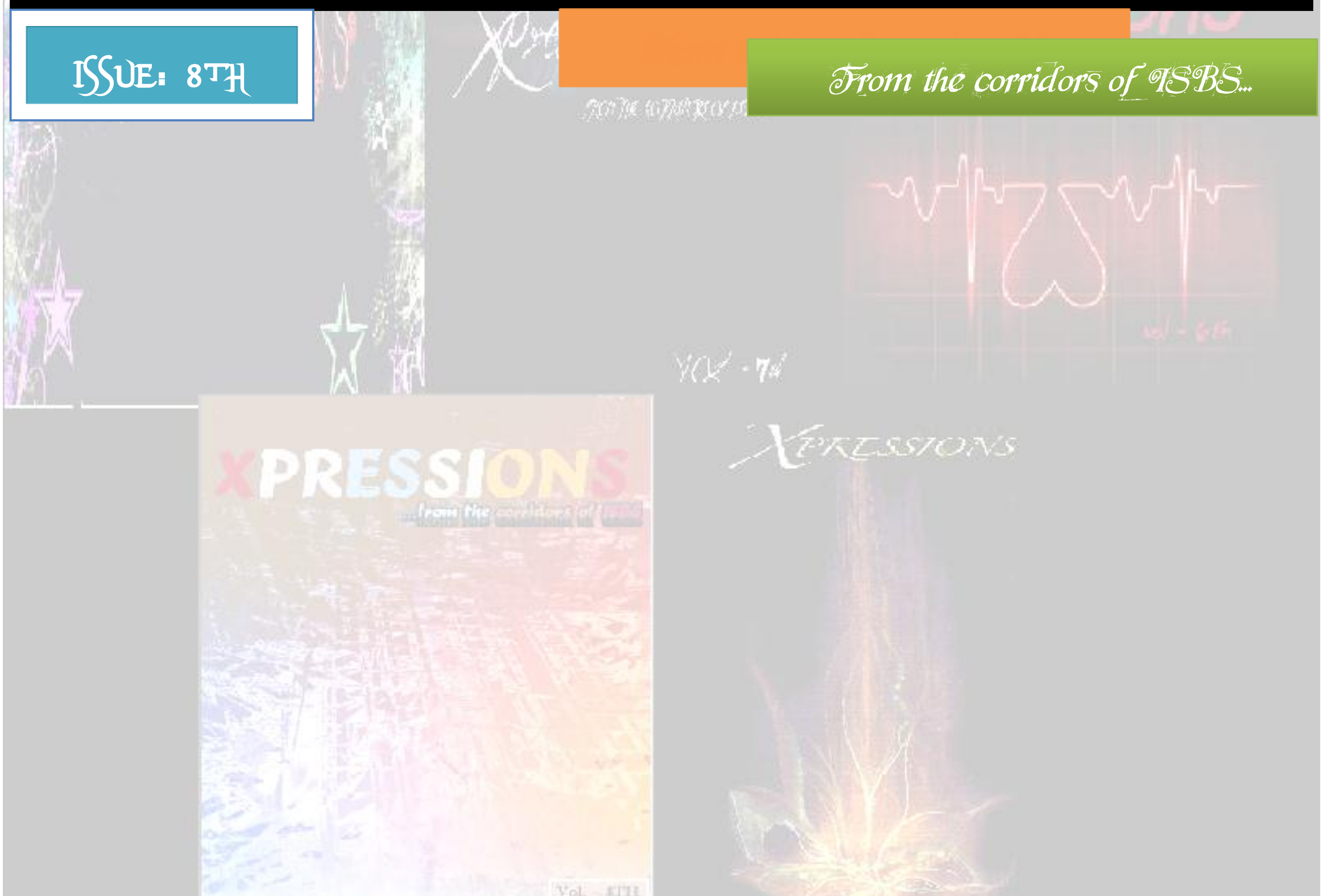
XPRESSIONS

ISSUE: 8TH

From the corridors of ISBS...



Editorial Page

OLD LEGENDS

Hello everyone!!

Hope you all had a great time from your vacations to the placement pressure, to the festivity and exams.

To give you all a break from your routine Xpressions launches its 1ST anniversary special edition which takes you through the journey, the batch 2011 – 13 has reached so far, with glimpses of the achievements of their senior batch.

Xpressions welcomes its new viewers & readers.

Njoy reading!!!

Regards,
Editorial Team

NEW EDITORS

WE BRING TO YOU...

Θ Snap shot of Induction 2011

Have a look form page 3 onwards... ;)

Know more about it form page 6 onwards... ;)

Θ Initiatives at ISBS

Θ Accolades of ISBS *(on page 10)*

Θ Guru Vani

Read what our GURU's are sharing with you all, from Page 14 onwards...

Θ Student Chit-Chat

See what Students are Spreading, from page 25 onwards...

SNAP SHOT OF INDUCTION 2011

Mr. Rohit Singh

DDV:

23rd, 25th, 26th & 27th July 2011

At Tapasya Auditorium

Mr. Minocher Patel

DDV:

21st to 23rd & 25th to 27th July 2011

At Dhruv Auditorium

A self-development program for the new batch of PGDM 2011-13 students. They motivated the budding managers to redefine themselves with Positive thinking, developing the right attitude for the future ahead.

TALENT HUNT, Organized by the cultural wing of ISBS, to reinforce Enthusiasm & Spirit among the students.

DDV: 21st, 22nd & 27th July 2011 @ Seminar Hall ISBS

INITIATIVES AT ISBS

BUSINESS BAAZIGAR , A Business oriented activity done by NEN committee to help students in identifying Hidden Entrepreneur in them.

Held on: 28th July, 2011

Dandiya ZONE

DDV: 30th Sep 2011 – INS Campus

INDEPENDENCE DAY CELEBRATION

DDV: 14th Aug 2011 – ISBS Reception Area

Friendship day celebration at ISBS

DDV: 6th Aug 2011 – ISBS Staircase

Accolades

You Made Us Proud...

- Dr. Bidyut Gogoi won Jewel of ISBS Award.

- Kishan Pawde and Priyanka Notaney won first runner prize in Face Painting Competition held in Event KITBUTZ at SIBACA (Sinhgad Institute of Business admin and Computer Application).

- Rohit Chhabra & Uttara Gairola won Chanakya Business Quiz.

ISBS Acknowledges the Research Initiatives undertaken by its Faculty Members

Sr. No.	Name of Faculty	Topic of Research Paper	Paper Presentation
1	Prof. Mangesh P Dande	"From Corporate to Academics- A Win-Win for all Stakeholders"	Paper Presentation on 02/04/11at National Conference "Winds of Change – Agenda for Researchers" at Navsahyadri Group of Institutions (NESGI) Faculty of Management

**NOTE: Paper Published from April 2011 to Sep 2011 have only been Included.*

- *Prof. Parmeshwar Yadav completed his Ph.D.*

<u>Title of the Ph.D. Thesis</u>:

"Economy of India and the Service Sector in India (1995-2005)"

<u>From University</u>: University of Pune, Pune

<u>On Date</u>: 28th July, 2011.

- *Dr. Meena Goyal Published two Books of Finance.*
  1. Strategic Financial Management
  2. Direct Taxation

STUDENTS PLACED

S.No	NAME	COMPANY
1	Karan Kapoor	Pantloon
2	Debashree Das	Saurat Auto Tech. Pvt. Ltd.
3	Tapas Sharm	Deloitee
4	Bidoura Chakraborty	Deloitee
5	Siddesh Surve	Deloitee
6	Premani Chirag Jayesh	Eclerx
7	Areez Riaz Madraswalla	Brahma Corporation
8	Amog Vaidya	Sharp
9	Rajashri Patil	Cybage
10	Taha Batilwala	Tata Technologies 49
11	Rohit Chhabra	NOMURA.
12	Sonal Bhambri	NOMURA.
13	Singh Suraj Bhrigunath	Sharp
14	Snehashis De	Sharp

"We've got a troublemaker here, Sir. He arrived with his own halo, he insists on wearing a black turtleneck, and I don't like the way he's looking at my phone."

GURU VANI

There are few terms which are generally not discussed in a class and as a manager one should understand these terminologies:

1. Unconsolidated Subsidiary:

This is a rare term in finance and can be defined as "a company that is owned by a parent company, but whose individual financial statements are not included in the consolidated or combined financial statements of the parent company to which it belongs". Instead, this type of company appears in the combined financial statement as an investment.

A company may be treated as unconsolidated even when a parent company owns 50% or more of its voting common stock. This usually occurs when the parent company is not in actual control of subsidiary, has temporary control of the subsidiary or if the parent company's business operations are considerably different than that of the subsidiary, a subsidiary, whose financial statements are accounted differently from its parent company. Unconsolidated subsidiary publishes its balance sheets and other information separately. On the parent company's financials, an unconsolidated subsidiary is listed as an investment.

2. Green shoe Option:

This term is favorite question of finance interviewer and defined as "A provision contained in an underwriting agreement that gives the underwriter the right to sell investors more shares than originally planned by the issuer. This would normally be done if the demand for a security issue proves higher than expected. It is reference to IPO (initial public offering). Legally it is referred to as an over-allotment option.

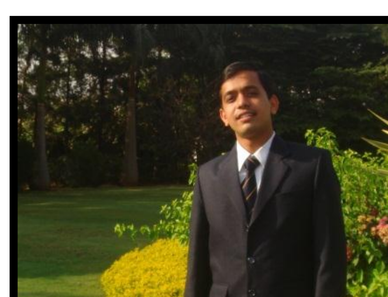
A Green shoe option can provide additional price stability to a security issue because the underwriter has the ability to increase supply and smooth out price fluctuations if demand surges. Green shoe options typically allow underwriters to sell up to 15% more shares than the original number set by the issuer, if demand conditions warrant such action. However, some issuers prefer not to include Green shoe options in their underwriting agreements under certain circumstances, such as if the issuer wants to fund a specific project with a fixed amount of cost and does not want more capital than it originally sought. The term is derived from the fact that the Green Shoe Company was the first to issue this type of option.

3. **Market Standoff Agreement**

This is an agreement that prevents insiders of a company from selling their shares in the market for a specified number of days subsequent to an initial public offering (IPO). The agreement is executed between the underwriters to the issue and the company's insiders. The term during which insiders are prohibited from selling their shares consequent to a market standoff agreement is generally 180 days, but can vary from as little as 90 days to as much as one year. Market standoff agreements are used to avoid precipitous declines in a stock after it commences trading because of massive insider sales. When the dotcom boom turned to bust from 2000 onwards, numerous stocks in the sector lost a major chunk of their market capitalization within weeks of the expiry of such lock-up agreements, an alternate term for market standoff agreements. Sometimes it is made mandatory by regulator in the interest of Small retail Investors.

Complied by: *Prof. Amol Charegaonkar*

Ref: - *www.investopedia.com*



Trends in agricultural commodities trading:

The origin of derivatives can be traced back to the need of farmers to protect themselves against fluctuations in the price of their crop. From the time it was sown to the time it was ready for harvest, farmers would face price uncertainty. Through the use of simple derivative products, it was possible for the farmer to partially or fully transfer price risks by locking-in asset prices. These were simple contracts developed to meet the needs of farmers and were basically a means of reducing risk.

A farmer who sowed his crop in June faced uncertainty over the price he would receive for his harvest in September. In years of scarcity, he would probably obtain attraction prices. However, during times of oversupply, he would have to dispose of his harvest at a very low price. Clearly this meant that the farmer and his family were exposed to a high risk of price uncertainty.

On the other hand, a merchant with an ongoing requirement of grains too would face a price risk-that of having to pay exorbitant prices during dearth, although favorable prices could be obtained during periods of oversupply. Under such circumstances, it clearly made sense for the farmer and the merchant to come together and enter into a contract whereby the price of the grain to be delivered in September could be decided earlier. What they would then negotiate happened to be a futures-type contract, which would enable both parties to eliminate the price risk.

In 1848, the Chicago Board of Trade, or CBOT, was established to bring farmers and merchants together. A group of traders got together and created the 'to-arrive' contract that permitted farmers to lock in to price upfront and deliver the grain later. These to-arrive contracts proved useful as a device for hedging and speculation on price changes. These were eventually standardized, and in 1925 the first futures clearing house came into existence.

Today, derivative contracts exist on a variety of commodities such as corn, pepper, cotton, wheat, silver etc.

Evolution of the commodity market in India:

Bombay Cotton Trade Association Ltd., set up in 1875, was the first organized futures market. Bombay Cotton Exchange Ltd. was established in 1893 following the widespread discontent amongst leading cotton mill owners and merchants over functioning of Bombay Cotton Trade Association. The futures trading in oilseeds started in 1900 with the establishment of the Gujarati Vyapari Mandali, which carried on futures trading in groundnut, castor seed and cotton. Futures trading in wheat were existent in several places in Punjab and Uttar Pradesh. But the most notable futures exchange for wheat was chamber of commerce at Hapur set up in 1913. Futures trading in bullion began in Mumbai in 1920. Calcutta Hessian Exchange Ltd. was established in 1919 for futures trading in raw jutes and jute goods. But organized futures trading in raw jute began only in 1927 with the establishment of East Indian Jute Association Ltd. These two associations amalgamated in 1945 to form the East India Jute & Hessian Ltd. to conduct organized trading in both raw jute and jute goods. Forward Contracts (Regulation) Act was enacted in 1952 and the Forwards Markets Commission (FMC) was established in 1953 under the Ministry of Consumer Affairs and Public Distribution. In due course, several other exchanges were created in the country to trade in diverse commodities.

Agricultural Commodities

The NCDEX offers futures trading in the following agricultural commodities – Refined soy oil, mustard seed, expeller mustard oil, RBD palmolein, crude palm oil, medium staple cotton and long staple cotton.

Cotton

Cotton accounts for 75% of the fiber consumption in spinning mills in India and 58% of the total fiber consumption of its textile industry (by volume). At the average price of Rs.45/ kg, over 17 million bales (avg. annual consumption, 1 bale=170 kg) of raw cotton in the country. The market size of raw cotton in India is over Rs.130 billion. The avg. monthly fluctuation in prices of cotton traded across India has been at around 4.5% during the last 3 years. The max. Fluctuation has been as high as 11%. Historically, cotton prices in India have been fluctuating in the range of 3-6% on a monthly basis.

Cotton is among the most important non-food crops. It occupies a significant position, both from agricultural and manufacturing sectors' points of view. It is the major source of a basic human need-clothing, apart from other fiber sources like jute, silk and synthetic. Today, cotton occupies a significant position in the Indian economy on all fronts as a commodity that forms a means of livelihood to over millions of cotton cultivating farmers at the primary agricultural sector. It is also a source of direct employment to over 35 million people in the secondary manufacturing textile industry that contributes to 14% of the country's industrial production, 27-30% of the country's export earnings and 4% of its GDP.

Crude palm oil

Annual edible oil trade in India is worth over Rs.440 billion, with the share of CPO being nearly 20 %(Rs.80-90 billion). The country is over-dependent on CPO imports to the extent of over 50% of its annual vegetable oil imports. There is a close inter linkage between the various vegetable oils produced, traded and consumed across the world. The avg. monthly fluctuation in prices of imported CPO traded in Kandla (one of the major importing ports in Gujarat) has been at 9.7% during the past two and a half yrs., the max. Monthly fluctuation being as high as 25% during the period.

Palm oil is extracted from the mature fresh fruit bunches (FFBs) of oil palm plantations. One hectare of oil palm yields approx. 20 FFBs, which when crushed yields 6 tons of oil (including the kernel oil, which is used both for edible and industrial purposes). Crude palm oil (CPO), crude palmolein, RBD (refined, bleached, deodorized) palm oil, RBD palmolein and crude palm kernel oil (CPKO) are the various forms of palm oil traded in the market.

RBD Palmolein

The RBD (refined, bleached and deodorized) palmolein is the derivative of crude palm oil, which is obtained from the cursing of FFBs harvested from oil palm plantations. When CPO is subjected to refinement, RBD palm oil and fatty acids are obtained. Fractionation of RBD palm oil yields RBD palmolein along with stearin, which is a white solid at room temperature. While oil is a stable derivative saturated fat, solid at room temp. The whole quantity of CPO that is produced and used for human consumption is in the form of RBD palmolein. Cropping of growth patterns of CPO has been already covered.

Soy Oil

Soy oil is among the major sources of edible oils in India. Of the annual edible oil trade worth over Rs. 440 billion in the country, soy oils share is over 20-21% at Rs.90-92 billion in terms of value. Being an agricultural commodity, which is often subjected to various production and market-related uncertainties, soy oil prices traded across the world are highly volatile in nature. The avg. fluctuation in spot prices of refined soy oil traded at Mumbai has been at 6.6% during the past two and a half yrs., the max. Monthly fluctuation being as high as 17% during the period. Historically, soy oil prices in the major spot markets across the country have been fluctuating in the range of 4.5-8.5%. This offers immense opportunity for the investors to profitably deploy their funds in this sector apart from those actually associated with the value chain of the commodity, which could use soy oil futures contract as the most effective hedging tool to minimize price risk in the market.

Soy oil is the derivative of soybean. On crushing mature beans, 18% oil and 78-80% meal is obtained. While the oil is mainly used for human consumption, meal serves as the main source of protein in animal feeds. Soy oil is the leading vegetable oil traded in the international markets, next only to palm. Palm and soy oils together constitute around 68% of global edible oil export trade volume, with soy oil constituting 22.85%. It accounts for nearly 25% of the world’s total oils and fats production. Increasing price competitiveness and aggressive cultivation and promotion from the major producing nations have given way to widespread soy oil growth both in terms of production as well as consumption.

Rapeseed Oil

Rapeseed (also called mustard or canola) oil is the third largest edible oil produced in the world, after soy and palm oils. On crushing rapeseed, oil and meal are obtained. The avg. oil recovery from the seed is about 33%. The remaining is obtained as oil cake/meal, which is rich in proteins and is used as an ingredient in animal feed. Mustard oil, which is known for its pungency, is traditionally the most favored oils in the major production tracts world over.

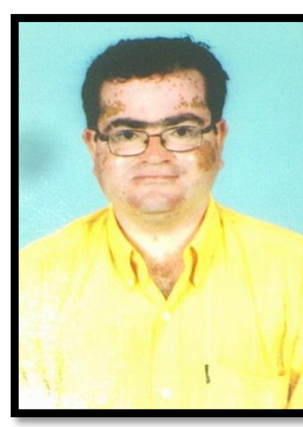
Soybean

The market size of the popularly known miracle bean in India is over Rs.5000 crores. With an annual production of 5.0-5.4 million tons, soybean constitutes nearly 25% of the country's total oilseed production. The avg. monthly fluctuation in prices of soybean traded at one of the active soybean spot market at Indore has been at 10.07% during the past two yrs., the max. Monthly fluctuation being as high as 24-30% during the period. Historically, soybean prices in the major spot markets across the country have been fluctuating in the range of 5-9%. Soybean is the single largest oilseed produced in the world. The commodity has been commercially exploited for its utility as edible oil and animal feed. On crushing mature beans, around 18% oil could be obtained; the test being the oil cake/ meal, which forms the prime source of protein in animal feeds.

By:

Prof. Sachin Napate

ISBS, Pune



Brain Teaser: Let's Tease Your Mind

1. Which company is the largest employer of the world?
2. Who is the current CEO of Infosys
3. Which is the world's largest packaged milk brand?
4. Which is the world's largest read English daily newspaper?
5. Which is India's first desktop PC with the Rupee Symbol on keyboard?
6. Hyundai is launching its new small car in India on 13th October 2011, to compete against Alto. What is the name of the car?
7. Which was the first product introduced by Apple Inc. in 1984?

(NOTE: Answers are on Last Page of Magazine)

By:

Prof. Vishal Desai

Entertainment k like kuch bhe karega

DDV: 7th Sep 2011 – Dhruv Audi

STUDENT CHIT-CHAT

Credit Cards

A *credit card* is the only form of payment card that offers a revolving line of credit in addition to its function as a means of electronic payment. In contrast, charge cards as offered by American Express must be paid off monthly.

How does a credit card work in practice?

Suppose you buy a TV and present a Visa card, bearing the logo of the *issuer*, say Citibank, in payment. You swipe your card through a card reader, which reads the data on the magnetic stripe and adds information that identifies the merchant and the dollar value of the purchase. This electronic message automatically goes via telephone line to a computer maintained by the merchant's *acquirer*, also a member of the Visa association. That computer reads the message and determines that you used a Visa card. It calls up Visa's computer, which checks with Citibank's computer to verify that you have a credit balance sufficient to cover the purchase.

If you have enough credit, the Citibank computer will send back a message to the Visa computer authorizing the transaction. Visa relays the message back to the terminal at the store. The entire process takes just seconds, and finishes by printing out the credit charge receipt that you must sign. Since the transaction is captured and stored electronically, the receipt is used only to settle disputes that might arise for example due to a stolen card with a forged signature,

The merchant submits a request for payment to its acquirer, which in turn sends it to Visa's computer. The Visa computer passes on the request to Citibank's computer, which posts the transaction to your account with Citibank. Visa's computer consolidates this transaction with all other Visa transactions that day and settles the accounts among banks.

The merchant receives about 2 percent less than the amount you paid for the TV. That 2 percent is called the *merchant discount*, and is paid to the

acquirer. The acquirer keeps a portion for his services, and pays about 1.4 percent of the purchase amount to the issuer, in this case Citibank. That 1.4 percent is called the *interchange fee* which is set by Visa. American Express does not have an interchange fee because it is both the issuer and acquirer, and keeps the entire merchant discount.

Credit Card Associations

Visa and MasterCard are by far the largest payment card systems. Visa accounts for more than half of global purchases, with MasterCard ranking second and American Express third.

Surprisingly, neither Visa nor MasterCard earn profits. Both are for-profit corporations, yet they are operated on a break-even basis. They cover their costs with fees levied on their membership, which totals many thousands of banks. The associations have their own management and employees, but they are owned by the banks that issue their cards, and are supervised by boards of directors composed of representatives of those banks.

A bank can be a member of both associations, but may serve on the board of directors of only one or the other. The daily operations of the two associations are run by separate managements. The following rules apply to the Visa association, but the MasterCard association has similar rules.

The board of directors of an association is elected by the member banks, which are allocated votes based on the volume of various products they offer. The board appoints the management which hires the staff and is responsible for the following:

- Developing operating regulations
- Processing transactions and interchange payments between members.
- Developing system-wide innovations such as interchange technologies.
- Promoting the association brand through advertising.
- Coordinating other system wide matters, such as fraud control.

Individual members, besides being responsible for their own financial commitments, set card interest rates, fees, special features, and sign up card holders (as issuers) and merchants (as acquirers).

Issuers

Card issuers receive revenues from two sources: merchants who accept their cards and consumers who use their cards. Finance charges on credit card loans comprise over three-quarters of the revenues. By comparison, merchant discount fees comprise over half of the revenues on American Express charge cards.

Issuers must properly manage a number of expenses, of which the cost of funds and bad debt charge-offs are the largest. Other expenses include labor, data processing, system development and maintenance, and new card solicitations.

Computerized credit scoring has increased issuers' ability to weed out potential deadbeats, but it remains hard to predict which cardholders will default. The delinquency rate on bankcard loans remains well above that on mortgages, auto loans, and personal loans.

Acquirers

Only members of the association can enter into contracts with merchants, although member banks can work with third-party firms to do so. Acquirers perform the following functions:

- Signing up merchants and managing the relationship
- Installing terminal equipment
- Providing authorization services when customers present their cards
- Keeping track of transactions and reporting the data to merchants
- Transferring funds to the merchant on a daily basis to cover card purchases, i.e. clearing and settlement
- Responding to merchant problems with card processing

Some acquiring banks conduct all aspects of merchant acquiring, from signing up the merchant to transaction processing and customer service. Other banks serve as the customer’s point of contact but outsource the processing functions to third

parties. Still others serve only as the depository institution where clearing and settlement occurs, leaving the third party as the active member of the merchant relationship.

Visa Membership

Any financial institution eligible for FDIC insurance is eligible for Visa membership. This now includes financial institutions owned by or affiliated with nonbanks such as retailers, investment firms, insurance companies, and automakers. However companies issuing cards that compete directly with Visa, namely discover and American Express, are precluded from issuing Visa cards.

To become a member of the Visa association, an institution must pay an initial service fee that depends on the type of membership applied for, the type of cards to be issued, and the number of accounts. However the membership fee is trivial relative to the typical revenues from bankcard operations.

Credit Card Loans

Credit card loans have higher interest rates than most other consumer loan rates, due mainly to loan defaults, overhead, and the cost of financing the loans. Unlike most other consumer loans, credit card loans are not secured by assets that could be seized if the consumer defaulted. In addition a card holder is more inclined to use the full line of credit when his financial situation worsens – precisely the riskiest time for a creditor.

Credit card loans usually include other costly benefits such as frequent flier miles, purchase guarantees, and insurance. About 40 percent of credit card holders use them only as payment devices and pay off their short-term loans before the issuer charges interest. In spite of these expenses, credit cards are an important profit center for most issuers.

By:

Dhaval Seth

10-12 Batch

कुछ नही

किसीने कहा था कि बहुत बुलंद है तेरी तकदीर
और खेला जब जुआँ जिंदगी का तो मेरे हाथ
आया कुछ नही ||

पुछा उस खुदा से कि इतना दर्द सिर्फ मुझको
क्यो ??

वो बोला, "जितनी खुशीया थी वो बाट दी,
तेरे लिए मेरे पास दर्द के अलावा कुछ नही ||

तोड दिए सारे रिशते... छोड दिया अपने को मैने
उसकी चाहत मे...
और एक वो है,
जिनकी दुनिया मे, सब अपने है और कुछ नही

रोशनी देख कर अकसर सहम जाता हु मैं...
क्योकि किस्मत ने मुझे अँधेरे के सिवा दिया कुछ नही ||

By
Nikhil Huddar
Div C
Roll. No :- 36

IMPORTANCE OF BEING ATTENTIVE IN CLASSROOMS....

First year student of MBBS were attending their 1st lecture of anatomy, they all gathered around the surgery table with a real dead dog.

The professor started class by telling, two important qualities of a doctor

1. *Never feel disgusting regarding anything....*

To explain he gave an example. He inserted his finger in dog's mouth & on drawing back tasted it in his own mouth.

Then he said them to do the same. The students hesitated for few minutes, but eventually everyone inserted their fingers in dog's mouth & then tasted it.

When everyone finished, the professor looked at them and said:

The most important second quality is OBSERVATION,

I inserted my middle finger but tasted the index finger. Now learn to pay attention.

Moral - Be attentive in class.....

SUSHANT SHARMA

E2-60(Marketing)

Creative use of PEN-PAPER & PENCIL by:

Kishan, B-Division (11-13 batch)

Answers to Brain Teasers. . .

1. Wal-Mart
2. S D Shibulal
3. Amul
4. Times of India
5. Lenovo
6. Eon
7. Macintosh

By:

Prof. Vishal Desai

Global warming is becoming one of the most important discussions for every citizen of this earth. All the people are sharing their views by various sources about this problem that may come in near future to this earth.

Going through global warming facts people can know that the temperature of the earth is rising continuously. This rise in temperature of the earth is due to the increase in the emission of greenhouse gases by the human being. Controlling the emission of greenhouse gases may help in global warming prevention.

Global warming may lead to various natural disasters therefore; it is the duty of all the citizens of the earth to control and prevent these natural disasters to come in near future.

In light of this Xpressions announces its theme for the next edition "Global Warming".

You can send in your entries to xpressions@indiraisbs.ac.in latest by 27th October 2011.