

# MUDR₹A

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# EDITORIAL TEAM

Dr. Tomy K. Kallarakal, **Associate Dean – Deanery of Commerce**

Dr.Nithila Vincent, **HOD – Department of Commerce**

## **Faculty Coordinators**

Prof. Sharon Valarmathi

Prof. Pooja Jain

Prof. Haresh

## **Mudra Core-Committee**

Agraja Chhajer

Sanyukta Sahi

Rajath S Raghav

MUDRA

## **Mudra Representatives (September Issue)**

Nidhi (2 B.COM B)

Sagar (4 B.COM B)

Agraja (6 B.COM B)

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# EVOLUTION OF E-COMMERCE

ARSHIYA ZAMANI  
4 B.COM B



E commerce has revolutionised the ways of conducting business to a great extent. It not only provides access to goods and services through an electronic platform but also provides convenience to customers in terms of time, delivery and low prices. E commerce has evolved over time and has now begun to replace the brick and mortar stores, which fail to cater to the varied needs of the modern customers.

The evolution of e commerce can be traced through a series of events that took place in the past. In the year 1979, a man called 'Michael Aldridge' had first invented something called 'Online Shopping'. He did this by connecting a modified domestic television to a real time transaction processing computer through a domestic telephone line. Later, in the 1980's and the 1990's, there began 'Minitel', 'Netscape', 'Paypal' and many other online portals that facilitated online ordering, online banking etc. But it was only after the establishment of e commerce companies like 'eBay' and 'Amazon' that the scope of online shopping changed. People began to overcome their fears and started shopping online, thereby giving a boost to many other e commerce companies like 'You tube', 'Google', 'Flipkart', 'Facebook' etc. Starting from buying apparels, accessories and jewellery till booking tickets for a bus, a movie or an aeroplane; everything has been made online. Start ups such as 'Shopclues.com', 'naaptol.com', 'Pepperfry.com', 'Faballey.com' etc have now come up, making e commerce more famous.

However, this switch from traditional trading to online trading would not have been possible if, the measures of online safety and security had not been strengthened. The creation of cyber law and many other popular protocols related to internet security, made it easier and safer to shop and to conduct various commerce -related activities online. Also, the development of various 'anti viruses' and 'anti malwares' reduced the dangers of online trading. Various other advantages of e commerce such as less paper work, credit facilities, large discounts, and large offers have helped e commerce to strengthen its base over the years and to evolve from its infancy.

# INTERESTING FACTS ABOUT E-COMMERCE

ADITYA L BANAVASI AND PRATEEKSHA  
4 B.COM B

1. Asia holds the largest number of web purchases with South Korea at the top of the list.
2. Over 37% in 2018, Asia Pacific region is becoming the leader of E-commerce industry.
3. Apparel and Accessories is the fastest growing E-commerce sector of the 9 major categories.
4. E-commerce sales in Western Europe are expected to grow at compound annual growth rate of 11%.
5. Pizza hut was one of the major brands to experiment with online commerce, starting in 1994.
6. 50% of the population online has shopped at internet retailers more than one time.
7. Although Amazon was launched in 1995, it wasn't able to turn a profit until 2003.
8. Mobile E-commerce shoppers grow to 23.8 in 2015.
9. By 2016, 48% of internet users in Asia Pacific region are expected to buy online.
10. The highest growing country for E-commerce is India followed by Saudi Arabia, Indonesia, Australia and Philippines.
11. Two out of three customers prefer accessing a mobile website than a mobile application.
12. In USA annual growth rate of E-commerce is 17% per year.
13. 71% of the shoppers believe that they will get better deal online than in stores.
14. Facebook is responsible for 60% of all social traffic, polyvore 20% and pinnerest 15%.
15. An average of 30% of traffic comes from Google search.

# CASHLESS ECONOMY

SAGAR S  
4 B.COM B

## Payments Made Easy With Digital Wallet.....

Some call it ‘disruptive potential ‘others call it a powerful tool, but the time for mobile and digital wallets has more than arrived and the trend is to stay and grow more. Mobile wallets, which allow consumers to pay for purchases through devices such as mobile phones are getting popular. According to RBI data, the number of digital wallets as on April 2015 is 101.86 million with a surge of three fold in such transactions.



The mobile enabled payments in India have grown more than 15 times to its current size of \$1.4 billion from \$90 million in the FY'12. One of the main reasons that can be attributed to such vast expansions in this segment is emerging start-ups in this space like Ezetap, MobiKwik, Citrus etc to name a few, which are capable of raising huge capitals and investments both from Domestic and International sources.

Digital wallets allow users to make purchases electronically using a device to reduce the burden of carrying cash, enabling the transactions fast and convenient. There are three kinds of wallets- closed, semi-closed and open.

When e-wallets first hit the market, they had limited scope. Use of mobile wallets started with mobile phone recharges. Then came bill payments, including DTH TV and data plan recharges, utility bill payments, cab payments, train and bus ticket bookings, and e-commerce payments. Mobile wallet companies had exclusive tie-ups with only one merchant, and often consumers could use the e-wallets only here. For instance, if you loaded money in your Paytm wallet to use taxi service Uber, you could not use that elsewhere.

The end to restricted usage of e-wallets and in-app wallets has finally begun. Mobile wallet companies such as MobiKwik, Paytm, and Citrus have started offering e-wallet transactions at physical outlets as well. It means that now you can also use e-wallet for payment at some big brick-and-mortar retailers. For instance, MobiKwik has exclusive tie-ups with Big Bazaar, Café Coffee Day, Archies, Mobiliti World and others. Paytm has allowed its customers to transact at Pizza Hut, KFC and Costa Coffee outlets.

A few months ago India's central bank, Reserve Bank of India, has granted Payments Bank license to e-wallet giant Paytm, where it is allowed to make payments and remittances and collect deposits of not more than one lakh per customer. The payment banks are not authorized to lend any loans to its customers.

As per various estimates, there are just under a billion cell phone connections in India. The country adds around 6 million new cell phones every month in usage. According to the same report, Smartphone shipments will grow at the rate of 26 percent in India between 2014-19. India will account for 12 percent of global Smartphone market with a penetration rate of 65 percent in 2019, the report adds.

With a view to capitalize these underlying opportunities in the digital niche even some banks have introduced its mobile wallet service like ICICI Bank has Pockets, Axis Bank has Lime, State Bank of India SBI Buddy. HDFC Bank has also introduced a mobile wallet called PayZapp.

## **GST-WHY SHOULD THE TAX REFORMS BE IMPLEMENTED URGENTLY?**

AJAY BALIGA AND C.H ROHITH  
6 B.COM B

Mark Mobius once said "Doing business in India is like doing business in 29 countries." The reason for such a comment is fairly simple- India's current Indirect Tax system, which lacks uniformity. Goods and Service Tax seems to be the straightforward solution to this problem. The concept seems pretty simple prima facie, but is a lot more complex in reality.

"Goods and Services Tax — GST — is a comprehensive tax levy on manufacture, sale and consumption of goods and services at a national level." It will subsume central indirect taxes like excise duty, countervailing duty and service tax, as well as state levies like value added tax, octroi and entry tax, luxury tax etc. This would be a comprehensive revamp of India's Indirect Tax system, which will integrate the state economies and boost India's GDP by about 1.5%-2%.

In India, GST has been one of the most discussed reforms. In 2000, the Vajpayee government set up an empowered committee headed by Asim Dasgupta to design the GST model. In 2006, based on the findings of the committee, there was a proposal to implement the Goods and Service Tax from 1<sup>st</sup> April, 2010. But, it didn't materialize, due to the stiff opposition from various states because of potential revenue loss. After the new government took over in 2014, there were negotiations to bring the states on board to accept the GST model. To do this, the Centre has accepted to reimburse the revenue losses suffered by the states due to the GST in the next few years. Also, as alcohol, petroleum and tobacco products will not be brought under the purview of the GST; the taxes on these products would still be under the control of the states.

As per the details published by the Ministry of Finance, the GST will have two components- The Central GST and the State GST. The tax collected would be divided by the centre and state as per the manner prescribed in the parliament. Once the GST bill is passed, the GST rate will be set by the council consisting of the Union Finance Minister, the Minister of State for Finance and the finance ministers of all the states.

The benefits offered by GST are manifold.

- (i) For the Centre and the States:  
Experts believe that the implementation of GST would result in increase in revenue by approximately \$15 Billion.
- (ii) For individuals and companies:  
The tax will be collected at the point of sale and will be charged on the manufacturing cost. This would result in lower prices of products for the consumers, which leads to higher consumption and ultimately helps the companies producing them.
- (iii) As petroleum, alcohol and tobacco products will not be under GST, the individual state governments have full authority to decide the rate of taxes on these goods, which would enable the Governments to replenish their reducing tax corpus.
- (iv) GST is a transparent tax which also reduces the numbers of indirect taxes. A business can show the tax applied in the sales invoice and the customer will know exactly how much tax he is paying on the product he bought or the service he consumed.
- (v) As GST will not be a cost to registered retailers, there will be no hidden taxes. Thus, the cost of doing business will be lower, which in turn will help exports being more competitive.

Some reasons for the opposition of GST are:

- (i) Critics say that GST would impact the real estate market negatively. It would add up to 8% to the cost of new homes and reduce demand by about 12%.
- (ii) Some economists say that CGST, SGST and IGST are nothing but new names for Central Excise/Service Tax, VAT and CST and hence GST brings nothing new.
- (iii) The debacle of the merger of Air India and Indian Airlines, which resulted in the staff of both the carriers up in arms (quite rightfully also) regarding their pay scales and seniority, is still fresh in our minds. Implementing GST would mean integrating the revenue collection services of all the states and the Centre into one

GST collection agent. This idea has sent shivers down several spines in state Secretariats across India.

- (iv) Federal structure is one of the basic structures of the Indian constitution. The Supreme Court has held the view, in the case of *Minerva Mills vs. Union of India* that the power of the Parliament to amend the Constitution is not the same as the power to destroy. In today's world, economic independence is the cornerstone to federalism in India. Taking away the power of the states to tax items under the state list is tantamount to infringing upon the basic structure of the Constitution.

So, like any major bill, a thorough and serious discussion needs to take place in the parliament. The opposition needs to stop opposing the bill just because they form the opposition. Yes, the bill has many drawbacks and it can affect the revenue for states, but a win-win situation for both the Central Government and the State Government can be created with a healthy discussion in both the houses of the parliament. Major economic powerhouses like Germany and China have already implemented GST many years back, and are now enjoying its fruits. It's high time that India also implements it, but after a thorough thought-process and debate among the parliamentarians and the individual Chief ministers.

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## **BANGALORE- WHERE IT ALL STARTS**

KAVYA M KATRELA  
4 B.COM B

When asked “what is common between California and Bangalore?” What would've come to someone's mind a decade or more ago would be Silicon Valley, skilled labour and pleasant climate. However, today, there is another big similarity between the two – rapidly growing start-ups.

So why is a city whose country contributes only 3% to the world GDP, whose state isn't even?

Among the top 5 economies in India becoming of such great importance today? Why has it become an important name in the international markets? The answer to these is that it is the *world's 2<sup>nd</sup> largest* growing start-up ecosystem. Also, the barriers to immigration and cost of talent that plague California make some think that this Indian city might soon become the Start-up capital of the globe. What is also notable is the fact that in the latest *Global Start-up Ecosystem Ranking* by San Francisco-based Compass, a research firm that provides global

benchmarking tools, Bangalore ranks 15th. It is the only Asian city on the list apart from Singapore.

There are over 1700 start-ups based in Bangalore and being the IT capital, this comes as a no shocker. It is said that each month about 7-9 start-ups are born in Bangalore. The focus has shifted from service based sector to product based sector, which is fast evolving and is featured by higher risk and return. Want to buy electronics but don't have time? Want to commute but don't want to face autowala rejection? Moving house and finding it difficult to move things with all the office work? In these cases, with flipkart, Ola and blowhorn, respectively, you are sorted (of course there are other options as well). The main reason behind the success of many start-ups is they have well identified the problems people commonly face and have tried to provide the best solution it. The rationale behind Bangalore, in specific, gaining this status could be because of many reasons. This IT city has a good chunk of the population working in corporate houses and due to the lack of time and need for greater convenience of door step services, start ups have been proving as better options. Traffic problems could also make people prefer getting goods/services delivered at home instead of going to various places for the same. There are several other reasons that have helped the same

In his independence speech, PM *Narendra Modi* spoke about the government wishes to see India as the no. 1 start-up nation in the world. The government has also proposed to give certain financial incentives to start-ups , to promote entrepreneurship among all classes of society which would in turn create more job opportunities for all, under its 'stand up and start-up India' campaign. What could also be mentioned here is the digital India campaign (Digital India is an initiative by the government of India to ensure that government services are made available to citizens electronically by improving online infrastructure and by increasing Internet connectivity). Though the campaign focuses on making available these services in every part, improving online infrastructure and internet connectivity could act as a great lubricant to start-ups. Clearly, these initiatives promise to substantially benefit start-ups. Off late, The Times of India has also started a new trend where in everyday they write about one start-up in the business section of the news paper.

Earlier, it was often said that if you throw a stone in Bangalore, you might end up hitting a dog, or a software engineer. There might soon come a time when start-up founder/ co-founder could be added to this hit list!

# NEPAL GETS A NEW CONSTITUTION, BUT HERE'S WHY IT HAS GOT INDIA WORRIED

RAJATH KUMAR  
2 B.COM B

India has reasons to be perturbed about the volatile situation in Nepal, a country with which India shares an open and contiguous 1751-km-long border. India's biggest concern is that Madhesis are up in arms against the secular and democratic constitution that Nepal has put into effect on 20 September.



Incidentally, Madhes is a Terai region of southern Nepal that shares its borders with Bihar, the polls-bound eastern Indian state. Any political turbulence and violence in Nepal will inevitably have a direct adverse impact on poll-bound Bihar. This was the primary reason for Indian foreign secretary S Jaishankar dashing to Kathmandu a couple of days ago. The main crux of the problem from the Indian viewpoint is that the Madhesis have reacted violently to their country's new constitution which had been in the making for last seven years.

Madhesis, along with the Tharus, form the bulk of population of Terai. The Terai region constitutes one-fifth of Nepal's landmass, but accounts for over half of the nation's population. The Madhesis have been fighting for equal representation in the country's political structure and the new constitution, according to them, has failed to meet their aspirations.



Nepal's new constitution promises to identify seven provinces of the country for administrative purposes, an exercise which it says will be completed in a year. Madhesis feel that they have been short-changed and it perhaps explains the latest orgy of violence gripping Nepal.



Jaishankar 'pithy statement released on 19 September soon after his Nepal visit is made in this context.

"India has been strongly supportive of constitution making in Nepal. We would like its completion to be an occasion for joy and satisfaction, not agitation and violence. We hope that Nepal's political leaders will

display the necessary flexibility and maturity at this crucial time to ensure a durable and resilient Constitution that has broad-based acceptance,” it says. And this is what the statement issued by the Ministry of External Affairs said:

"We are concerned that the situation in several parts of the country bordering India continues to be violent. Our Ambassador in Kathmandu has spoken to the Prime Minister of Nepal in this regard. We urge that issues on which there are differences should be resolved through dialogue in an atmosphere free from violence and intimidation, and institutionalized in a manner that would enable broad-based ownership and acceptance. This would lay the foundation of harmony, progress and development in Nepal."

The new constitution of Nepal defines Nepal as a secular country, despite widespread protests for it to be declared a Hindu state. Many Nepal's, particularly the Madhesis, have been angered by a clause in the new constitution which talks of "religious and cultural freedom, with the protection of religion and culture practiced since ancient times".

The new constitution has made proselytising illegal, reflecting fears of growing numbers of low-caste and other marginalized groups converting to Christianity. Protesters also argue that the constitution discriminates against women in terms of granting citizenship which, incidentally, is the first in Asia to specifically protect the rights of lesbian, gay, bisexual and transgender communities.

Given the protests so far, India is keeping its fingers crossed. The next few weeks are going to be crucial.

Madhesis are Indian-origin inhabitants of the Terai plains bordering India who are opposed to splitting Nepal into seven provinces.

With Indo-Nepal ties witnessing unease after the promulgation of the new Constitution in Nepal, India hoped that "difficult days" would not affect their friendship as it welcomed the Nepal government's move to hold talks with agitating groups.

"We welcome the recent steps taken by the government of Nepal to hold dialogue with the agitating groups to end the existing political crisis in a peaceful manner," Indian Ambassador to Nepal Ranjit Rae said. He said India wants stability in Nepal and it was not against the new Constitution

"We see the Constitution as the culmination of violence and end of very brutal insurgency Nepal had gone through. Nepal has come out of a very difficult situation and we don't want that it return to another difficult situation," Rae said during an interaction programme here. "Nepal-India friendship is very old, solid and very much stable, and it doesn't depend on any specific issue or incident," he said, adding "I am confident even after these difficult days our friendship will be stronger."

On his part, Nepal's Ambassador to India Deep Kumar Upadhyaya hoped that there would be ease in supply of essential commodities from India soon as efforts are being made at diplomatic and political level in this regard.

Asking people from both countries to observe tolerance and have a positive attitude towards dealing with the issue, the Nepalese envoy said, "India has always played an important role during the hardship faced by Nepal in the past which was evident during the recent earthquakes.

"Let's not speak irresponsible things and develop negative attitude towards each other at this sensitive time which might damage the centuries old friendly relations."

"We should maintain peace, stability and move towards economic prosperity and I hope India will extend support to our endeavour as a peaceful, stable and prosperous Nepal will also be in the interest of India," he said.



Rae also cautioned that if Nepal does not take every one along while drafting the Constitution then it will be sowing the seeds of future conflict as well as opening the door of instability that will also affect India.

"Therefore, the only solution to the current problem is talk," the Indian Ambassador added.

Meanwhile, Nepal's major parties yesterday started talks with the agitating Madhesi parties to find a solution to the Terai problem through peaceful means.

Madhesis are Indian-origin inhabitants of the Terai plains bordering India who are opposed to splitting Nepal into seven provinces.

"The friendship of India is not confined to a particular region, or southern plains, but we have the same family relations between Uttarakhand and Far-western Nepal as well as relations of eastern Nepal with our states in eastern India like Sikkim and West Bengal," the Indian Ambassador said.

The three major parties -- Nepal Congress, CPN-UML and UCPN-Maoist -- yesterday formed a three-member committee to hold dialogue with the parties and groups agitating against the new Constitution. Nepali Congress leader and Forest Minister Mahesh Acharya and CPN-UML Chief whip Agni Kharel and Narayankaji Shrestha from UCPN-Maoist are the members of the committee.

"We have already started dialogue with the Joint Madhesi Front and other agitating groups of the southern Nepal and the talks are moving towards a positive direction," Acharya told PTI.

Mahanta Thakur, president of Terai Madhes Democratic Party and Bijaya Gachhadar, president of Madhesi Peoples Rights Forum Democratic, among others are taking part in the talks. The agitation in the southern Nepal has entered 45th day and the country is reeling under scarcity of essential goods including petroleum products and cooking gas due to the blockade along the border areas with India.

Shortage of petroleum products has created panic among the people in Kathmandu, who are queuing for hours to fill petrol and diesel in their vehicles. Normal life has been severely affected due to the growing tension in the border areas. More than 40 people have been killed in over a month-long violence.

## Blossoms 2015



### *Blossoms 2015 –Be The Best.*

Blossoms, an intra-deanery cultural fest conducted in the even semester, provide students an opportunity to exhibit their skills and talents and help students to develop leadership and management skills. It was inaugurated on 16th November 2015 at 1:00 PM at Gourmet Extension. Blossoms is a blend of events based on art, literature, theatre and stage. Blossoms started with the rangoli and painting event on 18th November 2015 in block II.





## Student Corner Art Work

AJAY SINHA  
4 B.Com B





# QUIZ OF THE MONTH

JAYASHANKAR V

6 B.Com B

1. In December 2014, this Russian company revamped its corporate image, which included the unveiling of a new logo among other things. The new logo is a “CK” written in black and red and melded into a single block. The colours were borrowed from the flag of Udmurtia in western Siberia, the region hosting the company’s main facilities. The logo is accompanied by the company’s name written in Russian. Identify the company.
2. Stocks of what corporations are referred to as Red Chip Stocks?
3. List of what?  
Boo.com, Books-a-million, Broadcast.com, e.Digital Corporation, Freeinternet.com, GovWorks.com, Pets.com, Startups.com, Think Tools AG
4. X is an Ice Cream franchise established in 1945. The current version of the logo was introduced in 2007 and subtly showcases the number of flavours it offers. Identify X.
5. The special effects for the scene were state of the art for the time but the budget to compensate was enormous. The fight scene between X and Y is jaw dropping to say the least. That one scene alone is seventeen minutes long and cost over \$40 million to produce, around 40% of the entire movie budget. Sony HDR-900 High Definition cameras were used to scan the images filmed and generate digital sequences. Identify the scene and the movie.
6. X is a well-known fictional character who is truly one of a kind, a man with perfect style and a seemingly infinite number of complexities. He gets his name from Draper Daniels, a Chicago advertising executive who created the famous Marlboro Man campaign during the 1950s. Like his namesake, Draper Daniels was something of a smooth operator with the ladies, persuading a female business partner to marry him, even though she was already engaged. Identify the character and the TV show.
7. Sotheby's is a multinational corporation, originally British but now headquartered in New York City. Sotheby's went public in 1988, listing the company's shares on the New York Stock Exchange, which meant investors could *buy their shares by quoting a price*. What is their ticker symbol?
8. X is a semi-professional football club formed by supporters of Y, who weren't too happy with the direction their favourite club was heading. What incident set them off, resulting in the formation of X, in 2005?
9. Whose Twitter bio?  
“Economics professor, quietly writing obscure academic texts for years, until thrust onto the public scene by Europe's inane handling of an inevitable crisis.”
10. X replaced IDFC in the Nifty Index, on May 29 2015. The move was heavily criticized as X's shares are too expensive and illiquid, which has serious implications on Index Funds, ETF's and other mutual funds benchmarked to Nifty. Identify X.

# ANSWERS TO THE PREVIOUS QUIZ OF THE MONTH

1. Donor
2. The International Accounting Standards Board
3. 1967
4. April 11
5. Audit
6. Credit
7. Extraordinary item
8. Permanently restricted
9. Timelines
10. Are not directly traceable to a cost object

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