



# BUSINESS WAVES

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**RAMNATH GULZARILAL  
KEDIA COLLEGE OF  
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**Taradevi Girdharilal Sanghi  
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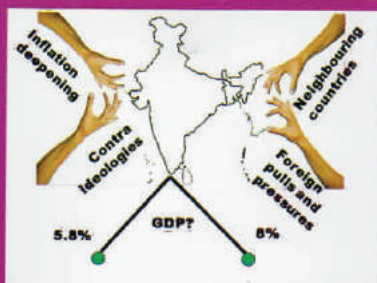
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## Editorial

### Vision for Swachh Bharat



**Prof. DVG Krishna**  
Director & Editor

The Nation has given a landslide victory to Sri Narendra Damodardas Modi and time since this type of verdict is given by the people. To eradicate poverty and to enhance development, the Government has to garner the resources. It is said that "India is not a poor country but a country of poor people". For equitable justice and steady growth, the Democratic system has to break all types of bottlenecks to eradicate poverty and social inequalities.

On August 15, 2014, in his maiden Independence Day speech, from the ramparts of the Red Fort, Hon. Prime Minister's voice boomed from the lectern, urging world business houses to "Come, manufacture in India; Sell in any country of the world but manufacture here. We have got skill, talent, discipline, and determination to do something." When the PM extended the open invitation to the world to come and manufacture in India, he was trying to fix a problem that has been overlooked for many years. The sluggish growth of our manufacturing sector has always put us at the mercy of imports. Between 2004 and 2011 manufacturing hit a sweet spot, registering annual growth of around 7.25 per cent. However, during the same period imports grew by an average of 23.75 per cent. The corresponding growth in exports was 21.25 per cent. The widening imbalance, between exports and imports has been on a steady rise. Incentivizing manufacturers needs time and abundant availability of uninterrupted electrical power. Augmentation of power generation through more atomic power plants is the need of the hour as availability of coal and diesel are both limited in reserves. Economic development also needs incentivizing agriculture with timely availability of agricultural inputs and farm power. Institutes like the National Institute of Rural Development (NIRD) and National Bank for Agriculture and Rural Development (NABARD) can provide the required policy inputs.

The Government of India has announced that it aims to achieve GDP growth of around 4.5%-5.0% in the coming fiscal. It is to be seen how this will be achieved. Further inflation should be contained in the light of encouraging response from the markets.

The Government proposes to wind up the Planning Commission and replace it with a Think Tank. It is expected that the thinkers in the proposed Think tank will be mostly free lancers. Its functions should include key areas like infrastructure, mining and targeted implementation of the government's flagship schemes. The think tank should be like a policy research institute i.e. an organization that performs research and advocacy concerning topics such as social policy, political strategy, economics, military, technology, and culture. It is hoped that the Think Tank will perform its roles well.

During the first visit of Shri Narendra Modi to China, another initiative of far reaching importance was also announced. The New Development Bank (NDB), (formerly called "BRICS Development Bank"), operated by the BRICS states (Brazil, Russia, India, China and South Africa) with Headquarters in Shanghai, China will have a Russian as its inaugural chairman of the Board of Governors; the first president will be from India and the inaugural Chairman of the Board of Directors will be from Brazil. This initiative is bound to have substantial international ramifications. It is hoped that the proposed new bank shall be an alternative to the existing US-dominated World Bank and International Monetary Fund.

The 'Pradhan Mantri Jan Dhan Yojna', launched in August 2014 should provide a vital missing link in achieving the objective of Poverty Alleviation. In this connection, it is heartening to note that that "NDA government aims to provide housing for all by 2022 with the active support from banking and financial sector," as announced by the Secretary, Department of Financial Services while addressing a seminar on "Credit Flow to Affordable Housing and Interest Subvention" organised by the Ministry of Housing and Urban Poverty Alleviation. The government should play a role of enabler and facilitator and ensure that private sector is enthused to take up affordable housing projects.

The great responsibility on the Hon. Prime Minister and his team is to keep the flag flying high and the Nation has to stand by the agenda given by them. The peoples' man Shri Narendra Damodardas Modi's call to achieve Swachh Bharat lies in the commitment to develop the nation.

**I want to write many new things but they must all be written on the Indian slate: MK Gandhi.**



## ORGANIZED RETAILING - DELIVERING SUPERIOR LIFESTYLE

Mr. Kuldip Rai



Retail is the sale of goods and services from individuals or businesses to the end-user. Retailers are part of an integrated system called the supply chain. An increasing amount of retailing is done using online websites, electronic payment, and then delivered via a courier services. Online retailing is business-to-consumer (B2C) electronic commerce for non-shop retailing. Recreational shopping involves window shopping (just looking, not buying) and browsing and does not always result in a purchase. The word "Retail" comes from the old French word "tailler", which means "to cut, clip or divide". Now it is used as a noun with the meaning of a "sale in small quantities".

A Double-Income-No-Kids (DINK) nuclear family consisting of a professional, urban, sophisticated, suave, upwardly mobile couple drives to an up market mall. The valet parks their SUV in the vast parking lot in the basement and the elevator/ escalator transports them vertically up to shopping area which is brightly illuminated with glittering stores facades. They feast their eyes on colorful shop displays and animated in-store advertising and try the latest video games at the X-Box consoles. In air-conditioned ambience, they buy groceries, garments, fresh stuff, electronic products, perfumes and cosmetics and pay electronically; watch the latest Hollywood flick at the multiplex; have a manicure and hair curling, and round up the trip with an intimate dinner at the food court. Shopping is now no longer a household chore; it is an outing and entertainment trip to be looked forward to.

### TYPES OF RETAILERS BY MARKETING STRATEGY:

1. Department stores offering a huge assortment of "soft" and "hard goods; carries variety of categories and has broad assortment at average price.
2. Boutiques or concept stores are similar to specialty stores but small in size. They are run by the brand that controls them. An example of brand that distributes largely through their own widely distributed concept stores is L'OCCITANE en Provence.
3. Hypermarkets provide variety and huge volumes of exclusive merchandise at low margins. The operating cost is comparatively less than other retail formats.
4. Supermarket is a self-service store consisting mainly of grocery and limited products on non food items.
5. A shopping mall has a range of retail shops at a single outlet. They can include products, food and entertainment under one roof. Malls provide 7% of retail revenue in India, 10% in Vietnam, 25% in China, 28% in Indonesia, 39% in the Philippines, and 45% in Thailand.
6. E-tailer - The customer can shop and order through the internet and the merchandise is dropped at the customer's doorstep. They accept the payment for the product but the customer receives the product directly from the manufacturer or a wholesaler. This format is ideal for home shopping. Examples include

## SOME OF THE PROMINENT RETAILERS IN INDIA



### WORLDWIDE TOP FIVE RETAILERS

Retail Sales Rank	Company	Country of Origin	2013/14 group revenue (US \$mil)
1	Walmart	US	\$464,162
2	Tesco	UK	\$120,052
3	Costco	US	\$105,156
4	Carrefour	France	\$103,555
5	Kroger	US	\$96,751

**TOP 5 INDIAN RETAILER COMPANIES** - Total Assets as per the latest Balance Sheets available.

No.	Company Name	Gross Block	Net Block	Total Assets (Rs. Crores)
1	Future Retail	4,846.25	4,340.25	8,739.52
2	Future Life	1,545.68	1,149.86	2,564.94
3	Pantaloons Fashion	1,873.83	1,637.26	2,247.28
4	Trent	469.94	342.94	1,534.01
5	Shoppers Stop	816.93	549.03	1,088.41

Amazon.com, Flip-cart, and eBay. e-tailware refers to the software tools for creating online catalogs and managing the business connected with doing e-tailing.

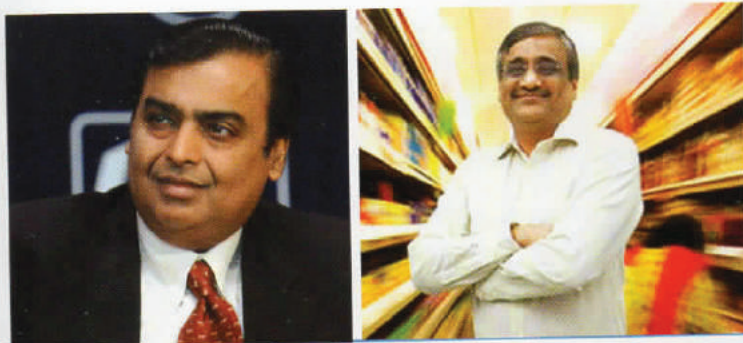
Walmart, Carrefour, Tesco, Target, Metro, Coop are some of over 350 global retail companies with annual sales over \$1 billion. These retail companies have operated for over 30 years in numerous countries.

Retailing in India is one of the pillars of its economy and accounts for about 15% of GDP. The Indian retail market is estimated to be US\$ 500 billion and one of the top five retail markets in the world by economic value; has high complexities, wide geographic spread and distinct consumer preferences. India has 7 outlets per 1000 persons and 0.2 sq m per capita retail space. Food World, Subhiksha and Nilgiris in food and; Planet M and Music World in music; Crossword and Fountainhead in books are prominent Indian examples. India presents a large market opportunity in view of the number and increasing purchasing power of consumers. Significant challenges include: Geographically dispersed population, small purchase sizes, complex



Liberalization leads to consumer's sovereignty





**Mr. Mukesh Ambani**, Reliance Retail &  
**Mr. Kishore Biyani**, Future Group

distribution network, and little use of IT systems, limitations of mass media and existence of counterfeit goods.

Government of India allowed 51% FDI in multi-brand retail in India. Some states will allow foreign supermarkets like Walmart, Tesco and Carrefour to open while other states will not. Fresh investments in Indian organized retail will generate 10 million new jobs, and about five to six million of them in logistics; even though the retail market is being opened to just 53 cities out of about 8000 towns and cities in India. India needs trillions of dollars to build its infrastructure, hospitals, housing and schools for its growing population. The Indian economy has limited surplus capital and is operating on budget deficits. FDI is necessary to fund expansion, job creation and growth.

Critics of deregulating retail in India are making one or more of the following claims:

1. Independent stores may close, leading to massive job losses.
2. Their efficiency at supply chain management leads to direct procurement of goods from the supplier at low prices eliminating the middle-man. The small retailer and the middle man support the local economy by procuring goods and services locally. This increases economic activity, and wealth redistribution. With retailers, goods are acquired in other regions, hence reducing the local economy.
3. International retailers may lower prices to dump goods, get competition out of the way, become a monopoly and then raise prices.
4. Work will still be done by Indians, profits will go to foreigners.

**SUPPORT:** The advocates of retailing, on the other hand say that the only other option is to remain backward by not allowing international players in retail. Supporters claim that none of these objections has merit. They claim that organized retail needs workers. With United States population of about 300 million, and India's population of about 1200 million, if retail companies expand in India as much as in the United States, and the staffing level in Indian stores remains at the same level as in the US stores, Walmart alone would employ 5.6 million Indian citizens. Adjusted for the market share, the expected jobs in future Indian organized retail would total over 85 million. In addition, millions of additional jobs will be created during the building of and the maintenance of retail stores, roads, cold storage, software industry, electronic cash registers and other supports. Retail reforms will give massive boost to Indian job availability. In China, the employment in both retail and wholesale trade increased from 4% in 1992 to about 7% in 2001 after opening retail to foreign and domestic innovation and



Payment by card and the parking lot at a mall

competition. In absolute terms, China experienced the creation of 26 million new jobs within 9 years after announcing FDI retail reforms. Additionally, in China, after retail reforms, the number of traditional small retailers also grew by 30% over 5 years. Inbuilt inefficiencies and wastage in distribution and storage account for 40% of food production not reaching consumers. **SAFEGUARDS NEEDED:** FDI in retail sector may boost the socio economic development of the entire country if implemented wisely and carefully while signing the agreements with the Foreign Investors. The international players need to be kept in check without hindering local traders and consumers. Drawing lessons from the international experience, it is concluded that the entry of FDI in multi brand retail in India can be growth enhancing only if proper safeguards are in place and the market environment is regulated to protect the vulnerable sections of the society. Predatory pricing and the anti competitive practices should be prohibited in order to create a playing field for local retailers. Foreign retailers must be required to put up 50% of total FDI in back-end infrastructure excluding that on front end expenditures and to source at least 30% of products from small retailers or manufacturers. It will increase competition and quality while reducing prices. It is also suggested that the government will take innovative measures to mitigate the adverse effects on small retailers and traders.

## **RATIONAL APPROACH TO BLACK MONEY IN A LIBERALIZED ECONOMY**

**Prof. DVG Krishna**

Every political prophet champions the desire to rationalize black money. It is an irony to search for the creators of black money who are with white robes and conceal black money. How to bring this monstrous inactive money to public is the unsolved question before the Government and in its enthusiasm it is assured to the people that they would bring back the black money from Swiss Banks. Further everybody is shouting at the pitch of their voice that black money would be brought back from Swiss Bank. The objective should be to control the areas of leakages of money from the organized channels. Before attacking the black money, the Government should also be aware of implications affecting the liberalized economy. The private sector economy which has developed and the public sector which has failed miserably over six decades of planning in India is a reality. Let us realize that money is a not a source of peril but it is a source of activity in economy. The wealth should be rationally used to promote the welfare of the society. The fiscal and monetary policy should be so structured that money should be dealt as money; let not government stamp it as black and white. If today's black money is more than 3 trillion dollars who has legalized it and from where it has come? Is it with the knowledge of public Audit system? It is time that rational tax policy shall be adapted. **BLACK MONEY** refers to funds earned in the black market, on which any direct or indirect tax, duty or levy whatsoever has either not been paid or partially evaded by manipulating the books of accounts and vouchers. The evasion may include any one or more than one of various taxes e.g. Income Tax (individual and/ or corporate), Wealth Tax, Professional Tax, Estate Duty, Excise Duty, Customs Duty, Service Tax, Stamp duty, Entertainment Tax, Sales Tax, Works Contract Tax and Value Added Tax etc. or any combination thereof. The evasion may not always involve collusion with investigating, revenue collection or law enforcement authorities. All transactions, transfers, receipts, disposal, accounting, deposits, withdrawals and remittances of such amounts are routed outside the banking system through brokers, hawala or benaami channels, executed using fictitious names, identities and addresses so as not to leave any auditable trail.

The youth today are not restless but impatient



Sources for GENERATION OF BLACK MONEY :	
Real estate deals	bullion and jewellery
financial market transactions	rigging of markets through foreign entities
differing tax rates in different tax jurisdictions	manipulations through so-called nonprofit entities
participatory notes	under-invoicing
convertible debentures	money laundering using havala

**ESTIMATES :** Some reports claim a total exceeding US\$1.4 trillion are stashed in Switzerland. However, Swiss Bankers Association in an interview about alleged black money from India, suggested that the figures were probably picked up in the Indian media and in Indian opposition circles, and circulated as gospel truth. The Swiss Bankers Association never said or published such a report. In February 2012, the director of the Central Bureau of Investigation (CBI) said that Indians have \$500 billion of illegal funds in foreign tax havens, more than any other country. In March 2012, the Government of India clarified in parliament that the CBI Director's statement on \$500 billion of illegal money was an estimate based on a statement made to India's Supreme Court in July 2011. Other reports, including those reported by Swiss Bankers Association and the Government of Switzerland, claim that the total amount held in all Swiss banks by citizens of India is only about US\$2 billion. The deposits of Indians in Swiss banks constitute only 0.13 per cent of the total bank deposits of citizens of all countries. Schneider estimates, using the dynamic multiple-indicators multiple-causes method and by currency demand method, that the size of India's black money economy is between 23 to 26%, compared to an Asia-wide average of 28 to 30%, to an Africa-wide average to 41 to 44%, and to a Latin America-wide average of 41 to 44% of respective gross domestic products.

**BLACK MONEY AND INDIAN ECONOMY :** The Black money finances anti-social Activity, facilitates transfer of Indian funds abroad to safe havens, inflates the prices of Real Estate, makes less tax available for collection by the Government, creates shortage of capital and consequent reduction in growth by moving investments into gold, silver, diamonds and gems, causes more inflation leading to mass poverty and finally encourages corruption, which not only creates black money but also is encouraged by underground market.

**EFFORTS OF THE GOVERNMENT :** In January 2011, the Supreme Court (SC) asked the Government of India why the names of those who have stashed money in the Liechtenstein Bank have not been disclosed. The court argued that the government should be more forthcoming in releasing all available information on money that is believed to be held illegally in foreign banks. The SC ordered the appointment of a Special Investigating Team (SIT) to act as a watch dog and monitor investigations dealing with the black money. This body would report to the SC directly and no other agency will be involved in this. In April 2014, Indian Government disclosed to the Supreme Court the names of people who had accounts in banks in Liechtenstein, as revealed to India by German authorities. In June 2014, the Hon. Finance Minister requested the Swiss Government to hand over all the bank details and names of Indians having unaccounted money in Swiss banks.

The Government of India has announced that it is making all efforts to procure the list of illegal bank account holders in Switzerland. The Hon. Finance Minister also said in Lok Sabha that India is in the process of communication with the Swiss authorities and would sign a pact which would be in the best interest of the country within the parameters of Swiss laws. The treaty between India and Switzerland is that of the future and prospective in nature.

The Institutions preventing, finding and investigating black money aimed at preventing black money:

1. Central Board of Direct Taxes (CBDT)
2. Central Board of Revenue
3. Directorate of Enforcement
4. Central Board of Excise and Customs & Directorate of Revenue Intelligence
5. Central Economic Intelligence Bureau
6. National Investigation Agency
7. National Crimes Record Bureau
8. Central Bureau of Investigation and
9. State Police Departments

**INTERNATIONAL AGREEMENTS :** To curb black money, India has signed Tax Information Exchange Agreements (TIEA) with 13 countries -Gibraltar, Bahamas, Bermuda, the British Virgin Islands, the Isle of Man, the Cayman Islands, Jersey, Liberia, Monaco, Macau, Argentina, Guernsey and Bahrain - where money is believed to have been stashed away. India and Switzerland have agreed to allow India to routinely obtain banking information about Indians in Switzerland. India has Double Tax Avoidance Agreements with 82 nations, including all popular tax haven countries. Of these, India has expanded agreements with 30 countries which require mutual effort to collect taxes on behalf of each other, if a citizen attempts to hide black money in the other country. The Agreements will soon be expanded to other countries as well to help with enforcement.

**TAXATION POLICIES :** The introduction of G.S. Tax is a good move by the new Government. Nicolas Kaldar's expenditure tax policy may throw up guide lines. Let the policy makers think carefully and adapt sustainable policy rather than publicizing black money in the minds of the whole. It is beyond comprehension that Swiss Bank only attract black money, why not others? Let the monetary pundits think more productivity and adapt suitable fiscal policy to increase the purchasing power with the people. The planners have to adopt a suitable investment policy with judicious public policy to arrest this growing menace in the country for better tomorrow. The taxation policies should promote savings, increase investment capacity and curb the desire for tax evasion with tax incentives for compliance and promotion of industry and trade. The proposed Think Tank should provide direction towards expenditure through the fiscal and monetary policy.

It is expected that the continuing persistent efforts of the Government of India would contain inflation, stabilize money circulation and overcome harmful effects of excess unaccounted money circulation which in the long run would reduce dependence on foreign debt and FDI and assist in poverty alleviation and global competitiveness. In order to curb corruption, conviction and Commitment are must for Public Office. This is easier said than done. The road ahead is long and difficult!

**ENTERPRISE  
REPORTING**



In view of the present competitive and dynamic environment of corporate governance and Government regulations, financial reporting is inevitable and extremely significant activity which reveals the true financial health of the organization. Investors demand authenticity, accuracy and reliability of financial data. For this purpose, XBRL Specification is developed and published by XBRL International, Inc. XBRL (eXtensible Business Reporting Language) is a freely available global standard for exchanging business information. XBRL transforms paper reports into multipurpose electronic documents which reduce risk of error. Companies can track how the virtual documents are used, by whom and for what purpose. It becomes easier to distribute general ledger, journal entries, and comply with accounting standards. No piece of information needs to be keyed in again and again for multiple stake holders.

**The scourge of black money must be eliminated by adherence to integrity and values.**



## REVAMPING OF MANAGEMENT EDUCATION

-Dr. E. Lalitha

There is a need to look into the future of management education in the decades to come. The discernible trends are proliferation of knowledge, rapid technological obsolescence, and globalization, concern for environment, sustainability and corporate social responsibility and of course rapid social changes. Management Education is needed to create a cadre of executives who can take over the reins of business, industry and organizations to direct, manage, monitor and control them for the benefit of the society. In that sense, management education is very different from conventional education. It imparts managing skills rather than only impart facts and knowledge.

The Management Institutes in India have been mushrooming over the past several years. However most of them have been unable to attract the required number of talented and committed students and faculty members. The standard of education therefore has to be improved. As a result, the placements are not up to the mark. This clearly shows that all is not well with the management education in India. Far reaching improvements are necessary to tone up the institutes and restore their academic and financial health. These improvements are needed in the areas of curriculum design, content delivery, learning management systems and acceptability of pass-outs by the employers.

The Ministry of Human Resource Development, Government of India, All India Council for Technical Education (AICTE) and the University Grants Commission (UGC) promote proper planning and coordinated development of education system throughout the country. AICTE helps promotion of qualitative improvements and regulates proper maintenance of norms and standards. AICTE Quality Improvement Schemes (AQIS) promote Quality in Education through Research and Development in pursuance of the recommendations of the Review Committee on Post Graduate Education and Research in Technical Education. However many more initiatives by Universities are needed besides the above.

**LEADERSHIP TRAINING:** At world class Institutes like the Harvard Business School, case studies, field-based learning and international immersions culminate in one larger lesson—leadership. These shape the Harvard Business School education and define leadership within an ever-growing, ever-changing world. A business school must impart lessons in leadership that are practical, invaluable, and real through abundant opportunities to participate in student administration, activity clubs that match an individual's particular interests, for a diversion from academic life or to have a significant impact on the community. There are many ways to refine leadership and organizational management experience, explore interests, and make friendships that last a lifetime. The campus must inculcate a sense of community. While formal education is concentrated on academics, the transformation of potential into leadership is realized through every aspect of the academic experience. To explore student life is to investigate multiple ways to learn, to connect, to lead.

Leadership training must also include our community values of mutual respect, honesty and integrity, and personal accountability and ethics explicitly. Values are a set of guiding principles and support the learning environment and are at the heart of a school-wide aspiration: to make the business school a model of the highest standards essential to responsible leadership in the modern business world.

### INDUSTRY-EDUCATION PARTNERSHIPS

At Harvard Business School (HBS), Industry-Education partnership is involvement between HBS and industry to establish goals, and to construct plans of action for achievement of those goals. These partnerships include

1. Consultative partnerships - for receiving public inputs around change or to gather ideas for policies.
2. Contributory partnerships - to benefit the industry or the community.

3. Operational partnerships - work-sharing arrangements to delegate tasks.
4. Collaborative partnerships - to share resources and risks of decision-making.

It is time other Business Schools follow the HBS example.

**CURRICULUM:** The students must be able to rise to the challenges of operating in the global arena; learn how to make decisions in the face of conflicting data, complex politics, and intense pressures. The dependence on jobs must reduce. This requires focus on entrepreneurship and innovation. The students should be taught to explore a potential new venture, connect with existing entrepreneurs, and discover the opportunities lurking in the environment. Social skills are also important for this to happen. They must be able to find a community of support and a close-knit network of friendships that last a lifetime. This could ideally be based on alumni relationships so that they can build connections and uncover business opportunities. Innovation requires that the Institutes must provide access to world class publications, research and resources.

The curriculum must be continually updated to reflect the global business environment and market needs to improve employability of students. The stress is now more on the use of Quantitative Techniques in Economics, Marketing, Finance, Manufacturing and Service Operations. Currently, world class management institutes offer electives such as:

Data Mining	Actuarial Models & methods
Operations Research Modeling	Derivatives & Risk Management
Heuristics and Algorithms	Managing IT & ITES outsourcing
Statistical inference with fuzzy data	E-Governance and Social Impact of ICTs
Systems Modeling & Decision Support Systems	Deterministic & Stochastic Inventory Management
Big Data and analytics	Cloud Computing
Open Source Software and Open Collaboration	Pattern Recognition applications in Management

The list is not exhaustive but representative samples of the courses which are current and relevant to the market needs.

**CONTENT DELIVERY:** The delivery models of management education include distance and on-line, dual/ multiple specializations and on-line testing and certification. E-learning is the use of electronic media, educational technology and information and communication technologies (ICT) in education including media that deliver text, audio, images, animation, and streaming video, and technology applications and processes such as audio or video recordings, satellite TV, CD-ROM, and computer-based learning, as well as local intranet/extranet and web-based learning. E-learning can occur in or out of the classroom. It can be self-paced, asynchronous suited to distance learning and flexible or instructor-led, face-to-face, synchronous learning. Blended learning is in conjunction with teaching is broadly synonymous with multimedia technology-enhanced learning.

**LEARNING MANAGEMENT SYSTEMS:** There is a need for efficient governance and management of the institutes themselves by employing Learning Management System (LMS) software application for the administration, documentation, tracking, reporting and delivery of education courses or training programs. These software systems range from simple systems for managing training and educational records to software for distributing online or blended/ hybrid courses over the Internet with features for online collaboration and to augment on-campus courses to automate record-keeping and employee registration. LMS Functionality includes:



Course Content Delivery	Skill Gap Analysis
Student Registration and Administration	Individual Development Plan
Training Event Management (i.e., scheduling, tracking)	Reporting
Curriculum and Certification Management	Training Record Management
Skills and Competencies Management	Courseware Authoring

An Institute may use an off-the-shelf LMS such as Sum Total Systems, Skill Soft or go for a custom developed software solution.

**ACADEMIC EXPERIENCE:** The academic experience offered by a Business School should be an eye-opener. For a management student learning must result in practice. Theory, practice, experience, and talent all come to one sharp point—a decision that shapes a definitive course of action. It is no longer an issue of what can be done, but of what an individual or a group will or will not do. Through case method courses, field projects, multimedia simulations, and more, students must exercise leadership skills for business and beyond because in real life, the issues are complex, the stakes high, and the demands challenging. The aim of a Business School is not to the pool of employment seekers but to create innovators and entrepreneurs. Hence imparting of entrepreneurship skills is an integral part of management education.

**BRAND BUILDING:** The Universities should be much more liberal in actively promoting the Indian management education brand image through increased emphasis on the following:

- Research and Development
- Foreign collaborations in the areas of faculty and student exchange programs
- Publications and participation in international seminars, workshops and symposia
- International consultancy assignments/ projects

Enhancements and improvements in the above mentioned areas will make the Indian management education an exportable service brand which will attract scholars and researchers from all over the Globe and earn valuable foreign exchange for the country too.

#### **SOME OF THE LEADING BUSINESS SCHOOLS**

Harvard Business School, USA

Massachusetts Institute of Technology - Sloan School of Management, USA  
Kellogg School of Management, Illinois, USA  
Wharton University of Pennsylvania, USA  
Stanford Graduate School of Business, USA

London Business School, UK

Columbia Business School, USA

Indian Institute of Management, INDIA

Indian School of Business, INDIA

#### **CAN LABOUR REFORMS BOOST MAKE IN INDIA**

**Mr. A.Murali, LL.M., PGDADR**



"Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration." – Abraham Lincoln

Country means not the land, country means the public was the saying of a great poet. Globally it is observed that Labour plays a vital role in the economic development of the any Nation. In India also our legislators noticed the importance of labour and framed a good number of labour laws. The labour laws being welfare laws are more of labour benefit then that of the entrepreneurs' and shall be implemented strictly. In India there are about 40 labour laws which were enacted before and after independence.

In recent general elections 2014, people of India elected Mr. Modi (NDA government) with lot of aspirations and expectations. It is

the duty of the government to comply with promises it made during election campaign. As a part of the development programme the central government has started 'Make in India' programme for providing employment to the youth, promoting the MSME's and even other entrepreneurs and also to attract the foreign investments. To achieve this the government is supporting the entrepreneurs by providing land, amending laws to make them entrepreneur friendly, relaxing pollution control norms etc.

The cabinet at centre accepted to amend certain labour laws to provide a easy passage for the entrepreneurs to get away with the complexities of Labour Laws. The amendment or the review will be with archaic labour laws and make them the Industry friendly and at the same time to protect the benefit of workers. On 16th October, 2014 in New Delhi, the Prime Minister Mr. Modi inaugurated a programme of Pandit Deen Dayal Upadhyaya Shrameva Jayate Karyakram, organised by the ministry of labour and Employment. Mr. Modi, in his inaugural speech said that, the aim of the programme is to emphasise the dignity of labour, especially that performed by workers and he called them as 'Shrama Yogi'. He further talking on labour reforms said, 'ease of business is the greatest requirement for India's success. It will be a priority under Make in India. Labour's problems must be seen from labours point of view.'

#### **Acts (Laws) Amended:**

- Factories Act, 1948: the changes adopted are curbing the powers of Factory Inspector and certain enhancements with regard to working hours and gender equality.

- Apprentice Act, 1961: firstly, the changes allows the non-engineering students for apprenticeship jobs and secondly, there is enhancement with regard to stipend paid to interns and also the number of apprentices (workforce) in an establishment.

- The Labour Laws (exemption from furnishing returns and maintaining registers by certain establishments) Act, 1988: The change provides exemptions from furnishing certain reports and maintaining registers.

#### **Effects of Amendment:**

- The liberty and powers of the Factory Inspector to select a unit for inspection is removed and selection of unit is made randomly by the computer.

- SMEs employing up to 40 workers are exempted from furnishing separate compliance returns for 16 labour laws.

- One-page compliance report will suffice.

#### **Opinion on the Amendment:**

1. Confederation of Indian industry: 'the changes as a measure that will ease the burden of the small and medium enterprises'.

2. Labour unions: 'the proposed labour laws reforms will only going to benefit the employers and not the working class. The change gives a free hand to the corporate. The change depresses the wage level too by low paid apprentices.'

Mr. Raghuram Rajan (Reserve Bank, Governor) expressed the need of the changes as follows:

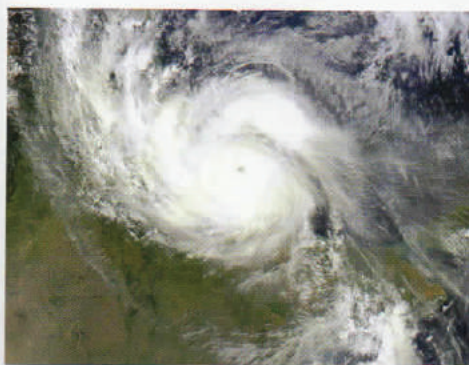
"Sustainable change in developing countries requires reforming not only specific arrangements, such as rigid labor laws, but also more basic institutions, such as the legislature and the judiciary, to make them more responsive to people's needs. Otherwise change becomes necessary to avoid even worse conflict".

The NDA government has compromised with effective and stringent welfare Labour Laws to promote 'Make in India' Programme and ultimately benefit its subjects and to fulfill the promises it made to the people. By the amendment the powers of the controlling mechanism of companies are been curtailed to a large extent, giving scope for the entrepreneurs to exploit the resources and prosperous themselves. Under these circumstances, it is suggested that the exemptions from furnishing the reports and maintaining the registers is not just, instead the relaxation with regard to the time period for furnishing these reports might have extended, by keeping in view the benefit of both the employee as well as the employer. The present labour reforms fail to address the major problem of 'Strikes' in the industry.

**Slow runners have no place in competition. Nature follows the rule of survival of the fittest.**



## CYCLONE HUD LEAVES ANDHRA PRADESH STATE IN DISARRAY



After the Cyclone Hud Hud Andhra Pradesh is a State in disarray. Hud Hud originated from a low pressure that formed under the influence of an upper-air cyclonic circulation in the Andaman Sea and struck the coast in Visakhapatnam on 12 October 2014. The city was in complete chaos

as power, communications and supply of food and water collapsed. The AP government said the worth of the property loss, both private and public combined, in Visakhapatnam would be between Rs 25,000 crore to Rs 1 lakh crore. Prime Minister Shri Narendra Modi made an aerial survey and after a review meeting with Chief Minister Shri Nara Chandrababu Naidu and top officials announced an interim relief of Rs. 1000 crore to Andhra Pradesh for the devastation in Vishakapatnam and other coastal areas. He also declared Rs. 2 lakh from Prime Minister's Relief Fund for families of each of those killed and Rs. 50,000 to every injured. He also expressed confidence that the central and state Governments will work to overcome the challenges of financial/ resource crunch in building up the new State. The Chief Minister of Andhra Pradesh had also promised to write off loans to farmers amounting to around Rs 87,000 Crores. RBI has said that the State should ensure that the non-payers do not benefit.



Jean Tirole



Kailash Satyarthi

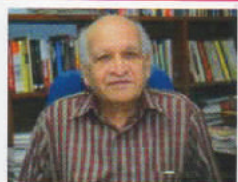


Malala Yousafzai

### NOBEL PRIZE WINNERS - 2014

Jean Tirole (born 9 August 1953), a French professor of economics, who focuses on industrial organization, game theory, banking and finance, and economics and psychology has been awarded the 2014 Nobel Memorial Prize in Economic Sciences for his analysis of market power and regulation in natural monopolies and oligopoly. His research also covers regulation, international finance and macroeconomics.

Kailash Satyarthi (India) and Malala Yousafzai (Pakistan) share the Nobel Peace Prize for children's rights. Kailash Satyarthi and Malala Yousafzai hope that the joint prize helps Indian-Pakistani ties.



### OBITUARY

Noted historian, Padma Bhushan Bipin Chandra, 86 died on 30 August 2014 at his Gurgaon residence. He had been the chairperson of the Centre for Historical Studies, Jawaharlal Nehru University, Member of the University Grants

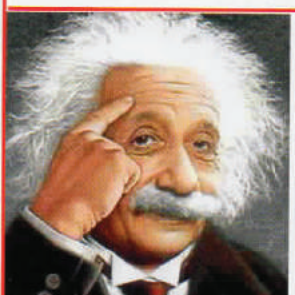
Commission (UGC) and the Chairman of the National Book Trust (NBT). A specialist in economic and political history, he was awarded 'Itihas Ratna' by the Asiatic Society of Bihar.

## GREAT



**BHARAT RATNA DR. SARVEPALLI RADHAKRISHNAN** (5 September 1888 – 17 April 1975), the first Vice-President of India (1952–1962), the second President of India (1962–1967) was Professor of Eastern Religion and Ethics at University of Oxford (1936–1952). His philosophy was grounded on Advaita Vedanta

## WISE



**ALBERT EINSTEIN** (14 March 1879 – 18 April 1955), German-born physicist and philosopher of science developed the general theory of relativity and mass-energy equivalence formula  $E = mc^2$  and received the 1921 Nobel Prize in Physics for discovery of the law of the photoelectric effect, pivotal in quantum theory.

## .ISTJ PERSONALITY TRAIT

- Dr. Vedantam P. Sarma,

Mismatch between the personality of an employee and the nature of job is the root cause of employee dissatisfaction, low productivity, and high attrition. According to Dr. Holland there are six types of personality traits: Realistic, Investigative, Artistic, Social, Enterprising, and Conventional.

One of the common personality traits found in a large number of management professionals is the Introverted -Sensing -Thinking -Judging (ISTJ) personality which covers the following behavioral traits. Such a person is a community-minded "good citizen. He values tradition, security, and peaceful living. The professions which suit the ISTJ most are: Business Executives, Administrators, Managers, Accountants, Police officers and Detectives, Judges and Lawyers, Medical Doctors/Dentists, Computer Programmers, Systems Analysts, and Computer Specialists and Military Leaders. Although it is not a comprehensive list, it serves the purpose of indicating the types of jobs that suit your personality well.

## NEWS

### RE-AWAKENING OF NALANDA UNIVERSITY AFTER 800 YEARS

Gopa Sabhrawal, Vice-Chancellor, Nalanda University has announced that University recommenced its operations on 01 September 2014 from a makeshift campus at the Buddhist pilgrim town of Rajgir, about 100 km from Patna. The university will come up in Rajgir, 12 km from where the ancient Nalanda University stood till the 12th century, when it was razed by an invading Turkish army

## Rambler

God, how you have created "Me"  
Why you have placed me in such a cramped narrow walls  
All sorts of refuse is thrown at me useful and unuseful.  
Be it any color or Creed, I try to retain all that is thrown or showered.  
I enjoy all colors but when the sun dawns every morning  
A Glowing awakening surfaces.  
It is ever shining for Swacchh Bharat in my "MIND"

S.D.K

There is frequently a recurring struggle for existence- Charles Robert Darwin (12 February 1809 – 19 April 1882)



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## SPECTRUM - EVENTS AT MSS



1. Prof. K. Sateesh Reddy, Secretary Andhra Pradesh State Council for Higher Education lighting the lamp on the occasion of Republic Day Celebrations 2014
2. Mr. Riaz, Team Lead, GENPACT Hyderabad, addressing the students during placement drive
3. Air Commodore Sharma sharing his experiences on Indian Border
4. Prof. R Nageswar Rao, Director, Academic Audit Cell, and OSD to Vice-Chancellor, Osmania University, graced the National Workshop organized by our institute as a Chief Guest
5. Prof. R Nageswar Rao, Director, Academic Audit Cell, and OSD to Vice-Chancellor, Osmania University, was felicitated by Dr. D V G Krishna, Director, Kedia College of Commerce.
6. Prof. H. Venkateswarlu, Director, PGRRCDE, OU, giving awareness about Management Program.
7. Prof. H. Venkateswarlu, Director, PGRRCDE, OU, was felicitated on the occasion of Mock-ICET-2014, which was held in our campus.
8. Mr. Srihari, Faculty, RG Kedia College, was felicitated by the management for his commendable services.
9. Mr. S. B Kabra CA, Joint Secretary, MSS Group of Institutions, addressing the gathering on the National Workshop.
10. Dr. C. Rangarajan, Former Governor, RBI and Ex-Chairman Economic Advisory Council to Prime Minister, lighting the lamp.
11. Dignitaries graced the occasion of National Workshop.
12. Shri. Pramod Kumar Kedia, Senior-Advocate, High Court of Telangana & AP and Chairman, Agrasen Urban Bank Ltd., hoisted Flag on Independence Day 2014.

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- ❖ Parvathi Devi Ramakrishna Dhoot KG School

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