SHRI RAM COLLEGE,

MUZAFFARNAGAR

DEPARTMENT OF BUSINESS ADMINISTRATION

SATURDAY TEA CLUB FILE

SESSION: 2019-20

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. Pankaj Kumar	week 1
2- Ms. Nidhi Sharma	week 2
3- Dr. Himanshu Verma	week 3
4- Dr. Pankaj Kaushik	week 4
5- Dr. Vivek Kumar Tyagi	week 5
6- Mr. Rajeev Rawal	week 6
7- Ms. Shruti Mittal	week 7
8- Mr. Ajay Chauhan	week 8
9- Mr. Ankur Tyagi	week 9
10- Mr. Kapil Dev Dhiman	week 10

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3	14-09-2019	Dr. Himanshu Verma	World Bank
4	05-10-2019	Dr. Pankaj Kaushik	Management Audit
5	07-10-2019	Dr. Vivek Kumar Tyagi	Bonus Shares
6	14-10-2019	Mr. Rajeev Rawal	Difference between VAT and Sales Tax
7	18-01-2020	Ms. Shruti Mittal	Export Possibility
8	01-02-2020	Mr. Ajay Chauhan	Advertising Budget
9	22-02-2020	Mr. Ankur Tyagi	Job Analysis
10	14-03-2020	Mr. Kapil Dev Dhiman	Types of Marketing Channels

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : CAD

By : Dr. Pankaj Kumar

31-08-2019

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

Computer-aided design (CAD) is the use of computers (or workstations) to aid in the creation, modification, analysis, or optimization of a design. CAD software is used to increase the productivity of the designer, improve the quality of design, improve communications through documentation, and to create a database for manufacturing.

Designs made through CAD software are helpful in protecting products and inventions when used in patent applications. CAD output is often in the form of electronic files for print, machining, or other manufacturing operations. The term CADD (for computer aided design and drafting) is also used.

Purpose of CAD

Used by engineers, architects, and construction managers, CAD has replaced manual drafting. It helps users creating designs in either 2D or 3D so that they can visualize the construction.

CAD enables the development, modification, and optimization of the design process.

CAD enables the development, modification, and optimization of the design process. Thanks to CAD, engineers can make more accurate representations and modify them easily to improve design quality. The software also takes into account how various materials interact: This is especially relevant as more details are added to drawings by subcontractors.

Today, drawings/plans can be stored in the cloud, Thus, contractors have gained access to CAD-based drawings/plans at the worksite. Entire teams can check out plan modifications easily, including the contractor and subcontractors. This way, it is possible for relevant parties to recognize the possible impact the changes might have on construction and adapt as needed. Such ready access to plans improves communication.

Following queries were raised by the faculty members:

- Ms. Shruti Mittal raised the query that what is the need of CAD in patent registration.

Dr. Pankaj Kumar

Head , Department of Business Administration

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic: Casual Income

By : Ms. Nidhi Sharma

07-09-2019

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

Casual income means an income which is casual in nature, i.e., which is unplanned, uncertain, accidental, sudden income which occurs just by chance and the person cannot depend upon it to produce income in future.

Example: Winning from lotteries, gambling, betting, etc.,

Apart from these, any incomes which are unanticipated and non-recurring in nature are called Casual incomes.

Similarly, capital gains, receipt from a business or an occupation and one-time benefits like bonus given to employees are not casual incomes.

As per Income Tax Act: Casual incomes upto Rs. 5000/- were exempt from tax but at present all casual incomes are subject to tax at 30% plus education cess (including surcharge, if any). They are treated as income from other sources and are taxable u/s 56 of Income Tax Act.

Lotteries includes winning from prizes by draw of lots or by chance
Card games or other game of any sort includes any game show , an entertainment programme on television or electric mode in which people compete to win prizes

Casual income Shall be taxable at the rate of 30% under section 115BB under the head income from other sources

It will be included in the gross total income & total income but while computing tax liability it shall be separated from total income

As per section 87A rebate shall be allowed from casual income

As per section section 58(4),deduction under section 80C - 80 U shall not be allowed from casual income

As per section 70 if the assess has loss u/h other sources ,such losses is allowed to be set off from any income under the same head but not from casual income

Following queries were raised by the faculty members:

- Dr. Pankaj Kaushik raised the query asking about the changes taken place in the norms of casual income after the introduction of GST.

Dr. Pankaj Kumar **Head, Department of Business Administration**	Nidhi **Ms. Nidhi Sharma** **Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : World Bank

By : Dr. Himanshu Verma

14-09-2019

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

The International Bank for Reconstruction and Development (IBRD), commonly referred to as the World Bank, is an international financial institution whose purposes include assisting the development of its member nation's territories, promoting and supplementing private foreign investment and promoting long-range balance growth in international trade.

The World Bank was established in December 1945 at the United Nations Monetary and Financial Conference in Bretton Woods, New Hampshire. It opened for business in June 1946 and helped in the reconstruction of nations devastated by World War II. Since 1960s the World Bank has shifted its focus from the advanced industrialized nations to developing third-world countries.

Organization and Structure:

The organization of the bank consists of the Board of Governors, the Board of Executive Directors and the Advisory Committee, the Loan Committee and the president and other staff members. All the powers of the bank are vested in the Board of Governors which is the supreme policy making body of the bank.

The board consists of one Governor and one Alternative Governor appointed for five years by each member country. Each Governor has the voting power which is related to the financial contribution of the Government which he represents.

Objectives:

The following objectives are assigned by the World Bank:

1. To provide long-run capital to member countries for economic reconstruction and development.

2. To induce long-run capital investment for assuring Balance of Payments (BoP) equilibrium and balanced development of international trade.

3. To provide guarantee for loans granted to small and large units and other projects of member countries.

4. To ensure the implementation of development projects so as to bring about a smooth transference from a war-time to peace economy.

5. To promote capital investment in member countries by the following ways;

(a) To provide guarantee on private loans or capital investment.

(b) If private capital is not available even after providing guarantee, then IBRD provides loans for productive activities on considerate conditions.

Functions:

World Bank is playing main role of providing loans for development works to member countries, especially to underdeveloped countries. The World Bank provides long-term loans for various development projects of 5 to 20 years duration.

The main functions can be explained with the help of the following points:

1. World Bank provides various technical services to the member countries. For this purpose, the Bank has established "The Economic Development Institute" and a Staff College in Washington.

2. Bank can grant loans to a member country up to 20% of its share in the paid-up capital.

3. The quantities of loans, interest rate and terms and conditions are determined by the Bank itself.

4. Generally, Bank grants loans for a particular project duly submitted to the Bank by the member country.

5. The debtor nation has to repay either in reserve currencies or in the currency in which the loan was sanctioned.

6. Bank also provides loan to private investors belonging to member countries on its own guarantee, but for this loan private investors have to seek prior permission from those counties where this amount will be collected.

Following queries were raised by the faculty members:

- Ms. Shruti Mittal asked about the procedure of taking loans from World Bank.

Dr. Pankaj Kumar **Head, Department of Business Administration**	**Dr. Himanshu Verma** **Assoc. Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : Management Audit

By : Dr. Pankaj Kaushik

05-10-2019

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

Management audit is an analysis and assessment of the competencies and capabilities of a company's management in carrying out corporate objectives. The purpose of a management audit is not to appraise individual executive performance but to evaluate the management team in its effectiveness to work in the interests of shareholders, maintain good relations with employees, and uphold reputational standards. It is important to stress that the management audit assesses the overall management of the company, not the performance of individual managers.

How a Management Audit Works

A company's board of directors does not have a formal management audit committee. Instead, board members sit on the compensation committee and assess the performance of individual executives using quantitative information (organic sales, EBIT margins, segment margins, operating cash flows, and EPS) and unquantifiable or intangible elements (e.g., efforts toward acquisition integration).

The board of directors will hire an independent consultant to conduct a management audit. The scope of the audit may be narrow, but in most cases, it is comprehensive including many key aspects of the responsibilities of a management team.

Implementing a Management Audit

The goal of a management audit is to identify the weaknesses of the management team. The audit is most often carried out on a companywide basis but it can also be isolated to certain business segments. The goal is always to find out how effective management is and where it can improve.

Areas that a management audit will cover but are not limited to include human resources, marketing, research and development (R&D), budgeting, operations, finance, information systems, and corporate structure.

The management audit will consist of interviews with management and employees, an analysis of financial statements and performance, a study of a company's policies and procedures, an evaluation of training programs, the hiring process, and many other areas within an organization.

When the audit is complete, the external audit company will not only provide its findings but will most often provide an entire plan for the board of directors to implement so that the company can operate at an optimal level.

Following queries were raised by the faculty members:

- Mr. Ajay Chauhan raised the query that what is the difference between management audit and normal company audit.

Dr. Pankaj Kumar	**Dr. Pankaj Kaushik**
Head, Department of Business Administration	**Assoc. Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : Bonus shares

By : Dr. Vivek Kumar Tyagi

07-10-2019

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

Bonus shares are the additional shares that a company gives to its existing shareholders on the basis of shares owned by them. Bonus shares are issued to the shareholders without any additional cost.

Let us now learn why the companies issue bonus shares.

WHY COMPANIES ISSUE BONUS SHARES?

Bonus shares are issued by a company when it is not able to pay a dividend to its shareholders due to shortage of funds in spite of earning good profits for that quarter. In such a situation, the company issues bonus shares to its existing shareholders instead of paying dividend. These shares are given to the current shareholders on the basis of their existing holding in the company. Issuing bonus shares to the existing shareholders is also called capitalization of profits because it is given out of the profits or reserves of the company.

Let us now learn about how the bonus shares calculation is done.

BONUS SHARES CALCULATION

The bonus shares are given to the existing shareholders according to their existing stake in the company. Like for example, a company declaring one for two bonus shares would mean that an existing shareholder would get one bonus share of the company for every two shares held. Suppose a shareholder holds 1,000 shares of the company. Now when the company issues bonus shares, he will receive 500 bonus shares (1,000 *1/2 = 500).

When the company issues bonus shares, the term "record date" is used along with it. Let us now learn about the term record date.

WHAT IS RECORD DATE?

Record date is a cut-off date set by the company. If you are the owner of the shares of the company on this cut-off date then you are eligible to receive the bonus shares. The record date is set by the company so that they can find the eligible shareholders and distribute bonus shares to them.

Let us now learn about the advantages of bonus shares.

ADVANTAGES OF BONUS SHARES

- There is no need for investors to pay any tax on receiving bonus shares.
- It is beneficial for the long-term shareholders of the company who want to increase their investment.
- Bonus shares enhance the faith of the investors in the operations of the company because the cash is used by the company for business growth.
- When the company declares a dividend in the future, the investor will receive higher dividend because now he holds larger number of shares in the company due to bonus shares.
- Bonus shares give positive sign to the market that the company is committed towards long term growth story.
- Bonus shares increase the outstanding shares which in turn enhances the liquidity of the stock.
- The perception of the company's size increases with the increase in the issued share capital.

Since there are many advantages of bonus shares, let us now learn the conditions for the issue of bonus shares.

CONDITIONS FOR ISSUE OF BONUS SHARES

- The issue of bonus shares must be authorized by the Articles of the company.
- The issue of bonus shares must be recommended by the resolution of the Board of Directors. Also this recommendation must be later approved by the shareholders of the company in the general meeting.
- The Controller of Capital Issues must give permission to the issue.

Following queries were raised by the faculty members:

- Mr. Amit Bhatnagar raised the query asking if the shareholders prefers bonus shares over dividend.

Dr. Pankaj Kumar	**Dr. Vivek Kumar Tyagi**
Head, Department of Business Administration	**Asst. Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : VAT and Sales Tax

By : Mr. Rajeev Rawal

14-10-2019

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

VAT (value-added tax) is a consumption tax placed on a product when value is added at each stage of the supply chain. These stages include the very beginning with raw materials to the production process and then finally to the point of sale with the end consumer.

Suppliers, manufacturers, distributors, retailers, and end consumers all pay the VAT on their purchases. Businesses are responsible for tracking and documenting the VAT they pay on purchases.

Sales tax is a consumption tax imposed by each state government on the sale of goods and services. A conventional sales tax is levied at the point of sale when the retailer collects the sales tax and then passes it on to the government.

End consumers pay the sales tax on their purchases. Businesses issue resale certificates to their sellers when buying business supplies that will be resold since sales tax is not due.

Sales tax and VAT are not the same. The main difference lies in which stage in the sales process the tax is levied. Sales tax is levied at the final point of sale. Only the end consumer bears the responsibility to pay for the sales tax.

State and local municipalities often have different sales tax obligations (unless you live in Alaska, Delaware, Montana, New Hampshire, and Oregon where general sales tax is not imposed.)

On the other hand, VAT is an invoice-based system and is collected at every stage of the supply chain whenever the product gains more value. Each buyer in the transaction process is responsible for paying VAT, rather than just the end consumer.

Every seller in the production process charges VAT on the new buyer and then remits it to the appropriate tax authority. The amount in VAT collected at each sale is based on the new, increased value added by the latest seller.

Whether it's a 10% sales tax or a 10% VAT, the amount of tax paid on each dollar is the same. However, the process for filing and remitting the taxes to the government is very different.

The following are the major differences between Central Sales Tax and VAT:

1. Sales Tax is a tax on sales. Value Added Tax is a tax on value addition done by each party of the supply chain like supplier, producer, wholesaler, distributor or retailer, etc.
2. Sales Tax is a single-stage tax, but VAT is a multi-stage tax.
3. In VAT, the chances of tax evasion are very less as compared to Sales Tax in which evasion of tax can be done easily.
4. Double taxation is always there in case of Sales tax, whereas VAT is totally free from cascading effect.
5. The sales tax is levied on total value, but in VAT tax is charged only on the value added to the commodity.
6. Sales Tax is easy to calculate while VAT calculation requires time and effort.
7. In Sales Tax, the tax burden is borne by the consumer. On the other hand, the tax burden is rationalized.
8. Input Tax Credit (ITC) is available in VAT but not in Sales Tax.
9. The authority of levying sales tax is in the hands of both Central Government and State Government, but VAT is levied by the State Government only.

Following queries were raised by the faculty members:

- Ms. Shruti Mittal raised the query that what changes took place in VAT and Sales tax's norms after the introduction of GST.

Dr. Pankaj Kumar	**Mr. Rajeev Rawal**
Head, Department of Business Administration	**Asst. Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : Export Possibility

By : Ms. Shruti Mittal

18-01-2020

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

1. Decide where to sell

Research is vital! Identify the markets with a little desk research. Find the consumption / import figures of products similar to your own and the economic growth rate of a potential new market. Look up the demographics, cultural and religious practices and your potential competition.

2. Have a plan

Your export plan should include your people.

-Your People
-Your Capacity
-Your Packaging
-Your Knowledge

3. Choose a route to market

You can do one of four options:

1. Sell directly
2. Use a distributor
3. Use a sales agent
4. Create a joint venture.

Whichever option you chose, you must ensure clarity of responsibility for things like delivery and payment and ALWAYS remember to protect your intellectual property.

4. Find the opportunities

Trade fairs are one of the best ways to find opportunities both in the UK and abroad. Meet buyers and generate new business. Check with us about available grants to subsidise the cost of exhibiting, or see if you can share the cost of a stand with another business.

5. Start marketing

Adverts can help you gain exposure but can be expensive. As with the UK, be mindful of the target audience and expense vs. return on investment. Another option is to create a website with content translated according to your target market. Global social media sites such as Linkedin, Facebook and Twitter can also help you to promote your message quickly and free of charge. Although these do not cost anything to set up, they need time invested to keep updated. Whatever you use, make sure all your marketing materials have up-to-date contact details for your company along with the person responsible for export sales.

6. Understand the admin

Documentation is at the very heart of exporting, without it there is no contract, no transport and no payment. The requirements vary from country to country.

7. Get paid and get insured

Once the orders start to come in, you need to be paid. We can help make sure you do that with:

-Incoterms
-Export documentation
-Written quotations

8. Legal considerations

Understanding the legal and regulatory environment in all countries to which you would like to export is vital. We can help get your paperwork in place and put you in touch with international lawyers should it be required.

9. Transport logistics

Now you've made the sale and agreed the terms, you have to get the goods there! We can help make sense of transportation. From your Incoterms insurance, duties and customs clearance, to the packaging you require and the method(s) of transport or freight forwarders required.

10. Success!

Congratulations. Now you have successfully become an international exporter. The work doesn't stop here. Now you need to increase your chances of repeat business and become a reliable international exporter with a solid brand.

Following queries were raised by the faculty members:

- Dr. Himanshu Verma raised the query if such export possibility steps could be followed with all the products.

Dr. Pankaj Kumar **Head, Department of Business Administration**	**Ms. Shruti Mittal** **Asst. Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : Advertising Budget

By : Mr. Ajay Chauhan

01-02-2020

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

ADVERTISING BUDGET

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 exits 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 productlife 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.

Dr. Pankaj Kumar	**Mr. Ajay Chauhan**
Head, Department of Business Administration	**Asst. Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : Job Analysis

By : Mr. Ankur Tyagi

22-02-2020

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

Job analysis is a procedure through which you determine the duties and responsibilities, nature of the jobs and finally to decide qualifications, skills and knowledge to be required for an employee to perform particular job.

Job analysis helps to understand what tasks are important and how they are carried on.

Job analysis forms basis for later HR activities such as developing effective training program, selection of employees, setting up of performance standards and assessment of employees (performance appraisal)and employee remuneration system or compensation plan.

Job analysis is a detailed examination of

(1)tasks that make up a job (employee role),
(2) conditions under which an employee performing his/her job, and
(3) what exactly a job requires in terms of aptitudes (potential for achievement), attitudes (behavior characteristics), knowledge, skills, educational qualifications and the physical working condition of the employee.

Its objectives include:

(a)to determine most effective methods for performing a job.

(b) to increase employee job satisfaction.
(c) to identify core areas for giving training to employees and to find out best methods

of training.
(d) development of performance measurement systems, and
(e) to match job-specifications with employee specifications while selection of an employee.

Following queries were raised by the faculty members:

- Ms. Shruti Mittal asked about the effects of recruitment and selection process on Job Analysis.

Dr. Pankaj Kumar **Head, Department of Business Administration**	**Mr. Ankur Tyagi** **Asst. Professor, Department of Business Administration**

Faculty of Business Administration

Minutes of "Saturday Tea Club"

Topic : Types of marketing channels

By : Mr. Kapil Dev Dhiman

14-03-2020

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

Types of marketing channels

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, 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:

- Ms. Shruti Mittal asked about the reverse channels of marketing in detail.

Dr. Pankaj Kumar	**Mr. Kapil Dev Dhiman**
Head, Department of Business Administration	**Asst. Professor, Department of Business Administration**