necessary to allow more foreign investments in defence industry to increase the delivery of hardware that is used for training and military operations.

The Indian defence industry wants reduce its dependence on overseas suppliers and increase its domestic production. The government thinks that private firms must have a larger stake because the state-wide production is very patchy in nature. US should also accept defence industrial gap between the two countries as an opportunity for collaboration rather than an obstacle. As per Vivek Lall, Chairman of the Indo-US Strategic Dialogue by the Indo-American Chamber of Commerce, even though US are strong in their advanced technologies and India is also comfortable in adopting the advanced technologies, the gap between these must be merged in order to meet India's requirements. India has decided to change its relationship with US from mere buyer/seller to a more comprehensive relationship including transferring of technologies. By this collaboration, India will be able to improve its industrial infrastructure quantitatively, technologically and qualitatively with sufficient armed forces.

US has also decided to expand its operations in Indian Air Defence (A&D) in the coming decade. US-based companies are also looking forward in joining hands with India and A&D for future developments. Major developments include production of aircraft, repairs and maintenance, safety and security measures. Vivek Lall has also confirmed the major role of US in Indian defence sector by 2023.

Archana

New entrants can cut back the gap between urban and rural banking services?

The Banking service offered in Indian villages isn't at its best because the majority of India's 650000 villages don't have even one bank branch, and just 3.5 of each ten Indians have access to formal banking services within the country. Daily wage laborers, self-employed people and small traders ought to have rural India, as of March 2012, whereas the whole banking shops in villages (including branches, business correspondents and alternative modes) variety simply 1 81 753. Whereas the present banks operate at one rural brank for every four branches.

The entry of recent players should augment the rural presence. That has resulted in twenty six corporations, which includes Tata Sons, Aditya Birla, Reliance Capital, Bajaj, L&T financial Holdings, IFCI and India Post, applying for banking licenses. If approved, the new players ought to be ready to facilitate many thousand Indians open bank accounts, while many more small and micro enterprises, entrepreneurs and traders would gain access to capital. That's as a result of the RBI has mandated that every new players should open one branch in rural areas for each four they set in urban areas. The requirement couldn't be timelier because the new banks can come up only eighteen months after end of 2013-14 financial year, once a high-level committee comprising top Reserve Bank officers and heads of public sector banks approves the applications.

The Reserve Bank is expected to be very strict and clear with the applications, may also look into the books of those companies, who have applied for the bank licenses. At the same time, most of the Banking companies appear to be centered in new developments of there services, as there's more pace of competition for customers. “The entry of recent players can place attention on client service to sustain and grow within the competitive market,” says M Anjaneya Prasad (Syndicate Bank),

But the going doesn’t promise to be simple, for the new entrants. The Reserve Bank’s objective to deal with financial inclusion places an important demand on the banks gain and capital. Additionally to the mandated number of branches in rural area in the proportion of urban, RBI also needs the new banks to fulfil basic (statutory reserve) necessities like keeping 4% of deposits with the Reserve Bank and holding twenty three per cent in government bonds from the very bigning. They even have to lend forty per cent to the priority sector (education, agriculture, MSME, housing and export credit) at par with the present players. As a result, their initial gain is probably going to be limited comparatively.

Vijay patel

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