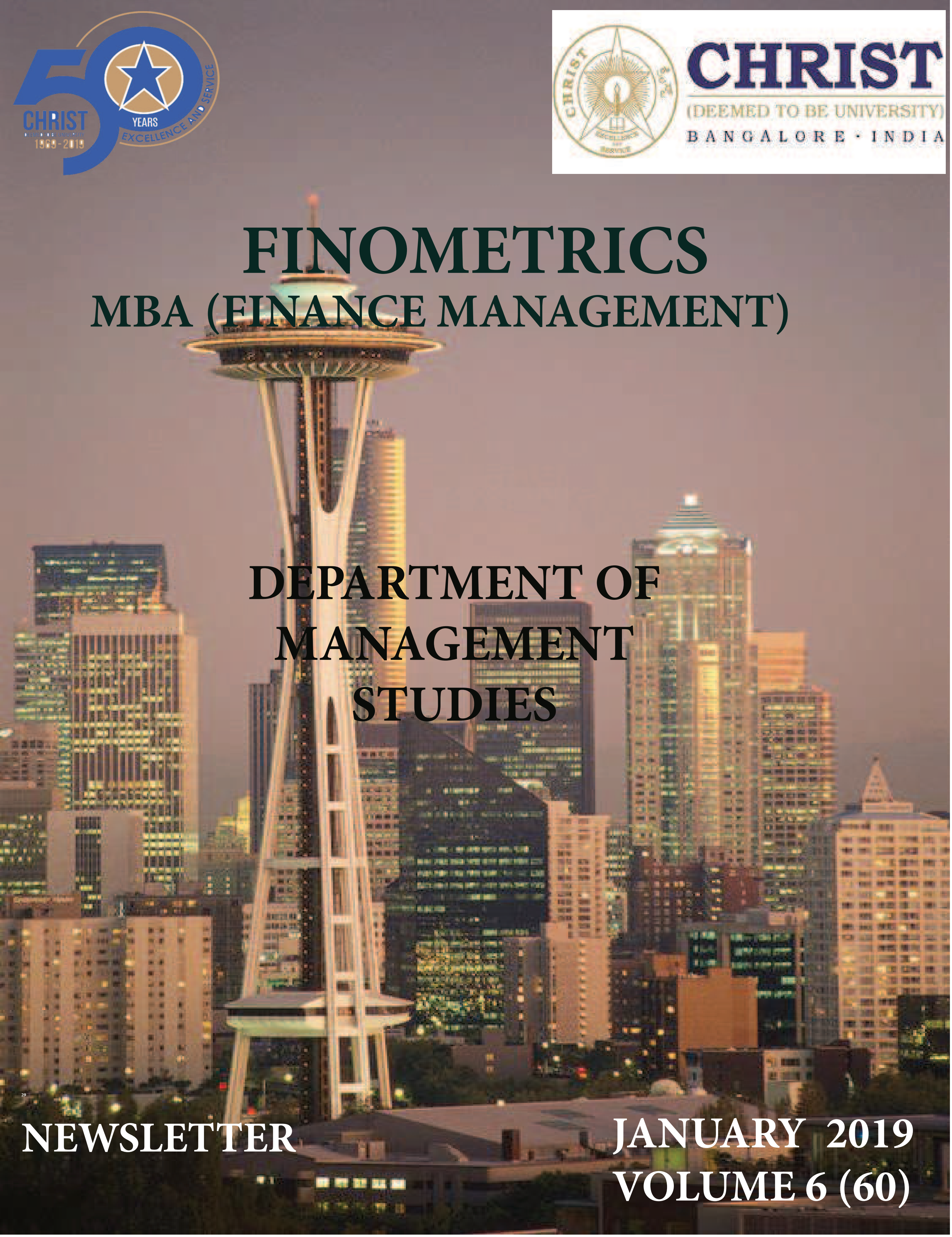

CHRIST
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MBA (FINANCE MANAGEMENT)

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Is Money Supply & Stock prices closely related?

Deepika Joseph
1828827

Money supply tells us whether there is abundance or scarcity of money in an economy. The money supply concept is far older than the coins and notes circulating in the country. In fact, the physical money makes up only one-tenth of all the money, rest of it is virtual. The line of unused credit in your credit card account or in that of big company's commercial bank accounts are all part of money supply, because these can be utilised just as readily as coins and notes to buy goods and services.

Economists keep a close check on the money supply in the economy as it determines. the purchasing power and the demand for the goods and services.

With high rate of money supply, it becomes cheap to borrow the funds. While on the other hand when the money supply is low, there won't be enough funds to lend out. The borrowers will then have to offer higher interest rates in order to borrow.

Therefore, an increase in money supply and following drop in interest rates results in low returns to the investors on their lending, so they tend to shift their funds to stocks which ultimately becomes more attractive option for investment to them.

Another big reason for the increase in stock prices when money supply is high is the rise in general demand in the economy. When borrowing rates are low and purchasing power is high, consumers tend to buy every imaginable goods and services. This results in increase in the sales of most companies leading to high profits and rise in the stock prices. Thus, this shows that money supply and stock prices have always been closely correlated to each other.

Assets Finance Companies in India

Manikanta P
1828812

What is an Asset Finance Company?

Asset Finance Company is a type of Non-Banking Financial Company (NBFC) which is a financial institution engaged in the financing of capital / physical assets supporting productive/economic activity such as automobiles, power generating machinery etc. they also provide short-term working capital loan against inventory, receivables. Asset Finance Company can be incorporated as a public company and a private company also.

As per RBI, any non-managing an account company can go about as a benefit fund company, subject to, the pay emerging from the total of physical resources supporting the monetary action isn't under 60% of its aggregate resources and aggregate pay individually. When the organizations fulfil this condition can visit the territorial office in the purview where their enrolled office is situated alongside their authentication of enlistment as issued by the bank to group them as the advantage back organizations.

The archives of the organizations must be upheld by their statutory evaluator's declaration wherein the advantage/salary example of the company as on March 31, 2006, ought to be unmistakably referenced. When every one of these conditions is satisfied, at that point the adjustment in the arrangement in the declaration of enlistment issued by the banks would be consolidated as NBFC-Asset Finance Company, either as NBFC-D-AFC (if, tolerating stores) or NBFC-ND-AFC (if, not tolerating stores).

As on October 26, 2018, there are 290 Asset Finance Companies in India serving various sectors automobile, mining, leasing services and hire purchase, transportation, logistics, real estate. Assets finance company must generate 60% of its revenue from the aggregate of physical assets supporting the economic activity is not less than 60% of its total assets and total income respectively.

Some of the well-known Asset Finance Companies in India are Kotak Mahindra Prime Ltd, TATA Motors Finance Ltd, John Deere Financial Ltd, Muthoot Vehicle & Asset Finance Ltd.

Can mutual fund be a better Investment?

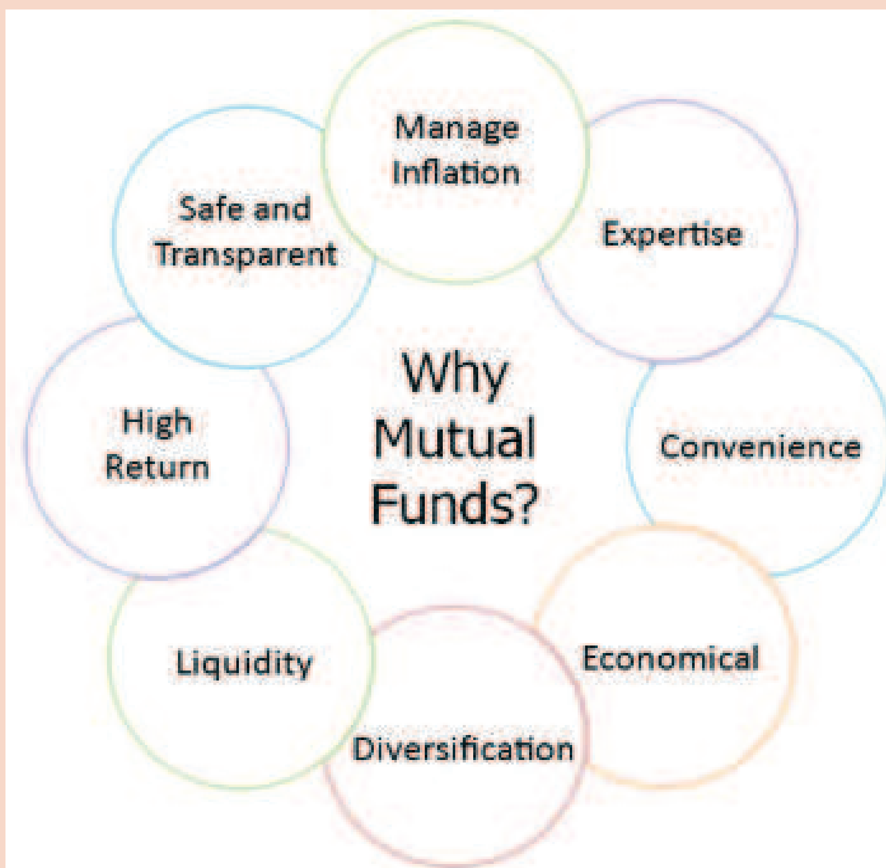
ALBIN.G.SABU
1828801

Mutual Fund can be explained as a pool of money raised from various investors mainly of retail or Institutional in nature to purchase securities. The main advantageous of investing in mutual funds are they will give back economies of scale, a higher level of diversification, they provide liquidity, as professional investors manage them. On the other hand, main problem faced by the investors in a mutual fund must pay numerous expenses and fees. Mutual funds can provide you products that can meet your financial goals with relatively lesser risk.

Mutual fund provide numerous advantageous to the investors main among them is mutual fund provide safety for our investment as we (investors) can choose how our investment should be and how risky it should be. Other main advantage that can attract an investor to mutual fund is its liquidity, Mutual fund provide investor high liquidity that we can withdraw our investment and get the entire amount within 3 days. Most important feature of the mutual investment is diversification instead of investing in anyone securities or on a single company share, we can invest in multiple instruments. Further mutual fund also allows the investors to plan their returns accordingly those with high return or long-term return accordingly.

Mutual Fund gives the investors investing decisions crosswise over risk and return. You can pick the investment upon your speculation goal and objectives. On the off chance that Investor are focusing at capital appreciation, it would be better for him to take a gander at value common assets from a debts fund. Mutual fund provides number of investment categories to invest upon. Mainly Mutual fund provides investment opportunities in debt, equity, hybrid funds, Gold funds and International funds.

Rather than investing in any other securities or market mutual fund will be a better option as they provide as they provide all above mentioned benefits to the customers than investing in any other securities.



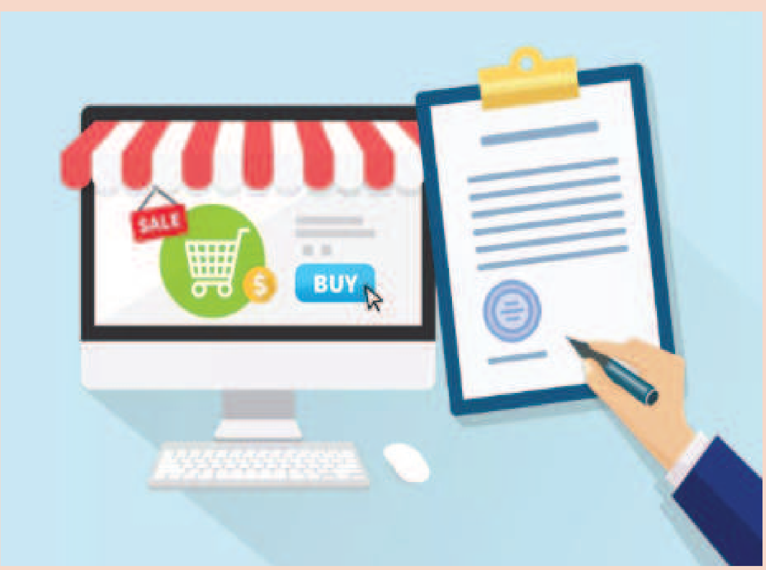
To keep the playground still safe to play

Astha Gupta
1828825

After the change in FDI policy, ecommerce players are reviewing their game rules, not to lose their stake. Under the new norms, ecommerce companies can no longer sell their own products, can't enter into an agreement for exclusive sale of products, and sell not more than 25% of its product portfolio on any of the online platform.

Solutions to this framework can be versatile – like, a slight change in their business model. Initially, products were available online but now vendor companies can sell their product through exclusive retail stores. Taking into consideration the pre-established infrastructure of logistical firms will help them in faster delivery and reach mass once they tie up with the vendor companies. This means, instead of relying directly on the ecommerce platforms, vendors can simply use the logistic support by themselves. For medium and small players, they can ensure survival by entering into agreements with large retail chains to sell their products in big retail stores. For exclusive sales, companies can offer an additional product with the original product purchased by customer or offer discount coupons with their products which is available at retail stores. Every vendor has to diversify its range of products in different ecommerce platforms in simple terms.

If such policy is implemented in proper spirit then influential pricing and malpractices by ecommerce players will be a thing of past. This change in policy will be beneficial for retail, MSME's sector due to which ecommerce companies are trying brick and mortar to maintain their stability of financial performance.



Mutual Funds Sahi Hai! Par Kaunsa?

Bishal Jyoti Das
1828804

All of us are familiar with those classic television ads of mutual funds which were there during the first decade of 21st century. It was a mandate for every mutual fund organisation to state the "the no guarantee factor" in their promising ads. Well, to put it in a 30 seconds or a minute advertisement, it was tough to earmark around 3 to 4 seconds on such mandate, from which great rappers in the west got inspired. I hope you got what I just said.

Leaving the sarcasm behind, mutual fund industry has grown significantly in this duration which has convinced the marketers to allocate more than 3 to 4 seconds on such mandate. Can you feel that? But, people who invested in mutual funds during the first decade by understanding the underlying risk factor, made huge money and rode the India growth story. Looking at them, people are now least concerned with the statutory mandate, even if it's more than 4 seconds. This means, mutual funds are subject to market risk, but we seldom know what market risk actually is? But now, there is a difference in the investment culture. The number of schemes that were present in the erstwhile decade was less than what is present now. So, it's up to the advisor or the investor to choose from a wide array of schemes for investment. If you are an investor, you can follow some directions which will help you to make informed decision. I am not a registered advisor, so consider this as a freedom of speech.

1) One can look at the fund size to decide the scheme. Or one can refer to the star ratings of different schemes in websites like valueresearch.com or Morningstar.com or moneycontrol.com.

2) Opting for direct plans instead of regular plans would help in earning more return as the difference of 1% in the expense ratio makes a significant contribution in compounding.

3) Select the scheme as per your risk appetite. Equity for high risk, debt for low and balanced as the case may be. Among equity, diversified, or sectoral further differentiates the degree of risk.

4) To look at the risk factor in quantitative terms, one can refer to the sharpe ratio or trynor ratio of each scheme.

5) Choose SIP if you are an employee and lump sum if you are a long term investor.

6) Consult a financial advisor, a registered one for creating a customised portfolio of schemes.

Mutual fund is an indirect way of investing in the sophisticated instruments of capital market. If you have an expertise in that field, mutual fund may not fulfil your expectations. So, invest wisely and mint money! That's it.

NPA Challenge in India and Its Capitalization

Tharun L R
1828819

NPAs or the Non-Performing Assets are the credits given out by banks which have turned awful, that is, the borrowers have quit reimbursing, and either the loan fee or the chief sum and chances for whose recuperation are very low. India's NPAs have soared from 53,476 Crores in 2008 to more than 9 Lakh Crores by 2017, an enormous 9.3% of the aggregate advances given out by the banks.

Credits were fundamentally compelled to be given for infrastructure ventures to subsidize the nation's yearning 1 trillion dollar infrastructure vision, however since undertakings like these take a long time before they begin indicating results or the incubation time frame is low, this has prompted over presentation which has now made these Loans which are not giving out any profits. Indian Steel Industry took credits so as to grow however the monstrous dumping by the Chinese all through the world have made our steel ugly in the worldwide market and subsequently, The whole segment is in confusion, making more issues for the banks, offering to ascend to huge NPAs.

The accounting reports of the organizations are focused in this way lessening the interest for credit. This has prompted a moderating economy, which has been constantly contracting in its development rate from the previous 6 quarters, from a high of 7.9 to a low of 5.7%. Something it should have been done to handle the issue.

Public Sector Banks represents relatively 90% of the NPA Pile, demonstrating exactly how it tends to be controlled by individuals in power with personal stakes so as to demolish an economy, just to satisfy a few acolytes. Private Sector Banks, subsequently are not loaded much by this.

Since the development of credit has been declining YoY, from 10.9% in 2015-16 to 8.1% in 2016-17 as indicated by a Dun and Bradstreet Report, the Govt. comprehended it needed to take certain measures so as to infuse cash in the economy, produce request and impel development. Amid the India Shinning Period when Vajpayee was PM, the credit development was around 20%, prompting an economic development rate of 8%+ in 2004, which proceeded in nearly the comparative form till 2008 (Before Recession).

The current Govt. consequently has as of late taken a choice in the Cabinet to infuse 2.11 Lakh Crores through the Recapitalization course so as to implant assets and begin the credit procedure once more. out of this, 1.35 Lakh crores will be through the issuance of recapitalization bonds while the rest 76,000 crores will originate from value stake deal and an 18,000 crore concede, left of the prior endeavoured Indradhanush Plan to restart the banks. This enormous figure is relatively 20% of the aggregate NPA mess and will go a long path in unclogging the shut channels and create more cash to give out as credits for the economy.

THE WRITE-OFF, THE RECOVERY

	Bad loans Written-off by PSBs 2014-2018 (till Dec. 2017), Rs Crore
UCO Bank	6087
Indian Overseas Bank	10,470
Allahabad Bank	9,533
IDBI Bank Limited	16,568
Corporation Bank	10,790
Bank of India	17,680
Bank of Baroda	10,571
State Bank of India	1,02,587
Punjab National Bank	27,814
Canara Bank	13,917
Syndicate Bank	5,363
Total*	2,72,558

Why Markets are so volatile?

Sanjay S
1828815

Markets have been bung up in wild trading this quarter. We track the disconnect between negative sentiment and macroeconomic reality to the reinforcing feedback loop of real and fake negative news. One recent example was the media treatment of the arrest of an executive from Chinese hardware manufacturer Huawei.

Powerful corporate profit growth and consumer spending signal that the economic expansion isn't the end, in contrast to future price-earnings estimates and institutional equity holding levels near five-year lows. 3,100 target on the S&P 500 which is a 17 per cent increase from current levels.

"Positive GDP and earnings are'reality,' which is currently starkly disconnected from equity sentiment, valuation, and positioning,"

Though there is a positive backdrop in the markets it has shaken and concerns about U.S.-China trade tensions and slowing economies worldwide. This week most of the major indexes were all down. And so the moves are violent. One reason that connects to the declines has been the reversal of central banks' programs that bought trillions of dollars of assets after the financial crisis.

FAKE NEGATIVE NEWS:

Higher volatility has less monetary support warrants and lower risk positioning and it has higher credit spreads. There are some special support warrants and lower risk positioning and it has higher credit spreads. There are some special websites that display real and fake news with the combination of domestic political groups and foreign actors that erode faith in markets.

One recent example is the arrest of a Chinese executive of hardware manufacturer Huawei came days after actual events that disrupting futures trading and stoking fears that talks with China were unravelling.

"The current US administration has also given more than enough material (e.g., tweets, etc.) to be exploited by these actors in order to create an environment of investment uncertainty (e.g., on issues of global trade, oil, business decisions of individual companies, etc.),"

"The stock market fell sharply today, then bounced back, spiraled upward, jumped forward, leaped to new heights, tumbled rapidly, and took first place in a gymnastics competition."

"Our investment climate is already volatile enough, so the 3-bean salad is off the luncheon menu."

Know Your Creditworthiness

Sivasundaram
1828816

Do you know, one's financial identity not only establishes who you are but also how credit worthy you are? Credit History is something that has become very important in the financial lives of the people. There is a big brother who keeps track of all the financial transactions that one does, especially credit transactions and shares information with anybody else who has a stake in that information.

So, when a person goes to borrow money from somebody, that somebody (a person or an institution) does a little digging up on information like – Has he/she borrowed money in the past? How much?, From whom?, For What? For how long? Did he / she pay the interest and principle regularly on time?, Did he / she had any disputes with the lender?. Based on this information one can decide whether to lend the loan or not.

No one would really like it, if thousand people went about asking another thousand people about how financially sound a person is. This is a sensitive issue, as sharing of financial information is risky. But there is an organization which collects all this information from all your lenders and converts it into a numerical score. This Score is then shared with anybody from whom you intend to borrow. This organization is called CIBIL (Credit Information Bureau of India Limited) and the score is called a Credit Score.

In countries like US and Canada, if one doesn't pay up their rent or electricity bills, even that gets reported and gets factored in their credit history. India has not yet reached that level of sophistication, but it is only a matter of time until it becomes a reality. In India, most of the banks which participate in CIBIL give and get information from CIBIL.

So, what is this credit Score and what does it mean? The credit score is a number between 300 and 900. The higher it is, the better is its worthiness. A person with a credit score of 750 is considered more creditworthy than another person with a credit score of 600.

Where is this used? When one applies for any fresh loan, the lender will ask CIBIL for your credit score. The information is used in 2 ways. The first is to decide if they should lend to the applicant or not. People with a credit score of less than a certain score will not even be considered for lending. Banks will reject their application without assigning a reason if they find the applicant's credit score bad.

The second is to decide what rate of interest should one be charged. Yes, if one has a bad credit score, he / she will be charged a higher rate of interest and if one has an exceptionally good credit score, he/she will be able to get a really good rate of interest too. This is because someone with a good credit history is considered more reliable and less risky. So, the bank is willing to accept a lower rate of interest than usual.

To have good credit score one must pay off their loans and credit card bills on time and keep one's credit card balances well within the credit limit given.

Also, if one is not able to pay the full amount (for whatever reason), pay at least a little more than the interest amount and resolve any disputes with credit card company at the earliest. One should make sure that he/she gets a "No Dues" certificate from the banker when he/she pays off any loans or close any credit cards for that matter. This could be an important document in one's support if he / she wants to resolve any dispute.

So, friends build up good credit history by making the payments on time and this will help you to get good rates on their loans.

E-Learning: Changing the Landscape and the Mindscape in India

Jerry K John
1828809

India's growth in the technological arena is an enormous one. It would be unfair if businesses and start-ups fail to tap this opportunity. The E-learning industry in India is a productive one, which has witnessed an enduring development rate of 25 percent year-on-year and is anticipated to touch $1.96 billion industry scale by 2021. With a system of more than 1.5 million schools and 18,000 higher education institutions, the market for E-Learning in India is gigantic.

The key elements prompting the development of the digital market in India are rising interest from different segments like increase in number of smartphone users, enhanced infiltration of web into interior markets, and increased participation at the government level. New age innovation stages help in evaluating the students, teachers and foundations all in all and are progressively being embraced by educational institutions in India. Cloud-based platforms, which enable classroom to go paperless, are also finding takers. Likewise separated from the most recent improvements in ICT classrooms, Augmented Reality and Virtual Reality is being received in the field of education.

Further, the launch of a plenty of IT related platforms has created immense business openings and numerous education start-ups have sprung up with better than ever forms of e-learning modules in accordance with the requests and consistently changing requirements of the students. E-learning modules are intended to give an all-encompassing picture with sound enhancements, which makes learning part more intriguing as students currently use both visual and sound contents. MBD has been instrumental since last one decade to take e-learning to schools and students in different structures and today they support in excess of a million students across the nation with digital content.

On November 24, 2018, Vamsi Krishna, CEO and co-founder of Vedantu, disclosed to Mint that his Bangalore-based e-learning organization had managed to raise $11 million up in a Series B funding round. Vedantu is obviously an intuitive web based mentoring platform where instructors/teachers give school tuitions to students over the web, utilizing a real time virtual learning environment named WAVE, an innovation built in-house.

Not just Vedantu most of e-learning organizations including Byju's (Think and Learn Pvt. Ltd) and Unacademy (Sorting Hat Technologies Pvt. Ltd) comprehend the confinements of traditional teaching and learning and the capability of technology driven educational models that can rethink themselves to keep up with pace of the advancing needs of the students.

Nonetheless, it must be observed that innovation is only an empowering agent, which requires a human to make it work and utilise it properly. In this way, the perceived advantages or for that matter the drawbacks of technology with regards to students is only a result of the way technology is utilized or dealt with. The result of any technological mediation is reliant on the way and reason with which they are put to use. What is imperative is the dependable utilization of technology. Students should utilize it brilliantly to take in more successfully. It will help in mapping the requirements of a child, evaluate his/her learning results and additionally make adapting increasingly open.

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