

**SHRI RAM COLLEGE,**

**MUZAFFARNAGAR**

**DEPARTMENT OF BUSINESS**

**ADMINISTRATION**

**SATURDAY TEA CLUB FILE**

**SESSION: 2015-16**

## **Saturday Tea Club**

### **Department of Business Administration**

#### **Shri Ram College, Muzaffarnagar**

#### **Faculty Development**

Faculty development has as its goal continued renewal and growth of the faculty in all facets of their professional lives.

It is the purpose of the faculty development program to provide resources, which will help faculty to develop as scholars, to publish, to share insights both within the community and at professional conferences, and to improve their work in the classroom

#### **Faculty Development Program Objectives**

1. Maintain and enhances faculty effectiveness
2. Help faculty fulfill academic responsibilities
3. Ensure satisfactory adjustments to changing environments in instruction and within disciplines

## NOTICE

### Faculty of Business Administration

All the faculty members are hereby informed that "Saturday Tea Club" will be organized from this week. So, all the faculties are requested to prepare their topics for the same. Further they are advised to give detail of their topics by tomorrow.

The following order will be followed for presentation.

**That particular order will be followed after completion as it is.**

- |                          |         |
|--------------------------|---------|
| 1. Dr. Saurabh Mittal    | Week-1  |
| 2. Dr. Aditya Gautam     | Week-2  |
| 3. Dr. Pankaj Kumar      | Week-3  |
| 4. Dr. Himanshu Verma    | Week-4  |
| 5. Dr. Pankaj Kaushik    | Week-5  |
| 6. Mr. Vivek Kumar Tyagi | Week-6  |
| 7. Mr. Rajeev Rawal      | Week-7  |
| 8. Ms. Shruti Mittal     | Week-8  |
| 9. Mr. Ajay Chauhan      | Week-9  |
| 10. Mr. Ankur Tyagi      | Week-10 |
| 11. Mr. Kapil Dev Dhiman | Week-11 |
| 12. Mr. Amit Bhatnagar   | Week-12 |



**Dr. Saurabh Mittal**

**Head, Faculty of Business Administration**

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**Session 2015-16**

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3	03-10-2015	Dr. Pankaj Kumar	Herzberg's Motivation Theory
4	10-10-2015	Dr. Himanshu Verma	Advertising Budget
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6	31-10-2015	Mr. Vivek Kumar Tyagi	New Product Development
7	07-11-2015	Mr. Rajeev Rawal	Plant Layout
8	14-11-2015	Ms. Shruti Mittal	Liquidation of Companies
9	21-11-2015	Mr. Ajay Chauhan	Amalagamation
10	28-11-2015	Mr. Ankur Tyagi	Types of Marketing Channels
11	05-03-2016	Mr.Kapil Dev Dhiman	Cash Flow
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*Ramendra*



**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic: Installation of Costing System**

**By : Dr. Saurabh Mittal**

**19-09-2015**

**About the Topic: The following key points were discussed during the session:**

An ideal system of costing is that which achieves the objectives of a costing system and brings all advantages of costing to the business. Following are the main characteristics which an ideal system of costing should possess or the points which should be taken into consideration before installing a costing system.

**10. Suitability to the Business:**

A costing system should be tailor-made, practical and must be devised according to the nature, conditions, requirements and size of the business. Any system which serves the purposes of the business and supplies necessary information for running the business efficiently is an ideal system.

**(ii) Simplicity:**

The system of costing should be simple and plain so that it may be easily understood even by a person of average intelligence. The facts, figures and other information's provided by cost accounting must be presented in the right form at the right time to the right person in order to make it more meaningful.

**(iii) Flexibility:**

The system of costing must be flexible so that it may be changed according to changed conditions and circumstances. The system without such flexibility will be outmoded because of fast changes in business and industry. Thus, the system must have the capacity of expansion or contraction without much change.

**(iv) Economical:**

A costing system is like other economic goods. It costs money just like economic goods. If the system is too expensive, management may be unwilling to pay as buyers are not willing to pay for the goods if these are expensive as compared to their utility. A costing system should not be expensive and must be adapted according to the financial capacity of the business.

**(v) Comparability:**

The costing system must be such so that it may provide facts and figures necessary to management for evaluating the performance by comparing it with the past figures, or figures of other concerns or against the industry as a whole or other department of the same concern.

(vi) **Capability of Presenting Information at the Desired Time:**

The system must provide accurate and timely information so that it may be helpful to management for taking decisions and suitable action for the purpose of cost control.

(vii) Necessary cooperation and participation of executives from various departments of the concern is essential for development of a good system of cost accounting. Moreover, management should have faith in the costing system and should also provide a helping hand for its development and success.

(viii) The system of costing should not sacrifice the utility by introducing meticulous and unnecessary details.

(ix) A carefully phased programme should be prepared by using network analysis for the introduction of the system.

(x) **Minimum Changes in the Existing Set Up:**

The existing system of delegation and division of authority and responsibility must not be disturbed with the costing system. As far as possible the system must be such so that it may least disturb the existing organizational set up.

(xi) **Uniformity of Forms:**

All forms and proformas etc necessary to the system should be uniform in size and quality of paper. Higher efficiency can be obtained by using color of the paper to distinguish different forms. Printed forms should contain instructions as to their use and disposal. Forms should be suitably designed for collection and dissemination of cost data.

(xii) **Minimum Clerical Work:**

The filling of the forms by foremen and workers should involve as little clerical work as possible as most of workers are not well educated. To ensure reliable statistics, every original entry should be supported by an examiner's signatures.

(xiii) **Efficient System of Material Control:**

There should be an efficient system of stores and stock control as materials usually account for a greater proportion of the total cost. A good method of pricing material issued to production should be followed.

(xiv) **Adequate Wage Procedure:**

There should be a well defined wage procedure for recording the time spent by workers on different jobs, for preparing the wage sheets and for the payment of wages. Thus the introduction of well defined wage system will help to control the cost of labor.

(xv) **Departmentalization of Expenses:**

A sound plan should be devised for the collection, allocation, apportionment and absorption of overheads in order to ascertain the cost accurately.



(xvi) Reconciliation of Cost Accounts and Financial Accounts:

If possible the Cost accounts and financial accounts should be interlocked into one integral accounting scheme. If this is not possible the systems should be so devised that the two sets of accounts are capable of easy reconciliation.

**Following queries were raised by the faculty members:**

- Dr. Pankaj Kaushik asked about the basic cost charged in installing costing system.



**Dr. Saurabh Mittal**

**Head, Department of Business Administration**

**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic : ABC Analysis**

**By : Dr. Aditya Gautam**

**26-09-2015**

**About the Topic : The following key points were discussed during the session:**

**ABC analysis**

ABC analysis is an inventory categorization technique. ABC analysis divides an inventory into three categories—"A items" with very tight control and accurate records, "B items" with less tightly controlled and good records, and "C items" with the simplest controls possible and minimal records.

The ABC analysis provides a mechanism for identifying items that will have a significant impact on overall inventory cost, while also providing a mechanism for identifying different categories of stock that will require different management and controls.

The ABC analysis suggests that inventories of an organization are not of equal value. Thus, the inventory is grouped into three categories (A, B, and C) in order of their estimated importance.

'A' items are very important for an organization. Because of the high value of these 'A' items, frequent value analysis is required. In addition to that, an organization needs to choose an appropriate order pattern (e.g. 'just-in-time') to avoid excess capacity. 'B' items are important, but of course less important than 'A' items and more important than 'C' items. Therefore, 'B' items are intergroup items. 'C' items are marginally important.



### ABC analysis categories:


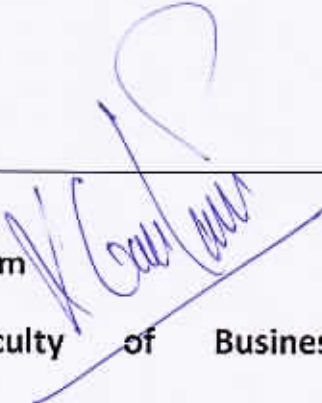
There are no fixed thresholds for each class, and different proportions can be applied based on objectives and criteria. ABC Analysis is similar to the Pareto principle in that the 'A' items will typically account for a large proportion of the overall value, but a small percentage of the number of items.

Examples of ABC class are

- 'A' items – 20% of the items accounts for 70% of the annual consumption value of the items
- 'B' items – 30% of the items accounts for 25% of the annual consumption value of the items
- 'C' items – 50% of the items accounts for 5% of the annual consumption value of the items

Following queries were raised by the faculty members:

- Dr. Pankaj Kumar asked the ideal ratio for A, B and C category.

 <b>Dr. Saurabh Mittal</b> Head, Faculty of Business Administration	 <b>Dr. Aditya Gautam</b> Professor, Faculty of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic : Herzberg's Motivation Theory – Two Factor Theory**

**By: Dr. Pankaj Kumar**

**03-10-2015**

**About the Topic :** The following key points were discussed during the session:

**Herzberg's Motivation Theory – Two Factor Theory**

Herzberg's Motivation Theory model, or Two Factor Theory, argues that there are two factors that an organization can adjust to influence motivation in the workplace.

**What is Two Factor Theory?**

Herzberg's Theory of Motivation tries to get to the root of motivation in the workplace. You can leverage this theory to help you get the best performance from your team.

• The two factors identified by Herzberg are motivators and hygiene factors.

**10. Motivating Factors**

The presence of motivators causes employees to work harder. They are found within the actual job itself.

**2. Hygiene Factors**

The absence of hygiene factors will cause employees to work less hard. Hygiene factors are not present in the actual job itself but surround the job.

Motivating factors include:

- **»Achievement:** A job must give an employee a sense of achievement. This will provide a proud feeling of having done something difficult but worthwhile.

- **»Recognition:** A job must provide an employee with praise and recognition of their successes. This recognition should come from both their superiors and their peers.
- **»The work itself:** The job itself must be interesting, varied, and provide enough of a challenge to keep employees motivated.
- **»Responsibility:** Employees should "own" their work. They should hold themselves responsible for this completion and not feel as though they are being micromanaged.
- **»Advancement:** Promotion opportunities should exist for the employee.
- **»Growth:** The job should give employees the opportunity to learn new skills. This can happen either on the job or through more formal training.

#### **Hygiene factors include:**

**»Company policies:** These should be fair and clear to every employee. They must also be equivalent to those of competitors.

- **Supervision:** Supervision must be fair and appropriate. The employee should be given as much autonomy as is reasonable.
- **»Relationships:** There should be no tolerance for bullying or cliques. A healthy, amiable, and appropriate relationship should exist between peers, superiors, and subordinates.
- **»Work conditions:** Equipment and the working environment should be safe, fit for purpose, and hygienic.
- **»Salary:** The pay structure should be fair and reasonable. It should also be competitive with other organizations in the same industry.
- **»Status:** The organization should maintain the status of all employees within the organization. Performing meaningful work can provide a sense of status.
- **»Security:** It is important that employees feel that their job is secure and they are not under the constant threat of being laid-off.

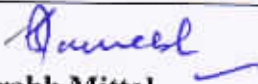

#### **How to Use the Model**

There is a two-step process to use the Two Factor Theory model to increase the motivation of your team.

1. Eliminate job hygiene stressors.
2. Boost job satisfaction.

**Following queries were raised by the faculty members:**

- Dr. Himanshu Verma raised the query asking that which theory is well suited for recent trends.

 <b>Dr. Saurabh Mittal</b> Head, Department of Business Administration	 <b>Dr. Pankaj Kumar</b> Assoc. Professor, Department of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic: Advertising Budget**

**By: Dr. Himanshu Verma**

**10-10-2015**

**About the Topic: The following key points were discussed during the session:**

An advertising budget is an amount set aside by a company planned for the promotion of its goods and services. Promotional activities include conducting a market survey, getting advertisement creatives made and printed, promotion by way of print media, digital media and social media, running ad campaigns etc

**Factors Affecting Advertising Budget**

- **Existing Market Share:** A company having a lower market share will require to spend more on its promotional activities. On the other hand, companies with larger market shares can spend less on their promotional activities.
- **Competition level in the industry:** If there is a high competition level in the industry in which the company operates, then the advertising budget would be required to be set on a higher side to get noticed by audiences. In case monopoly exists or where there is the least level of competition involved, the company will need to invest less in marketing.
- **Stage of the Product Life Cycle:** It is a well-known fact that in the initial introduction stage and growth stage of a product or service, more amounts would be required for advertising. While in the later stages of the product life cycle, the need for advertising will decline.
- **Decided frequency of Advertisement:** Advertising budget will also depend on how frequently a company wants to run its ads. Frequent ads will call for a greater budget.

### Advantages

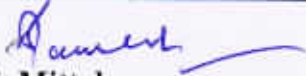

- It helps to understand the requirements of advertising and allocating budget toward each necessary activity.
- The overall advertisement expense of the company remains monitored, and it ensures that actual expense remains within a prescribed limit.
- When the budget is followed, it is ensured that the advertisement activities are done as per advertisement goals only, and no unnecessary expense is incurred.
- Each advertisement activity is kept under supervision and remains controlled well within budget.

### Disadvantages

- An inaccurate budget can attract unnecessary costs since the target of the budget would not be met.
- It may be a costly affair for companies.
- Since advertising costs will also be ultimately recovered from the customers, the prices of the products will increase.

Following queries were raised by the faculty members:

- Ms. Shruti Mittal asked about the ideal advertising budget for a large scale company.

 <b>Dr. Saurabh Mittal</b> Head, Department of Business Administration	 <b>Dr. Himanshu Verma</b> Asso. Prof., Department of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic: Motivation**

**By: Dr. Pankaj Kaushik**

**17-10-2015**

**About the Topic:** The following key points were discussed during the session:

Motivation can be described as the internal force that impacts the direction, intensity, and endurance of a person's voluntary choice of behavior. It consists of –

- **Direction** – focused by goals.
- **Intensity** – bulk of effort allocated.
- **Persistence** – amount of time taken for the effort to be exerted.

**Example** – A team leader encourages team members to work efficiently.

**Features of Motivation**

Motivation is an internal feeling, that is, it defines the psychological state of a person. It is a continuous process and we should make sure that it is not disturbed. A person should be encouraged completely.

Motivation consists of three interacting and dependent elements –

- **Needs** – The requirements or deficiency which is created whenever there is physiological imbalance.
- **Drives** – The various camps or events organized to motivate the employees and give them new opportunities.



- **Incentives** – Employees need to be rewarded for their nice work in order to keep them encouraged.

## **Importance of Motivation**

We need to motivate employees because of the following reasons –

- Motivated employee is more quality oriented.
- Highly motivated employees are more productive as compared to other employees.
- It helps in achieving three behavior dimension of human resource namely
  - Candidates must be attracted not only to join but also remain in the firm.
  - Employees must perform task in a dependable manner.
  - Employees should be creative, spontaneous and innovative at work.

## **Maslow's Hierarchy of Needs Theory**

This theory was produced in order to answer the question “What motivates an individual”. Every second need comes to force when the first need is satisfied completely. Maslow explained the hierarchy of needs by grouping them into two: deficiency needs and growth needs.

### **Physiological Needs**

Every individual needs to take care of the basic requirements required to sustain. These requirements include food to eat, clothing to wear and shelter to live in. These necessities are relatively independent of each other but are finite.

### **Safety Needs**

Everybody wants to stay in a protected environment with minimal danger so that they can have a peaceful life. Safety needs basically includes protection from physiological danger like accident and having economic security like bank accounts, health insurance

In an enterprise, it includes job security, salary increment, etc. The managerial practice to satisfy this involves offering pension scheme, provident fund, gratuity etc.

### **Social Needs**

We have all heard that man is a social animal, we want to be there with those people where we are loved and we are accepted as we are; nobody wants to be judged. This is a common requirement every human desires.



This theory helps managers to think about encouraging their employees by identifying employee needs. In short, it presents motivation as constantly changing force, expressing itself to the constant need for fulfilment of new and higher levels of needs.

### **Esteem**

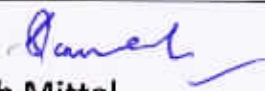
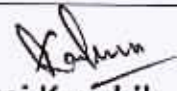
Esteem means the typical human desire to be accepted and valued by others. People often involve in a profession or hobby to gain recognition, earn fame and respect. According to Maslow, the needs of humans have strict guidelines - the hierarchies rather than being sharply separated, are interrelated. This means that esteem and the consequent levels are not strictly separated but are closely related.

### **Self-Actualization**

Self-actualization means realizing one's full potential. Maslow describes this as a desire to complete everything that one can, to become the most that one can be.

### **Following queries were raised by the faculty members:**

- Mr. Ajay Chauhan raised the query if Maslow's theory is effective in every situation.

 <b>Dr. Saurabh Mittal</b>	 <b>Dr. Pankaj Kaushik</b>
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic : New Product Development**

**By : Mr. Vivek Kumar Tyagi**

**31-10-2015**

**About the Topic:** The following key points were discussed during the session:

A brief internet search will confidently tell you that there are anywhere between 4 and 8 stages of the 'ideal product development process'. But however your business chooses to break down the different phases that lead from ideation to launch, there is a real need to develop a systematic approach to product development.

Many of the high tech businesses that we work with adopt an NPD approach that breaks down into seven stages.

Are these the ideal seven stages of new product development?

**1. Concept/ideation**

This is the concept and ideation stage during which a product's functional and performance requirements can be defined along with buyer personas or 'the voice of the customer'. Customer requirements and innovative functionality design ideas are floated and explored freely to find compelling potential solutions that answer an identified market need.

**2. Feasibility study and design planning**

The feasibility phase gives management an opportunity to evaluate a project's potential success, reviewing and refining the business case from various angles. During this phase, the project team reviews product design concepts. They then select the design that best fulfils the previously defined user requirements. Now, the detailed, exhaustive project requirements are assembled that will guide the design and development phase.

**3. Design and development**

In this phase, formal engineering specifications are created. Verification and validation plans are developed for the future. These are the final quality checks that will systematically determine that all agreed deliverables are present and working in the end product. The product is then developed against the designs, with regular checks made throughout the process to assess and mitigate the risk of its failure for the end-user and the project itself.

#### 4. Testing & verification

Comprehensive testing of the final product takes place to evaluate the robustness of the design and its ability to meet customer and performance requirements. Verification takes place against the design requirements identified in stage 2.

#### 5. Validation & collateral production

Validation takes place against the customer needs that have been identified at the ideation stage. Collateral is finalized and prepared to support the manufacture and launch phase.

#### 6. Manufacture/launch



Plans, specs and other relevant documentation are transferred to manufacture for production, or software products and updates are released to customers. Marketing and launch plans are finalized and activated. Software products are released to customers electronically as updates or download.

#### 7. Improvement

The new product becomes part of the company's portfolio. Ongoing product management ensures the product is subject to continuous upgrades and improvement. CAPA processes are in place to feed into these actions.

Following queries were raised by the faculty members:

- Mr. Rajeev Rawal asked the role of finance in the steps of new product development.

 <b>Dr. Saurabh Mittal</b> Head, Department of Business Administration	 <b>Mr. Vivek Kumar Tyagi</b> Assoc. Professor, Department of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic: Plant Layout**

**By: Mr. Rajeev Rawal**

**07-11-2015**

**About the Topic: The following key points were discussed during the session:**

Plant layout is the most effective physical arrangement, either existing or in plans of industrial facilities i.e. arrangement of machines, processing equipment and service departments to achieve greatest co-ordination and efficiency of 4 M's (Men, Materials, Machines and Methods) in a plant.

Layout problems are fundamental to every type of organization/enterprise and are experienced in all kinds of concerns/undertakings. The adequacy of layout affects the efficiency of subsequent operations.

**Need of plant layout:**

Many situations give rise to the problem of plant layout. Two plants having similar operations may not have identical layout. This may be due to size of the plant, nature of the process and management's caliber. The necessity of plant layout may be felt and the problem may arise when.

- (i) There are design changes in the product.
- (ii) There is an expansion of the enterprise.
- (iii) There is proposed variation in the size of the departments.
- (iv) Some new product is to be added to the existing line.

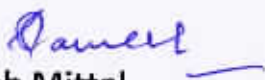



(v) Some new department is to be added to enterprise and there is reallocation of the existing department.

(vi) A new plant is to be set up.

**Following queries were raised by the faculty members:**

- Mr. Ajay Chauhan raised the query asking about the main objective of introducing plant layout.

 <b>Dr. Saurabh Mittal</b> Head, Faculty of Business Administration	 <b>Mr. Rajeev Rawal</b> Asst. Professor, Faculty of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic : Liquidation of Companies**

**By : Ms. Shruti Mittal**

**14-11-2015**

**About the Topic :** The following key points were discussed during the session:

**What does it mean when a company goes into liquidation? What happens to it afterwards?**

If a company goes into liquidation this means its assets i.e. property and stock, are "liquidated" – turned into cash for payment to the creditors of the company, in order of priority.

Liquidation results in your company being removed from the register at Companies House as it ceases to exist.

There are three types of liquidation:

1. Creditors Voluntary Liquidation
2. Compulsory Liquidation
3. Members Voluntary Liquidation (cash is returned to the members as the company is solvent)

Note that for voluntary liquidations, it is begun by shareholders and directors but for compulsory liquidation, creditors bring on the process from ordering a court order upon the company.

Let's explore!

**What is Creditors Voluntary Liquidation?**

Creditor's voluntary liquidation (CVL) is the most common form of liquidation in the UK, with about 10,000 of these liquidations each year.

Usually, the company runs out of cash and cannot pay its debts on time. The directors are concerned that the business is simply not viable as creditors are threatening legal action. In essence, it is appearing an 'insolvent company'.

The company directors then ask a liquidator, who must be a licensed insolvency practitioner (IP), to convene a meeting of the creditors of the company within 14 days. At the meeting, which is



now often held virtually, the IP will present a statement of affairs of the company to outline the current position and explain the procedure. The creditors then vote on the appointment of the liquidator to “liquidate” the assets to try and repay them (hence it is called a “creditors” liquidation).

Once the liquidator is appointed the directors no longer have any control or duties in relation to the company but they are duty-bound to cooperate with the insolvency practitioner and provide information in a timely manner. The IP will then look into the conduct of the directors and if there has been very bad practice, misfeasance or fraud then they may become subject to a disqualification.

The main job of the liquidator here is to organize the assets and distribute any to creditors i.e. writing off any debts.

### **What are the implications for the directors in creditors’ voluntary liquidation?**

You can liquidate a company and start the same or a new business again, but only under strict rules and conditions. This is a potential legal “minefield” and you need to take proper advice. Most importantly you cannot use the same or similar trade or business name as the liquidated company without leave of the court or permission from the IP. It is likely that HMRC will ask for a VAT deposit from the new company if they have been a significant creditor in the previous company. As a director, if you owe the company money i.e. have an overdrawn directors loan account then the liquidator will seek to claim this from you. If the loan is substantial and not justifiable then they will take action against you. Of course, personal guarantees will be called in if applicable as lenders are unlikely to get all their money back.

### **What Does Members Voluntary Liquidation Mean?**

A Members Voluntary Liquidation (MVL) is the formal process to bring a **solvent** company to a close. It can be known a ‘solvent liquidation’. A licensed insolvency practitioner is appointed as liquidator and will rganiz the company’s assets, settle any legal disputes and pay any outstanding creditors and then distribute the remaining surplus funds to the company’s shareholders/members. In a MVL, the company must have paid or be able to pay all of its creditors and contractual liabilities. Once the liquidator has completed these formalities and received clearance from HMRC, the company will be dissolved and formally removed from the companies register meaning it will no longer be registered at companies house.

A Members Voluntary Liquidation requires 75% of shareholders who have been given notice of the meeting of members to pass the winding up resolution.

This type of liquidation is appropriate when a company plans to close or wants to reduce taxes.

### **What Happens In Compulsory Liquidation?**

A compulsory liquidation is when the creditors of the company have lost all patience to try to collect the debt. The debt must be over £750, must be undisputed, and the creditor must have



notified the debtor of its intent to collect the debt. This often involves issuing a statutory demand first. If the debtor fails to pay the statutory demand in 21 days and does not dispute the debt, then the creditor may issue a winding-up petition.

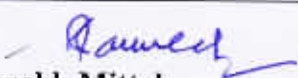

If the judge grants the winding up order then the official receiver will interview the director and liquidate the assets of the business to try and repay the creditors. This process generally takes much longer than a voluntary liquidation and is more stress and hassle for the directors involved. What is more, the official receiver has a mandatory duty to look at the organize of the directors. They will also have more resources to pursue any money that the directors owe the company which could result in personal insolvency.

### **Can I stop the process?**

Once a winding up petition is issued then it is difficult to stop the process. The only way to stop the liquidation is to pay the debt or get the petitioner to agree to withdraw the petition. It may be possible to get an adjournment of the winding up hearing to allow more time to find the funds or maybe even get a company voluntary arrangement organized but you will need to move very quickly!

### **Following queries were raised by the faculty members:**

- Mr. Amit Bhatnagar raised the query that what is the difference between liquidation and dissolution of company.

 <b>Dr. Saurabh Mittal</b> Head, Department of Business Administration	 <b>Ms. Shruti Mittal</b> Asst. Professor, Department of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic: Amalgamation**

**By: Mr. Ajay Chauhan**

**21-11-2015**

**About the Topic:** The following key points were discussed during the session:

**Amalgamation:**

Amalgamation is defined as the combination of one or more companies into a new entity. It includes:

- i. Two or more companies join to form a new company
- ii. Absorption or blending of one by the other

Thereby, amalgamation includes absorption.

However, one should remember that Amalgamation as its name suggests, is nothing but two companies becoming one. On the other hand, Absorption is the process in which the one powerful company takes control over the weaker company.

Generally, Amalgamation is done between two or more companies engaged in the same line of activity or has some synergy in their operations. Again the companies may also combine for diversification of activities or for expansion of services

**Why Amalgamate?**

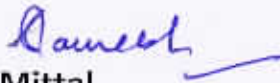
- a. To acquire cash resources
- b. Eliminate competition
- c. Tax savings
- d. Economies of large scale operations
- e. Increase shareholders value
- f. To reduce the degree of risk by diversification
- g. Managerial effectiveness
- h. To achieve growth and gain financially

## Procedure for Amalgamation

1. The terms of amalgamation are finalized by the board of directors of the amalgamating companies.
2. A scheme of amalgamation is prepared and submitted for approval to the respective High Court.
3. Approval of the shareholders' of the constituent companies is obtained followed by approval of SEBI.
4. A new company is formed and shares are issued to the shareholders' of the transferor company.
5. The transferor company is then liquidated and all the assets and liabilities are taken over by the transferee company.

### Following queries were raised by the faculty members:

- Mr. Rajeev Rawal raised the point asking the difference between amalgamation and holders.

 <b>Dr. Saurabh Mittal</b>	<b>Mr. Ajay Chauhan</b>
<b>Head, Faculty of Business Administration</b>	<b>Asst. Professor, Faculty of Business Administration</b>



**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic: Types of marketing channels**

**By: Mr. Ankur Tyagi**

**28-11-2015**

**About the Topic :** The following key points were discussed during the session:

There are basically four types of marketing channels:

- Direct selling;
- Selling through intermediaries;
- Dual distribution; and
- Reverse channels.

Essentially, a channel might be a retail store, a website, a mail-order catalog, or direct personal communications by a letter, email, or text message. Here's a bit of information about each one.

### **Direct Selling**

Direct selling is the marketing and selling of products directly to consumers away from a fixed retail location. Peddling is the oldest form of direct selling.

Modern direct selling includes sales made through the party plan, one-on-one demonstrations, and personal contact arrangements as well as internet sales.

### **Selling Through Intermediaries**

A marketing channel where intermediaries such as wholesalers and retailers are utilized to make a product available to the customer is called an indirect channel.

The most indirect channel you can use (Producer/manufacturer → agent → wholesaler → retailer → consumer) is used when there are many small manufacturers and many small retailers and an agent is used to help coordinate a large supply of the product.

## Dual Distribution

Dual distribution describes a wide variety of marketing arrangements by which the manufacturer or wholesalers uses more than one channel simultaneously to reach the end-user. They may sell directly to the end-users as well as sell to other companies for resale. Using two or more channels to attract the same target market can sometimes lead to channel conflict.

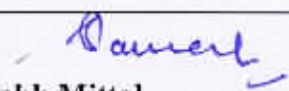
## Reverse Channels

If you've read about the other three channels, you would have noticed that they have one thing in common – the flow. Each one flows from producer to intermediary (if there is one) to consumer.

Technology, however, has made another flow possible. This one goes in the reverse direction and may go – from consumer to intermediary to beneficiary. Think of making money from the resale of a product or recycling.

Following queries were raised by the faculty members:

- Mr. Kapil Dev Dhiman asked about peddling system in direct selling in detail.

 <b>Dr. Saurabh Mittal</b> Head, Department of Business Administration	<b>Mr. Ankur Tyagi</b> Asst. Professor, Department of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic: Cash Flow**

**By: Mr. Kapil Dev Dhiman**

**05-06-2016**

**About the Topic:** The following key points were discussed during the session:

**CASH FLOW**

Cash Flow (CF) is the increase or decrease in the amount of money a business, institution, or individual has. In finance, the term is used to describe the amount of cash (currency) that is generated or consumed in a given time period. There are many types of CF, with various important uses for running a business and performing financial analysis. This guide will explore all of them in detail.

**Types of Cash Flow**

There are several types of Cash Flow, so it's important to have a solid understanding of what each of them is. When someone refers to CF, they could mean any of the types listed below, so be sure to clarify which cash flow term is being used.

**Types of cash flow include:**

- 1. Cash from Operating Activities** – Cash that is generated by a company's core business activities – does not include CF from investing. This is found on the company's statement of cash flow (the first section).
- 2. Free Cash Flow to Equity (FCFE)** – FCFE represents the cash that's available after reinvestment back into the business (capital expenditures).
- 3. Free Cash Flow to the Firm (FCFF)** – This is a measure that assumes a company has no leverage (debt). It is used in financial modeling and valuation.



**4. Net Change in Cash** – The change in the amount of cash flow from one accounting period to the next.

· **Uses of Cash Flow**

Cash Flow has many uses in both operating a business and in performing financial analysis. In fact, it's one of the most important metrics in all of finance and accounting.

The most common cash metrics and uses of CF are the following:

**Net Present Value** – calculating the value of a business by building a DCF Model and calculating the net present value (NPV)

**Internal Rate of Return** – determining the IRR an investor achieves for making an investment

**Liquidity** – assessing how well a company can meet its short-term financial obligations

· **Cash Flow Yield** – measuring how much cash a business generates per share, relative to its share price, expressed as a percentage

**Cash Flow per Share (CFPS)** – cash from operating activities divided by the number of shares outstanding

**P/CF Ratio** – the price of a stock divided by the CFPS (see above), sometimes used as an alternative to the Price-Earning

**Cash Conversion Ratio** – the amount of time between when a business pays for its inventory (cost of goods sold) and receives payment from its customers is the cash conversion ratio



**Funding Gap** – a measure of the shortfall a company has to overcome (how much more cash it needs)

· **Dividend Payments** – CF can be used to fund dividend payments to investors

**Capital Expenditures** – CF can also be used to fund reinvestment and growth in the business

**Following queries were raised by the faculty members:**

- Mr. Rajeev Rawal raised the point asking if dividend payments is different from capital expenditures.

 <b>Dr. Saurabh Mittal</b> Head, Faculty of Business Administration	 <b>Mr. Kapil Dev Dhiman</b> Asst. Professor, Faculty of Business Administration
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**Faculty of Business Administration**

**Minutes of "Saturday Tea Club"**

**Topic : Ergonomics**

**By : Mr. Amit Bhatnagar**

**12-03-2016**

**About the Topic: The following key points were discussed during the session:**

Ergonomics can roughly be defined as the study of people in their working environment. More specifically, an ergonomist (pronounced like economist) designs or modifies the work to fit the worker, not the other way around. The goal is to eliminate discomfort and risk of injury due to work. In other words, the employee is our first priority in analyzing a workstation.

When evaluating a job, looking for three main characteristics known as Ergonomic Stressors: the force required to complete a task, any awkward or static working postures adopted in completing a task, and the repetitiveness of a task. Any of these factors, or any combination of these factors, may place someone at greater risk for discomfort.

**Purpose**

The Department of Environment, Health and Safety's (EHS) purpose is to help all UNC employees create and maintain a healthy and safe working environment.

**Goal**

EHS wants to provide information and education to allow any employee to avoid injury. EHS wants to educate people on the basics of ergonomics. Not only will they be able to help themselves at work, but these principles can be applied to home, hobbies or help friends and coworkers who may have similar issues. Remember, knowledge is contagious.

**Services**

**Services EHS offer include:**



- Providing information about ergonomics
- Providing consultation regarding workstation setup
- Giving on-campus training on ergonomics (as requested)
- Providing product evaluations
- Providing an online self-assessment tool. This tool will walk the individual through a self evaluation and provide the user with recommendations to modify their workstation.

### Why is ergonomics important?

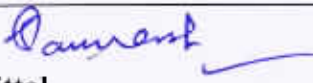

In the workplace: According to Safe Work Australia, the total economic cost of work-related injuries and illnesses is estimated to be \$60 billion dollars. Recent research has shown that lower back pain is the world's most common work-related disability – affecting employees from offices, building sites and in the highest risk category, agriculture.

Ergonomics aims to create safe, comfortable and productive workspaces by bringing human abilities and limitations into the design of a workspace, including the individual's body size, strength, skill, speed, sensory abilities (vision, hearing), and even attitudes.

In the greater population: The number of people in Australia aged 75 and over is forecast to double over the next 50 years. With this, equipment, services and systems will need to be designed to accommodate the increasing needs of the ageing population, applying to public transport, building facilities, and living spaces

### Following queries were raised by the faculty members:

- Dr. Pankaj Kaushik raised the query that what is the basic importance of ergonomics in ecological system.

<p style="text-align: center;"></p> <p><b>Dr. Saurabh Mittal</b> Head, Department of Business Administration</p>	<p style="text-align: center;"></p> <p><b>Mr. Amit Bhatnagar</b> Asst. Professor, Department of Business Administration</p>
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