DRIVE

Monthly eNewsletter

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CHARUTAR VIDYA MANDAL'S

S.G.M. English Medium college of Commerce & Management

SEMCOM

VISION: *To contribute to the societal enrichment through quality education, innovation and value augmentation.*

MISSION: *To build up a competitive edge amongst the students by fostering a stimulating learning environment.*

DREAM: *To establish a unique identity in the emerging global village.*

GOALS:

- *To focus on integral development of students.*
- *To offer courses and programs in tune with changing trends in the society as a whole.*
- *To update the curriculum as per the need of the business and industry.*
- *To create unique identity in the educational world at the national as well as international level.*
- *To institutionalize quality in imparting education.*
- *To incorporate innovations on a continuous basis in the entire process of education at institutional level.*
- *To create platform for the students for exhibiting their talent and for development of their potentials.*
- *To generate stimulating learning environment for students as well as teachers.*
- *To build cutting edge amongst the students to withstand and grow in the competitive environment at the global level.*

The overall mission is reinforced by the Punch Line

"WHAT WE THINK, OTHERS DON'T".

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Editorial Team:

Chief Editor : Dr Nikhil Zaveri

Managing Editor : Ms Nishrin Pathan

Executive Editor : Ms Hebzibah Mary

Technical Editor : Ms Reshma Pathak

Guest Editor's Note:

Key to success of a business:

Ms. Priya Singh, AVP - Talent Division, CarWale

Networking sites greatly help businesses grow and provide the platform to create one's world.

They help e-commerce flourish and interact with one another without seeing. Networking sites take the world/future forward. My company CarWale.com, a web portal, was started in October 2005 with the mission to bring joy and delight into car buying and ownership. We are the first website in India to consolidate used car inventory across dealers and present it to car buyers as an online marketplace. Our web portal has five lakh pages and 200 call centres. We offer digital services to manufacturers. CarWale.com is a team story whose success formula is O.T = S where 'O' stands for 'Ordinary Individuals', 'T' for 'Together' and 'S' for 'Success'. It takes years and efforts to build success. Businesses need to change according to times and trends and. As Peter Drucker once said that the most effective way to manage change is to create it, the only constant is change. In our company we prefer commitment to competence to build the business and to be successful. Commitment brings in results. When a wheel rotates, the axle remains stationery. Commitment is the wheel that keeps the business forging ahead. Product, market and strategy are the core values of a business that do not change. Core values cannot be created for they are inherent. There are some attributes that bind us together in our company which are treat others well, be responsible, be agile and put the company before self. We train our employees to compete with the market and to instill in them the sense of ownership we have an open office with no individual cabins. Half of the job is done when right people are recruited. Right people are the people who are fit with the core values and culture. Success is not determined by hard fixed policies rather it is the result of quantification of work. Employees' behavior should be in sync with the core values. When an employee is given the liberty to behave like the owner, his self-responsibility is motivated. In a start-up culture it is less time and more work. My company has no hard and fast rule. A person should know to pick a side – good or bad. Basically rules are made for bad people and good people suffer because of it. Innovation is born when people are given the freedom to make mistakes from which they learn valuable lessons and gain rich experiences. To have an atmosphere that is conducive to growth and development, employees should be encouraged to seek forgiveness than ask for permission but at the same time they should learn to fix it up quickly. The goals of the company should be made public whereby everyone becomes responsible and accountable. Accountable managers make responsible teams for they lead by examples. Expectation of high performance delivers results. In CarWale.com we appreciate efforts but reward results. Not giving results makes things uncomfortable. Things should be done with speed because it is better done than perfect.

Hostel Life:

Man undergoes many experiences and passes through many stages before he evolves into a mature, responsible and rational individual. These experiences become an integral part of his life throwing light on various aspects. Moreover these experiences prepare him and teach him to combat life battles, confront and defy challenges and surmount problems. Like gold and silver refined in furnace, so is man in the furnace of experience which implants in him the right attitude, perspective and mindset. Thus clothed with these assets, he sets out to win the world and take possession of riches - material, spiritual, intellectual and emotional.

A child is sent to school and later on to college to learn, to develop and to grow. Life goes on without a hitch like a car traveling smoothly on a paved road. In due course of education a child might have to stay in a hostel either out of compulsion, or necessity or because of voluntary desire. Whatever may be the reason one soon finds out that a hostel and home are two different poles. Some are jarred by the bumpy ride of a rugged hostel life and they choose to be grumpy about it till the end. For others it may be the threshold of a new life, learning and experience and for them hostel life is the cutting away of the umbilical cord of dependence and beginning a unique life of independence, self-dependence and interdependence.

Hostel life is an equal ground for people from different walks of life congregate either for various reasons or in pursuit of a specific objective. Since people with different backgrounds meet and stay together for a time period, they gain new insight into human nature, mindset and characteristics. This firsthand perspective teaches and instills tolerance, acceptance, magnanimity, flexibility, compatibility, understanding, compassion, responsibility, accountability and empathy. These qualities characterize and determine a great personality. Also these are the qualities that go into the making of a leader, people who are decisive and take initiatives.

The insights gained create an atmosphere that is conducive to development and growth in all aspects and give birth to enlightened individuals who with their burst of enthusiasm and mirth diffuse goodwill and peace. As time flies by the bond among the residents grows strong and deep and hostel becomes a home away from home. The residents who become an integral part of one another's life are there in every situation and circumstance, offering a shoulder to cry, companionship to watch television or movies, comradeship to celebrate victories, friendship to share joys and sorrows, partnership to lessen the pain of defeat, solidarity in times of turmoil and fraternity at all times. Diffusion of these virtues will ensure the continuance of civilization and society.

Opportunities are rife to learn the cultures, languages, festivals, practices, habits of people belonging to different regions, religions, castes, creed, etc. The composite of the different cultures and habits will give rise to a completely new set of culture that is unique to hostel life. This culture knows of no barriers and speaks only one language which is the language of love and understanding. Hostel has its own rules, life and principles. Thus the stage is perfectly set for students to explore new things, rediscover themselves and reinvent their personalities. With this is born a new individuality and everyone is identified through the tag of common living and sharing.

Students acquire many competencies and life skills during hostel stay through which one becomes versatile. In addition to inherent talents and skills that students possess, they learn and gain many from one another. As a result their learning and interests diversify Hostel life helps an individual advance in life and career by nurturing and infusing skills like management, communication, decision making, punctuality, negotiation, etc. Students learn not only the values of these skills but also their essence and necessity. Thus fortified, students embark on a journey of exploration that takes them to the sea of knowledge and wisdom.

At home students lead an organized and systematized routine life. But once in hostel students will have to learn to be prepared and alert for nothing is planned and predictable. Always something new and unexpected springs up on the way and it takes the students by surprise and catches them off guard. Hence it becomes inevitable for students never to let their guard down and it is the most crucial lesson they learn before facing the battle of life. During this tenure they also learn to co-exist with other human beings in peace and harmony and drive home the fact that man is not an island. With this dawns a new outlook on life and life experiences. Coming out of the cocoon of home life, students learn to meander through mazes, navigate through storms and maneuver through ups and downs and this is life and en experience of a lifetime.

Living at home amidst comfort and amenities students look at the world and at life only through a haze and hence the perception is blurry. But at hostel students look at everything from close quarters whereby vision of the world is enhanced and enriched and they get the real picture of what it is and what is needed. Physical, emotional, psychological, academic and mental growth and strength are the resultant benefits. While on their own students learn to make their own decisions which also helps in learning from mistakes and through exposure. This indispensable learning makes them bolder and more convinced to make more decisions. Like a phoenix that rises from ashes, students learn that failure is not the end and the seemingly loss is a new beginning.

Hostel life gives a lot of freedom to students who in due course learn to make right use of it. Liberty is, of course, the right to enjoy life as one wishes; but students while using their freedom also realize that true liberty is respecting the liberty of others and so they learn to use and curtail their freedom in correlation to situation. Learning and experience are vase oceans whose boundary is limitless and learning never ends. Each new day in hostel brings in something new and refreshing thus expanding the horizon of one's treasure trove of knowledge. Moreover in

hostel students are able to better focus and concentrate on their studies. It helps them work harder and appreciate the value, need and importance of education. In times of difficulty and confusion others invariably come to one's aid in clarifying doubts. It instills a healthy competition among students who vie with one another to outshine the others. Yet success and failure are treated and accepted equally. The bond developed among students does not depend on intelligence and academic excellence. It goes beyond and grows stronger. In fact it is during such times that the strength and depth of the bond is put to the test.

The merits of a hostel life do not stop here. Like gifts delivered on platters of gold, the benefits that hostel life brings are never ending. Having thus talked about the positive outcomes of hostel life, one should also take note of the negative impacts. A hostel is also the place where students form bad habits like smoking, drinking, etc. But students should never forget that all things have two sides. Gold and silver, the most valuable and cherished metals, never occur in pure forms. They always come with impurities and it is the intense furnace heat that separates gold from impurities. Students should glean the good things and well leave the bad things untouched.

At the end of a hostel life, an individual emerges as a totally different person, with everything new about him or her. It will not be an exaggeration to say that hostel is the only place where students are well groomed and enjoy all round personality development and growth.

By:

Dr. Nikhil Zaveri

Director & Principal

SEMCOM.

SEMCOM Updates:

Admission Counselling:

Admission Counselling started on 1st May 2014 and is still going on. Parents and students can approach the counseling team for any queries related to degrees, courses and admission.

Competitive Admission Test:

Competitive Admission Test was conducted in two batches. The first batch was conducted on 31st May 2014 and the second on 6th June 2014 for which students turned out in good numbers.

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Book Review:

The 3 Mistakes of My Life

-Chetan Bhagat

The book circles around the city of Ahmedabad. The city though being urban lacks the culture of its metro counterparts. It still retains its small town aroma in pols (colonies), traditional Indian households and small vegetarian eateries.

The hero of this book self termed as 'the protagonist', Govind, has a passion for accounts and business. He is being accompanied by his friends Ishan, for whom cricket is the element around which his life revolves and it has Omi, a priest's son and loyal friend who is ready for anything that his friends are game for. The story revolves around the problems faced by them in their friendship.

It is narrated as a book based on real life events but lacks to prove it. It begins in a dramatic fashion with Chetan Bhagat receiving an e-mail from Govind who had taken many sleeping pills and was writing to him while waiting for his death. Chetan was shaken by the incident and tracks the boy down in an Ahmedabad hospital. Fortunately Govind was alive to tell the tale in a flash back manner. The book is titled on the three mistakes Govind made in his life.

The book is a mix of cricket, religion, business, love and friendship. Govind sets up a sports shop along with his friends in the temple compound with the help of Omi's family. The shop prospers as Ishan coaches young boys in cricket and

Govind teaches maths to Ishan's sister Vidya who also captures his heart. Ishan then meets Ali, a child master with a hyper reflex condition that makes him hit each ball for a six. Ali displays the talent which Ishan never had and Ali's destiny becomes his own.

Enter Omi's Bitoo mama (maternal uncle), a communal party man bent on converting the young into fighters in the name of Hinduism. Situations come to a head and Ahmedabad burns in riot fires. Omi dies saving Ali and Ishan finds

out about Vidya and Govind, and brands him as a traitor and he does not forgive. All these events lead Govind to his death-bed and that is when he writes the email to Bhagat.

The 'MISTAKES' in the Novel

Mistake number 1 is how Govind aspires big, manages to grow his business and goes through its ups and downs. Gujarat earthquake ruins his over 1 lakh investment for a shop in a newly built mall.

Mistake number 2 Govind also gives maths tuitions to earn money and he is asked to give tuition to Ishan's sister. Vidya needs some help understanding maths and Govind becomes her private tutor. It is how their private tuition progresses to friendship, love and more, before finally getting caught by Ishan resulting in the collapse of their friendship and Govind branded as a traitor. Govind violating an unwritten protocol and falling in love with his best friend's sister.

Mistake number 3 Ishan spots a young Muslim boy named Ali who due to superfast reflex is able to make mental calculations at unbelievable speeds using which he can hit sixes of every ball. The third track of the story line is as to how they struggle to make this gifted boy a superstar, coaching him, taking him to Australia and protecting him during communal riots. A split second delay by Govind in making a specific move which could have saved Ali from a hit is termed as **mistake number 3**.

Criticism

1. Can anyone really fool an entire set of stadium officials with one VIP visiting card? Ali is taken to Goa stadium and Govind flashes a visiting card to the security guard, stating he is a rich businessman and wants to get an Australian player as brand ambassador. Security guard in turn consults a set of officials and lets them in to VIP stand after detaining Omi.

2. Govind orders passport and visa on phone with a travel agent as if he is ordering a domestic air ticket.

3. Page 214 of the book says they watched riot scenes on NDTV. Godhra incident and subsequent riots happened in February 2002 while NDTV 24x7 and NDTV India were launched 2003 – 2004. So how is that possible?

Appraisal

4. Good book with regional touch of Ahmedabad and its eateries.

5. Very carefully scripted book with humour, love and religious emotions being swayed across the book.

By:

Mr. Renil Thomas

Assistant Professor

SEMCOM.

ARTICLE:

Marketing to Generation-Y

Generation Y, also known as the Millennial Generation, is the demographic cohort following Generation X. There are no precise dates for when Generation Y starts and ends. Commentators use beginning birth dates from the early 1980s to the early 2000s or are in between age of 15 and 25. Today's youth likes to engage on the screen whether it is of television, mobile, computer, tablet, multiplex theater or any. They want to involve themselves in sports, entertainment, casual conversation, information and technological advancement, lifestyle and creativity. According to Indian Census Data - 2011, rural India is younger than urban India; while 51.73% of rural Indians are under the age of 24, 45.9% of urban Indians are under 24. However urban India still has a higher proportion in the key 15-24 age group than rural India. So it brightens the eyes of those entire Indian organisations which are dealing with technological, lifestyle, or entertainment products.

Choosing a solution

Only core benefit of product will not work better, if you are targeting young brigade. The USP (Unique Selling Proposition) must be supported by UBE that is Unique Brand Experience. The brand experience is the consumers' feelings by using the product or services. Cafe Coffee Day (CCD), India's largest coffee chain is excellent in delighting the consumers by providing unique ambience and environment in their store. If the USP in product or service is unusual and unconventional it will encourage them to share the same in their community and other group members. That young people do not have patience is only a myth. They are very positive to accept new ideas, innovative solution and out of the box creative thinking.

Young people are more sensitive to social or political issues. The value of sustainability raises their interest in the environment-friendly or organic product. If the company can modify its offerings or products to become environment sensitive then it will be more helpful for them in the long run. The popular casual wear brand Killer has introduced jeans which do not require washing very often. So it reduces the consumption of water used to wash them frequently.

Communicating to youth

Youth is perhaps the most difficult demographic group to communicate with. Not only do they have a short attention span, they are also elusive in media consumption, fickle in brand preference, and simply challenging to engage and entertain.

As far as brand communication is concerned the tagline or slogan should include the words which young people frequently use or popular among them. For example, to position the Nano brand, Tata motors has used the word 'awesome'. In a similar instance Pepsico said 'oh! Yes Abhi'. Similarly various brands have used words like

What's Up, Smart, or LOL in their commercial story line. "Hinglish" - English peppered with Hindi words – that would eventually overtake English the world over, is generating a lot of interest and hype especially among youngsters. The quirky words of this new lexicon took up a lot of space in newspapers. India today has about 350 million people who use English as a second language. The number is huge and growing. The trend is accepted by Bollywood, which is constantly churning out films with titles like *Jab We Met* or Love *Aaj Kal.*

Movie and music are two things which attract young people in a very large number. So the same can also be used as tools for promotion. Promoting a brand in the Bollywood movies can be profitable for brand recall and is capable of grabbing the attention of the viewer. Apart from that, creating beautiful jingles, tunes, ring tones or brand songs can be very useful for increasing brand awareness and to create brand association. Ideas cellular is very excellent in creating such jingles whether it is 'Hunny Bunny' or 'No Ullu Banving'.

Become Accessible

Gone are the days of providing after sales service as value added option for marketer, today providing pre-sales service is the need of the hour. Reducing the customer effort in making contact or providing conveniences in buying activity without any risk can increase the sales volume. The youngsters are the first to accept the technology in their day to day activity. Probably this could be the reason for the growth of e-commerce, m-commerce (Mobile) and t-commerce (Tablet) industry. With the growth of smartphone and internet penetration, various mobile applications can be developed and used to exploit the mobile marketing opportunity. Recently Filpkart, Indian e-commerce giant, has entered the m-commerce by providing their exclusive mobile application. As far as T-commerce is concerned, ICICI and Big Bazar (by introducing Big Bazar direct) has successfully used tablet device to eliminate distance between the customer and the company.

Value for Money

The youngsters can easily access the information via their offline or online community. They critically evaluate all the alternatives of their evoked set to satisfy their need. Here the benefit from core products or augmented product should be more to the cost they incur for purchasing your product. Even keeping an entry level price of your product moderate low or slightly higher than break-even point will be more effective to attract the community whose purchase decision depends upon 'Pocket Money'. Domino's, the

Quick Service Restaurants (QSR) owned by Jubilant Foods has started the trend by introducing Piizza Mania at Rs. 39/-. Subsequently followed by McDonald by providing its Aloo Tikki for Rs 25/-. In telecom segment Airtel is appealing to first time users of internet by providing Rs 25/- internet pack.

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By:

Mr. Sarvesh Soni

Assistant Professor

SEMCOM.

ARTICLE:

Qualities of an Effective Teacher

Importance of the Topic:

Teaching has always been a challenging profession, but changes – both within and outside classroom have made it more complex. Schools are being asked to teach thinking and problem solving skills at a same time when students they teach come from increasingly diverse and challenging backgrounds. Definitions of good or effective teaching are becoming not only crucial but becoming more complicated too. From 1990's, educational reformers are seeking answers to two fundamental questions: (1) How well are students learning? And (2) How effectively are teachers teaching? As during this era of Knowledge Management teachers should be aware and updated with whatever is going on in the economy as the future of next generation lies in their hands. So now all these things purely depend upon teachers and how seriously they are addressing this issue.

Introduction:

As per the dictionary meaning the terms 'Quality', 'Effective' and 'Teaching' can be defined as follows:

Quality - an essential and distinguishing attribute of something or someone

Effective - producing or capable of producing an intended result or having a striking effect

Teaching - the activities of educating or instructing or activities that impart knowledge or skill

Obviously, the definition of teacher involves someone who can increase students' knowledge, but it goes beyond this in defining an effective teacher.

Effective teaching is the ability to provide instruction to different students of different abilities while incorporating instructional objectives and assessing the effective learning mode of the students. As per the definition given by Diamond: "Effective teaching produces beneficial and purposeful student learning through the use of appropriate procedures"

Qualities of Effective Teaching:

After looking into the broader perspective now we can look into the qualities that every teacher should possess to be effective in classroom teaching. For the purpose of understanding it is divided into three areas that are Knowledge, Skills and Disposition:

Knowledge	•What Teachers know
Skills	•What Teacherd can do
Disposition	•Traits Teachers possess

Knowledge (What teachers know)

Knowledgeable in subject fields

Know a broad range of factual information

Knows appropriate teaching strategies for various subject areas

Knowledge of diversity issues among students and how to teach to diverse students

Understands child development

Knows a variety of teaching strategies that are developmentally appropriate

Knows how to promote literacy across the curriculum

Skills (What teachers can do?)

Classroom management
- o consistent discipline
- o multitasks
- o variety and balance
- o classroom set-up

o "with-it-ness" – aware of all classroom activity

Organization in classroom
Time on task

Advance preparation and planning Links instruction to real-life for students

Links lessons with learning objectives and standards

Uses a variety of questions effectively to increase student understanding

Designs developmentally appropriate lessons

Uses a variety of teaching strategies
Emphasizes critical thinking
Differentiates lessons to diverse students
Gives quick and consistent feedback

Assesses student learning in a variety of ways to monitor progress toward goals, Maintains positive classroom climate

Dispositions (Traits teachers possess)

Caring

Efficacy (believes he/she can make a difference)

Fairness and respect

Positive personal interactions with students Professionalism

Enthusiasm

Motivation Dedication
to teaching Reflective
practice

Encouragement and warmth
Task-orientation
Flexibility

Tolerant and democratic
- Overcomes stereotypes
- Holds high expectations for all students Expects family involvement

Enjoys and respects students as individuals Looks for win-win problem solving solutions Listens and communicates well Displays a sense of humor

Prerequisites for Effective Teaching:

In addition to the above said qualities there are few prerequisites for effective teaching which are given below:

Amount of coursework in education (knowledge of teaching and learning)

Certification in the field/age level you are teaching

Strong content/subject knowledge Strong verbal ability
Teaching experience

After discussing these necessary things one can be assured that teaching is far more than simply transferring information. It is the engaging of minds to seek out answers. Strong, Silver and Robinson (1995) put forward the acronym "SCORE" to suggest a model of student engagement.

I would suggest that this model should be applied to teachers first:

S	The Success of mastery of the subject that you teach.
C	The Curiosity that every teacher should have entrenched in their teaching. A teacher who is not curious has lost a critical portion of the passion for learning.
O	Originality – a teacher who is passionate about the teaching process will be creative; will be constantly seeking new ways of engaging and challenging students.
R	Relationships are central to effective classroom and teachers are crucial in the nurturing of opportunities for students to engage with subjects that at senior levels can lead to a life-long interaction with the subject.
E	To maintain this process the teacher needs Energy. This a something that schools does not always provide, and teachers in general need the time to reflect; to re-energies and to regenerate their focus on the learning process. It is an essential ingredient in the effective classroom that is too often ignored.

(SCORE acronym adapted from Strong et al., 1995: 9-11)

In essence a teacher who brings a passion for teaching the subject, and takes responsibility for the creation of an environment that allows for sharing and enjoyment of that knowledge, will be creating an effective learning climate.

A Discovery Process
If at first you don't succeed . . .

We are reminded of the classic story of Robert Bruce watching a spider spinning a web, failing repeatedly but persisting until successful. Strong teachers understand that the process of developing effectiveness requires much spinning, much webbing and great persistence in the face of challenge. So have faith in yourself and plan the strategies for achievement in the journeys of discovery and growth.

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By:

Ms. Komal Mistry

Assistant Professor

SEMCOM.

Fintelligence

Credit Rating in India

Credit Rating is the assessment of a borrower's credit quality.

1. Credit Rating performs the function of CREDIT RISK EVALUATION reflecting the borrowing capability to repay the debt as per the terms of the issue.
2. Credit Rating is merely an opinion about a borrower entity to service its debt obligations within the specified time period.
3. Credit Rating is not a recommendation to BUY, HOLD or SELL rather it is a well-informed opinion made available to the investors which may influence their investment decision.

   An agency that performs the rating of debt instruments is known as Credit Rating Agency e.g. CRISIL (Credit Rating and Information Services of India Limited), Investment Information and Credit Rating Agency (ICRA), Credit Analysis and Research Ltd. (CARE) are popular credit rating agencies in India. The scope of present day Credit Rating Agency is not limited to the rating of debt instruments but they also undertake financial analysis and assessment of financial products, institutions and governments.

- Credit Rating enables investors to draw credit risk profile and assess the adequacy or the risk premium offered by the market.

- It saves investors time and enables him to take a quick decision and provides better choices among available investment options.

- Issues with high credit rating can raise funds at much cheaper rate resulting in lower cost of capital.

- It acts as marketing tool for instruments and increases a company's reputation.

Rating Methodology in India - The rating exercise starts at the request of the company. The rating of an instrument requires thorough

analysis of factors that affect the creditworthiness of the issuer. The rating agency has to study factors related to business in various areas. The ratings are based on in-depth study of the industry and evaluation of strengths and weakness of the company.

Framework for rating

- Business Analysis
- Financial Analysis
- Management Evaluation
- Fundamental Analysis

1. Business Analysis

It focuses on analysis of industry risk, market position in the country, operating efficiency of the company, and legal position.

Industry risk covers

- Analysis of demand/supply
- Number of firms operating in that industry
- Potential entrants
- Government policies about that industry
- Performance of the industry
- Future potentiality

Market Position

- Market share of the firm
- Marketing strength and weakness
- Marketing policy
- About products
- Customers etc.

Operating Efficiency

- Study of production processes of the firm
- Cost structure
- Locational advantage
- Labour relationship
- Input availability
- Prices etc.

Legal Position

- Study of the prospectus
- Accuracy of information
- Filing of forms
- Taxes
- Returns
- Other regulatory issues etc.

2. Management Evaluation

It includes the study of the
- Track record of the management
- Management capacity to overcome adverse situations
- Company's GOAL, MISSION, VISION
- Philosophy
- Strategies
- Number of employees and so on

3. Financial Analysis

- Accounting quality, study of income recognition, earnings, depreciation policies, auditor's remarks and so on
- Study of ratios – earnings ratios, profitability ratios, liquidity ratios etc.
- Adequacy of cash flows includes a study of future cash flows, working capital needs etc.
- Complete analysis of balance sheet and income-expenditure statements.

4. Fundamental Analysis

- Asset quality includes the company's credit management, policies for monitoring credit risk.
- Tax sensitivity in terms of tax provision, impact of tax law changes and so on.
- Liquidity management

Rating Symbols

- Rating agencies use symbols such as AAA, AA, BBB, B, C, D to convey the safety grade to the investors.
- Ratings are classified into three heads
  - a. High Investment Grades
  - b. Investment Grades
  - c. Speculative Grades
- In all, risk is classified into 15 to 20 categories and signs like "+" or "-" is used to show timely payment.

a. High Investment Grades

- AAA: Triple A denotes HIGHEST safety in terms of timely payment of interest and principal.
- AA denotes HIGH safety in terms of timely payment of interest and principal.

  The issuer differs in safety from AAA issue only marginally.

b. Investment Grades

- A denotes adequate safety in terms of timely payment of interest and principal, changes in circumstances can adversely affect such issues.
- BBB: Triple B denotes moderate safety in terms of timely payment of interest and principal.

c. Speculative Grades

BB: Double B denotes inadequate safety terms of timely payment of interest and principal.

B denotes HIGH RISK

C denotes issue rated is very likely to DEFAULT

D: DEFAULT

SYMBOL (Rating Category)	DESCRIPTION (With Regard to the likelihood of meeting the debt obligation on time)
AAA	Extremely Safe (Highest Rating)
AA	High Safety: Very strong capacity to meet financial commitments.
A	Adequate Safety: Strong capacity to meet financial commitments.
BBB	Moderate Safety: Adequate capacity to meet financial commitments.
BBB (minus)	This is the lowest rating before non-investment grade
BB	Inadequate Safety
B	High Risk
CCC	Vulnerable and dependent to meet financial commitments
CC	Highly Vulnerable
C	Substantial Risk
D	Default

SEBI regulations

1. Only commercial banks, FIs, Foreign Banks operating in India, companies with a minimum net worth of 100 crores as per the audited financial accounts for the previous 5 years are eligible to setup credit rating agency.

2. Rating agencies cannot assess their promoters who have more than 10% stake in them. Rating agency cannot rate under the following:-

    o An entity is a borrower of its promoter.

    o A subsidiary of its promoter

    o When that entity has common chairman, directors of rating agency, common employees

3. Rating agency cannot rate the securities issued by its associate/subsidiaries.

4. Failing to comply with the above, SEBI may impose penalty of "cancellation of registration".

LIMITATIONS

Credibility of RATING is questionable. Frequent revision of grading by rating agencies creates confusion among the investors.

The ratings made by rating agency are many a time not accepted by their clients. Therefore SEBI made it mandatory to have at least TWO ratings and both ratings should be made public through prospectus, ads, etc.

Rating agencies rely on information provided by the companies.

Often rating agencies give high rating to one instrument of a company and low rating to another instrument of the same company, which confuses the investors.

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By:

Dr. Kamini Shah

Assistant Professor

SEMCOM.

e-ATTACKS:

MyDoom (2004)

Also known as W32.MyDoom@mm, Novarg, Mimail.R and Shimgapi, it is an email-based worm which creates a backdoor on the Window OS. It was first sighted on 26th January 2004. The MyDoom virus had two triggering dates: One to start DoS attack on 1st February 2004 and other to stop the distribution on 12th February 2004. Even after stopping the spreading, the backdoors created would still remain active. It spread in a deceitful manner via e-mails as an attachment which looked like bounced mail with the subject

"Mail Transaction Failed' to random senders' addresses from the address list of the infected machine. Its purpose was not only to create points for email spamming but also to launch DDoS against a target. It slowed the global

Internet access by 10% and some website's access by 50%. The very year, a second outbreak of MyDoom surfaced in which the victim computer's email address list would be located and the same email would be searched in search engines like Google, slowing down their services. It even spread through peer-to-peer networks. At its peak, 1 in every 10 emails contained this virus. Since the emails could be spoofed by this virus, it was difficult to track the source of the infection. Some estimate the damages to $38 billion.

CONFICKER (2009)

Also known as Downup, Domnadup and Kido infected as many as 15 Million Window OS without human intervention. The worm in the infected computer would download and install malwares like keystroke loggers and remote PC-control from sites controlled by the hackers. It created one of the biggest armies of zombies remotely controlled, which could steal financial and other private information from your system. The massiveness of the botnet could be unstoppable and hence a coalition of experts was formed to stop its spread. But the botnet army was never awakened and the actual reason of it was never found thus confusing the security experts. It was also called "super bug" or "super

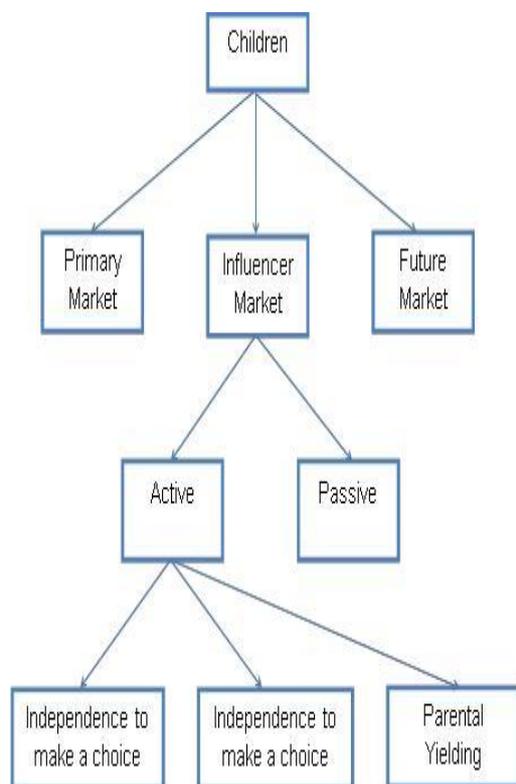worm" due to its zombie army size. The estimated damage was around $9.1 billion.

By:

Dr.Nehal Daulatjada

Assistant Professor

SEMCOM.

ManageAnt:

(Source: Singh, Raghbir, Kaur Pavleen, (2006), "Children in family purchase decision making in India and the West: A Review", Academy of Marketing Science Review, Vol.06 No.8.Kaur and Singh, 2006)

Three Markets in One

Children constitute the most lucrative market for many businesses because they represent three markets in one. Children are a current market because they have their own money to spend. They are viewed as having needs, having money to spend on items that satisfy their needs and having a willingness to spend money. Not only producers of soft drinks, toys, cereals etc. treat them as a current market but outlets such as video game parlors and movie houses also treat children as a ready market.

Children also constitute a market of influencers that cause billions of dollars of purchase among their parents. Marketers advertise the product to children on television which directly or indirectly encourage them to persuade their parents to buy those products.

Children are a future market for most goods and services. Manufacturers and retailers respond to them as future consumers to be cultivated now. Manufacturers of branded products (Nike, Adidas, Reebok etc.) try to attract children because they know that today's child is the consumer of tomorrow.

By:

Dr. Ankur Amin

Assistant Professor

SEMCOM.

CommuniCare:

Use of Communication in Administering Change

Paradoxically, the only constant in today's dynamic business complex is change. Change, or its highbrow synonym, innovation, is an offspring of the prime mover of our business system which is competition. In our intensely competitive system of working for each other, change is absolutely essential. No business can remain static. It must go forward on the vehicle of change or it will fall backward.

Change is implicit in the term enterprise. It makes an enterprise out of a business.

Peter Drucker, in 'The Practice of Management', dramatically describes the importance of change or innovation. He asserts that every business enterprise has two basic functions: marketing and innovation. Most employees, when they can view the process objectively, will concede the necessity for change in the business enterprise; indeed, when asked their opinions in employee opinion polls or in training courses, they readily admit that change is probably largely responsible for their ever-rising standard of living.

Unfortunately, change in the established routine of doing work inevitably produces change in employees' work habits and often disturbs their position both in the formal and the informal organization structure. As Peter Drucker observes, "Change is not only an intellectual process, but a psychological one as well".

"The key to the problem," says Paul R. Lawrence "is to understand the true nature of resistance".
Actually, what employees resist is usually not technical change, but social change – the change in their human relationships that generally accompanies technical change".

In the highly important informal social organization of workers, the social change that new technology brings may diminish their prestige and disrupt highly prized relationships with fellow workers. In addition, it may sometimes reduce their earnings or exact greater effort for the same earnings. In such cases, it is always labeled by the union, and often by the employees, as the hated "speed-up".

F.J. Roethlisberger, Professor of Human Relations at Harvard, neatly poses the problem for the administrator in this way: "How can the external changes required for the survival of a social system be initiated, administered, and assimilated by this system so that the internal needs for stability, i.e., for well-understood and accepted relationships in the system, are also maintained"?

By:

Ms. Nishrin Pathan

Assistant Professor

SEMCOM.

My Voice:

Live and Not Leave the Challenge(s) of Life

The soccer match was played on; player received the ball near the penalty area, without wasting time he shot the ball towards goal post, goal keeper had no time to react or defend and player scored the goal. The vital element is when opportunity knocks, the door, don't waste time in too much analysis leading to decision paralysis, rather make the most of the opportunity. Each day comes with a unique set of opportunities and challenges, and the success goes to those who put all the efforts to capitalize on opportunity and overcome challenges.

It is rightly said by the lead character of the movie Titanic, Mr. Jack Dowson, make each day

count, which can be improvised as make each moment and each second count. People who keep on dreaming for ideal conditions for any worthwhile endeavor, be it business, studies, profession, employment and vocation, etc., are surprised when they just kept on waiting for ideal environment to initiate and time, just slipped by and now they found themselves lagging behind others. Each moment and each element of time comes with a unique set of strengths, weaknesses, opportunities and threats. Henry Ford, Andrew Carnegie, JRD Tata, Sunil B. Mittal and majority of the business leaders and entrepreneurs had the odds against them when they initiated their business venture and faced challenges while managing their respective business organizations, but they had strong determination, will power, vision, dedication, commitment, zeal and passion

which enabled them to face and overcome challenges and achieve success in their chosen field of endeavor.

Success is a beautiful journey in the valley of life and not the destination. Each moment is

precious and work for success in respective field be it business, studies, profession and any worthwhile human activity. Remember Mother Teresa, Mahatma Gandhi, Sardar Vallabhbhai Patel, and Dr.Verghese Kurien had more challenges and obstacles and they still achieved success in their respective field of activity. Obstacles, odds, challenges are like testing device and one has to come out of them with more determination, hard work and dedication, as gold becomes more pure after being put to test fire.

Present is really a gift to humanity with ample goodies and hurdles, and it is for people to make the most of the opportunities offered by the present. Make an effort to achieve small goals, rejoices their achievement and ultimately it will set the stage for bigger goals and grand achievements. Remember Rome was not built in a day. As the saying goes precision at small things leads to perfection, but perfection is not a small thing. Team work is equally important to achieve any worthwhile small or big results. One does need cooperation of family members, colleagues to achieve worthy results. Working with team member(s) will expose human resource(s) also called people to their strengths, which must be learnt for self development and boosting organizational productivity. Imagine if human resource(s) can learn ten good traits of their colleagues how much it will improve overall organizational performance.

In the present scenario of roles involving multi-tasking, time management and setting priority list for various tasks is important. It is not only how much time, people spent at the workplace which counts, but more importantly, how smartly human resources use time is more significant.

Smart work described as work which is specific, measurable, actionable, and realistic, with time frame for achievement will get the result(s) in terms of task and goal, mission and vision accomplishment and resultant appreciation and recognition from the community.

The wonderful journey of living a life is just like a valley. Path may be smooth with patches of rough lane or vice-versa, but two important keys will open all the doors of hurdles and obstacles. The first key is patience, perseverance and hard work and the second key is supreme confidence in self and almighty god with blessings of gurujii or master. Enjoy the journey, halt for refreshment, but don't stop until the destination of journey is achieved, the inner contentment and satisfaction of doing something good for the humanity. People like JRD Tata, Mother Teresa and Dr. Verghese Kurien are long remembered even after their demise, due to the sheer quality of their work and its contribution to the betterment of humanity and society at large.

By:

Mr. Sunil V. Chaudhary

Assistant Professor

SEMCOM.

Accounting Aura:

In this article, I would discuss the use of computers in accounting. At present, many manual tasks of accounting are replaced by computer softwares. Traditionally accounts were kept by means of handwritten records. Computers have only begun to be used in some of the functions of accounting over the last fifteen years or so. As computers became cheaper, easier to use, and more powerful, more firms have decided to computerize their own accounting records. However, some firms, (albeit a declining number) still prefer to use handwritten accountings. This leads us to believe that there must be reasons for and against using computers in accounting.

We need to consider how computers are used in accounting, and then we should be able to evaluate the potential uses and limitations of using computers in accounting. How are computers used in accounting? Most firms make some use of a computer within accounting at some point. Some firms will have all their accounting performed by computers. What we need to understand is how the computer can be used.

Spreadsheets

A computer-generated spreadsheet is commonly used by firms when presenting their accounts. A simple spreadsheet will appear as a grid to which both numbers and text can be inserted. Each 'cell' of the spreadsheet can be used to insert data.

One of the attractions of using a spreadsheet is that the calculations can be done by the computer. Some data, such as sales and cost of goods sold would need to be manually typed in, but then the gross profit can be automatically calculated by inserting a formulae into the relevant 'cell' which states how the profit is to be calculated. Once inserted, the formulae can apply to the whole row (or whole column) which makes the process both easier and less likely to be inaccurate. Obviously the example above is a fairly limited illustration of

how spreadsheets can be used but for many small firms the use of a spreadsheet is the main way in which computers are integrated into the work of the accountant.

Accounting software

There are accounting software packages that can be purchased by a firm that will perform many, if not all of the tasks that would normally be manually entered by the person responsible for the firm's accounts. These packages will be able to produce many of the accounting records that were previously produced by hand. Transactions may be entered into the computer package and many will produce the double entry records based on this one entry. Although the exact capabilities of each package will vary, it is possible that most, if not all of these packages will be able to produce invoices for purchases and sales. They calculate VAT returns, discounts and all the other areas of the accounting information system. Logically, these packages will also produce the final accounts for the business when required.

For larger firms this software can actually be tailor-made for the firm's own specific requirements. This sort of tailor made package is known as a 'bespoke' system. These packages are normally produced by a specialist computer software firm that has experience in producing accounting packages. Technically, these packages are available for any firm, but given the expense of a bespoke system and the general low cost of a 'off the shelf' system (one that can be used by any firm) most firms will simply purchase a general package.

The main benefits of using computers (to any level within accounting) can be summarized as follows:

Increased accuracy — Computers are less likely to make errors. In fact they should not make errors at all. Things will still go wrong, but this is likely to be the fault of the person entering the data into the computer, rather than the computer itself making an error.

Time saving — The use of a computer should be able to speed up the whole process of keeping accounting records. This is especially likely to be the case when the firm wishes to produce the final financial statements at the end of a period. The computer will be able to extract a trial balance (if necessary at all - perhaps this won't be needed?) and produce the trading and profit and loss account as well as the balance sheet almost instantaneously, based on the data already inputted.

Performance analysis — Once the data has been input, it is possible to manipulate the existing data to produce variations on the firm's overall performance. Even a simple spreadsheet can be manipulated to consider different scenarios. For example, a firm may wish to see the effects of an increase in the sales of the overall profit level. A range of forecasted accounts can be generated to see how well the firm could expect to produce in the future (this is known as sensitivity analysis). The data can be manipulated into accounting ratios automatically, which allow managers to assess the overall performance. For example, the profits can be related to sales, to capital or to assets to see how effectively the firm is operating.

Job satisfaction — The use of computers in accounting will free up time for the accountant to concentrate on wider ranging tasks. This means that there is likely to be an increased job satisfaction within the firm. Studies suggest that if workers are more satisfied or more motivated in the workplace, they are likely to be more productive in their output.

The use of computers does not provide a perfect solution. There are drawbacks associated with the introduction of computers.

Cost – Computers have fallen in price over the last ten years. Also, computers

are far more powerful than earlier models. However, the cost of the computer and of any associated software packages can still present a large item of expenditure for a small firm. The purchase will not affect profits, but will affect the firm's cash flow position. The cost of training staff will also have to be factored into the equation when deciding if and what sort of accounting package to purchase.

Reliability – Computers are generally very reliable but problems do occur. If the computer hardware (the physical computer and other devices used in the system) or the software develops a fault, then it is likely that the whole system cannot be used until the fault is addressed. This could be very problematic if the fault takes time to be found and corrected.

Training time – It may take time for operators to be trained in using any accounting package on the computer. This requires personnel to be diverted from other areas that they may have been working on. However, this problem is becoming less important as newer software packages have become increasingly 'user friendly' (easier to use to even a novice).

Thus, the fact that nearly all firms make some use of computers in accounting suggests that the benefits outweigh the costs. Most firms have found computers a very valuable addition to their abilities in processing the vast amounts of finical data. However one can never underestimate the benefits of having a skilled human operator who understands the accounting system and use intuition in a way that computer cannot. Business Accounting and Financial Management are crucial management functions in every enterprise. Whether you manage a small department, a major division, big company, small company or your micro enterprise, you work with numbers every day. Numbers are the language of business and industrial enterprises. Use of computers in general and electronic spread sheet in particular can

economically and effectively replace traditional tools of accounting like ledger pager, stubby pencils, worn-out erasers, desktop calculators etc.

Use of computer and spread sheet in today's complex business can take you ahead in speed, accuracy and capability.

Computer application in accounting and financial management can help you in transaction recording, financial planning, analysis, and forecasting. Best of all, it gives you a method of examining the implications of endless "What if?" situations – the tough alternatives you face in running your business profitably. Computer software developing companies have developed a large number of accounting and financial management softwares. Some of the important softwares available in India are Tally, Easy, Visipak, Fact, Fast and Ex 3.0. The basic function of these softwares is to enter the transactions and the rest of things i.e. posting, balance calculation is done by these software. This software can prepare the trail balance, cash book, balance sheet and profit and loss account.

By:

Mr. Pratik Shah

Assistant Professor

SEMCOM

Contributors:

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You are requested to send your article to kpatel@**SEMCOM** .ac.in

OR

mail at:

SGMEnglishMediumCollege of Commerce & Management (**SEMCOM**)

Opp. Shastri Ground
VallabhVidyanagar - 388 120
GUJARAT
INDIA

Tel. No. : +91 2692 235624, 231811
Fax. No. : +91 2692 235624

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