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Where you can trust

BIYANI GIRLS COLLEGE

Excelsior

DEPARTMENT OF COMMERCE & MANAGEMENT (ABST)

E-WALL MAGAZINE

ACKNOWLEDGEMENT

It is a matter of pride and honor to introduce this special edition of E-wall Magazine - "Excelsior" – The magazine of A.B.S.T. topics from Commerce & Management Department. This issue of magazine incorporates a congregation of various articles of commerce students.

This issue includes four articles.

We are sure the magazine will serve as a valuable addition to the management literature and will also prove to be a valuable study material. We would also like to place on record our sincere thanks to Dr. Rajeev Biyani (Chairman), Dr. Sanjay Biyani (Director-Academics), Dr. Neha Pandey (Principal), and Dr. Devika Agarwal (HOD, Commerce) for their unrelenting support to Excelsior. We also sincerely thank the appreciable efforts of Mr. Nilesh Sharma (Graphic Designer) for helping to bring out the issue of this magazine.

We also grateful to reviewers for providing their comments and suggestions. Our sincere appreciation goes to all the students for their contribution and to the readers for their incessant support.

We look forward to your comments on this issue and suggestions on matters concerning the Magazine.

Editor-in-chief

Ms. Nitika Kewlani
Asst. Professor,
Commerce & Management

Mr. Mukul Sharma
Asst. Professor,
Commerce & Management

CONTENTS

1. Crypto Currency

Crypto currency is a digital payment system that doesn't rely on banks to verify transactions. It's a peer-to-peer system that can enable anyone anywhere to send and receive payments. Crypto currency is stored in digital wallets. Crypto currency received its name because it uses encryption to verify transactions which means advanced coding is involved in storing and transmitting crypto currency data between wallets and to public ledgers. The aim of encryption is to provide security.

Instead of being physical money carried around and exchanged in the real world , crypto currency payments exist purely as digital entries to an online database describing specific transactions. When you transfer crypto currency funds, the transactions are recorded in a public ledger. Crypto currency is stored in a digital wallets.

HOW DOES CRYPTO CURRENCY WORK ?

Crypto currencies run on a distributed public ledger called blockchain , a record of all transactions updated and held by currency holders.

Units of crypto currency are created through a process called mining , which involves using computer power to solve complicated mathematical problems that generates coins. Users can also buy the currencies from brokers, then store and spend them using cryptographic wallets.

If you own crypto currency, you don't own anything tangible. What you own is a key that allows you to move a record or a unit of measure from one person to another without a trusted third part.

CRYPTO CURRENCY EXAMPLES

1.**BITCOIN :**

Founded in 2009, Bitcoin was the first crypto currency and is still the most commonly traded. The currency was developed by Satoshi Nakamoto -widely belived to be a pseudonym for an individual or group of people whose precise identity remains unknown.

2. **ETHEREUM:**

Developed in 2015,Ethereum is a blockchain platform with its own crypto currency, called Ether(ETH) or Ethereum. It is the most popular crypto currency after Bitcoin.

3. **LITCOIN:**

Developed in 2015, ethereum is a blockchain platform with its own crypto currency called Ether (ETH) or Ethereum. It is the most popular crypto currency after Bitcoin.

4. **RIPPLE:**

Ripple is a distributed ledger system that was founded in 2012. Ripple can be used to track different kinds of transactions , not just crypto currency. The company behind it has worked with various banks and financial institutions.

Now – Bitcoin crypto currencies are collectively known as ”altcoins” to distinguish them from the original.

HOW TO BUY CRYPTO CURRENCY ?

You may be wondering how to buy crypto currency safely . There are typically three steps involved. These are :

Step 1 > Choosing Platform :- The first step is deciding which platform to use. Generally , you can choose between a traditional broker or dedicated cryptocurrency exchange :

-traditional broker

-cryptocurrency exchanges

Step 2 > Funding your account :- Once you have chosen your platform, the next step is to fund your account so you can begin trading. Most crypto exchanges allow users to purchase crypto using fiat (i.e., government – issued) currencies such as the US Dollar , the British Pound , or the Euro using their debit or credit cards – although this varies by platform.

Step 3 > Placing an order :- You can place an order via your broker's or exchange's web or mobile platform. If you are planning to buy cryptocurrencies , you can do so by selecting "buy" , choosing the order type, entering the amount of cryptocurrencies you want to purchase , and confirming the order. The same process applies to "sell" orders.

HOW TO STORE CRYPTO CURRENCY ?

Once you have purchased cryptocurrency , you need to store it safely to protect it from hacks or theft. Usually, crypto currency is stored in crypto wallets , which are physical devices or online software used to store the private keys to your crypto currencies securely.

There are different wallet providers to choose from . The term “hot wallet” and “cold wallet” are used :

-*hot wallet storage* :: refers to crypto storage that uses online software to protect the private keys to your assets.

-*cold wallet storage* :: unlike hot wallets, cold wallets (also known as hardware wallets) rely on offline electronic devices to securely store your private keys.

2. FACTORING


Payment Disbursement
Realization
Invoice Upload
Bill Discounting
Invoice Booking
Order Booking
Factor in

INTRODUCTION:

FACTOR:

A factor is **an intermediary agent that provides cash or financing to companies by purchasing their accounts receivables**.

Functions of a factor are as follows −

- Maintain accounts.
- Providing advisory services.
- Providing short-term finance.
- Providing credit protection.
- Providing collection facilities.

FACTORING

Factoring is commonly referred to as accounts receivable factoring, invoice factoring, and sometimes accounts receivable financing.

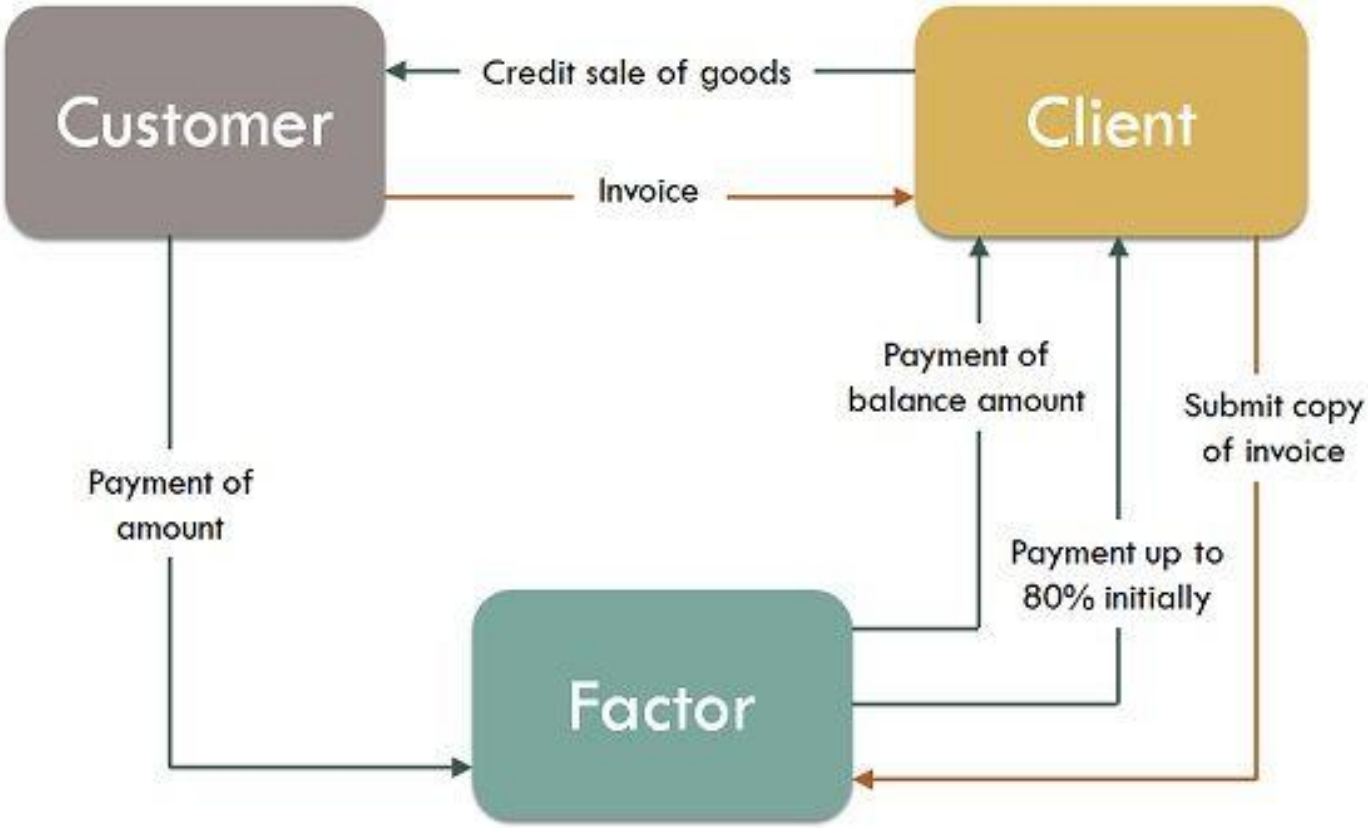
Factoring is a financial transaction and a type of debtor finance in which a business *sells* its accounts receivable (i.e., invoices) to a third party (called a factor) at a discount. A business will sometimes factor its receivable assets to meet its present and immediate cash needs.

Parties involved in factoring:

▪Supplier or seller (client)

▪ Buyer or debtor (customer)

▪ Financial intermediary (factor)


Customer
Credit sale of goods
Client
Invoice
Payment of balance amount
Submit copy of invoice
Payment of amount
Payment up to 80% initially
Factor

1.**BUYER**


SALE
buyer

▪ Enters enters into an agreement and negotiates and decides terms and conditions of sale agreement.

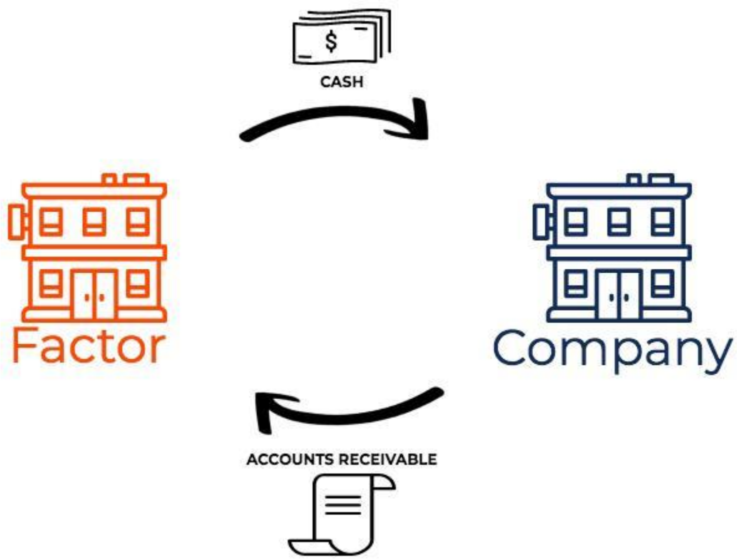
▪ Take delivery with invoice bill and an instruction to make payment to factor on due date.

2 SELLER

▪ enter contract Off sale of goods of credit

▪ Send copy of invoice along with chalan With goods to the buyer to the instruction for making payment to the factor.

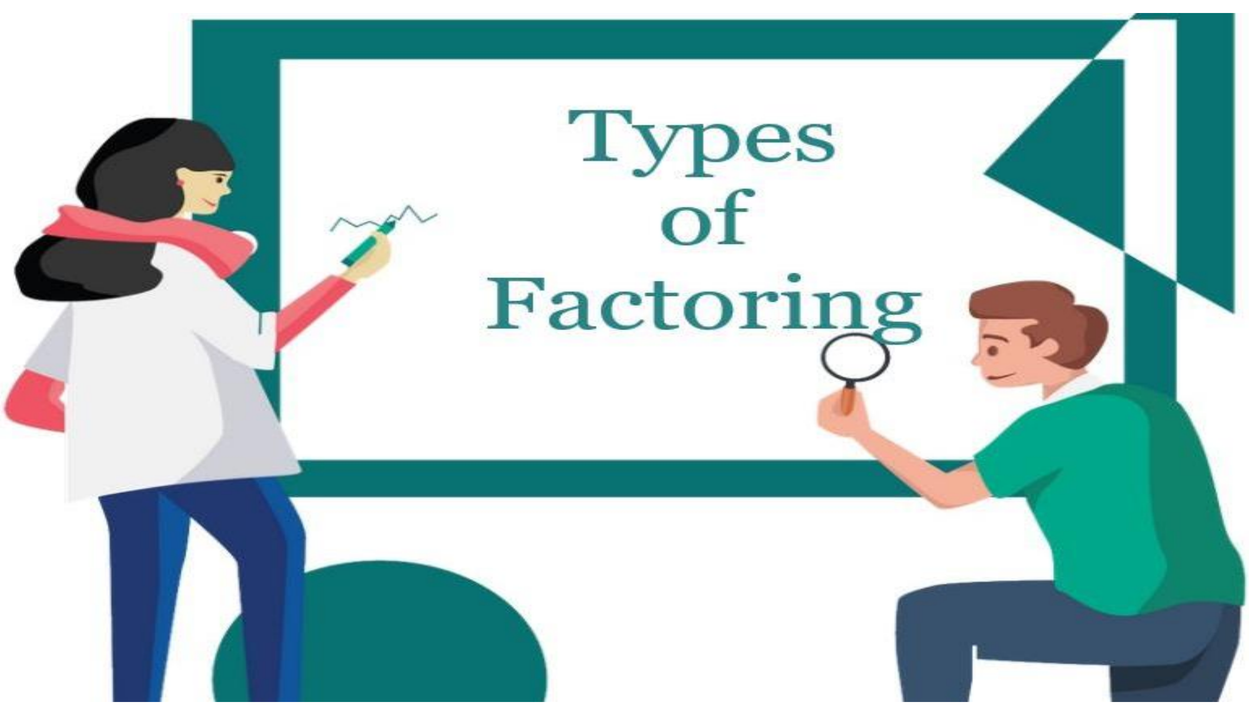
3. **FACTOR**

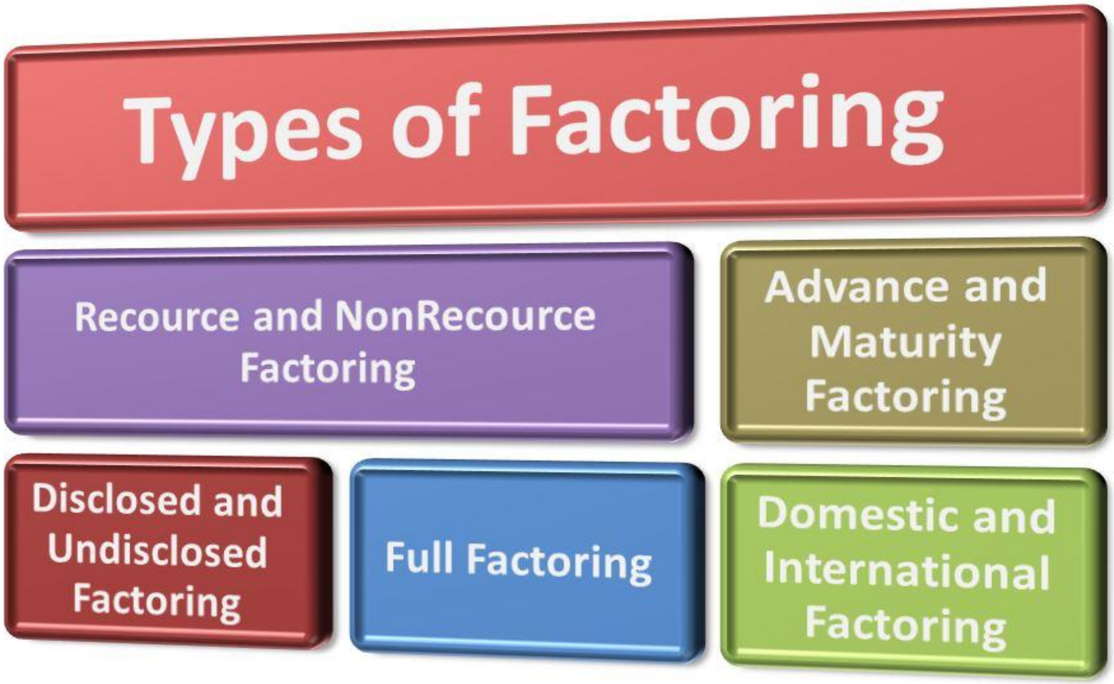


▪ Enter into an agreement with the sell documents factoring service

▪ Pays up of 80% advance On receiving sales document.

▪ receiving payment from the buyer and pays balance deducting after Commission.

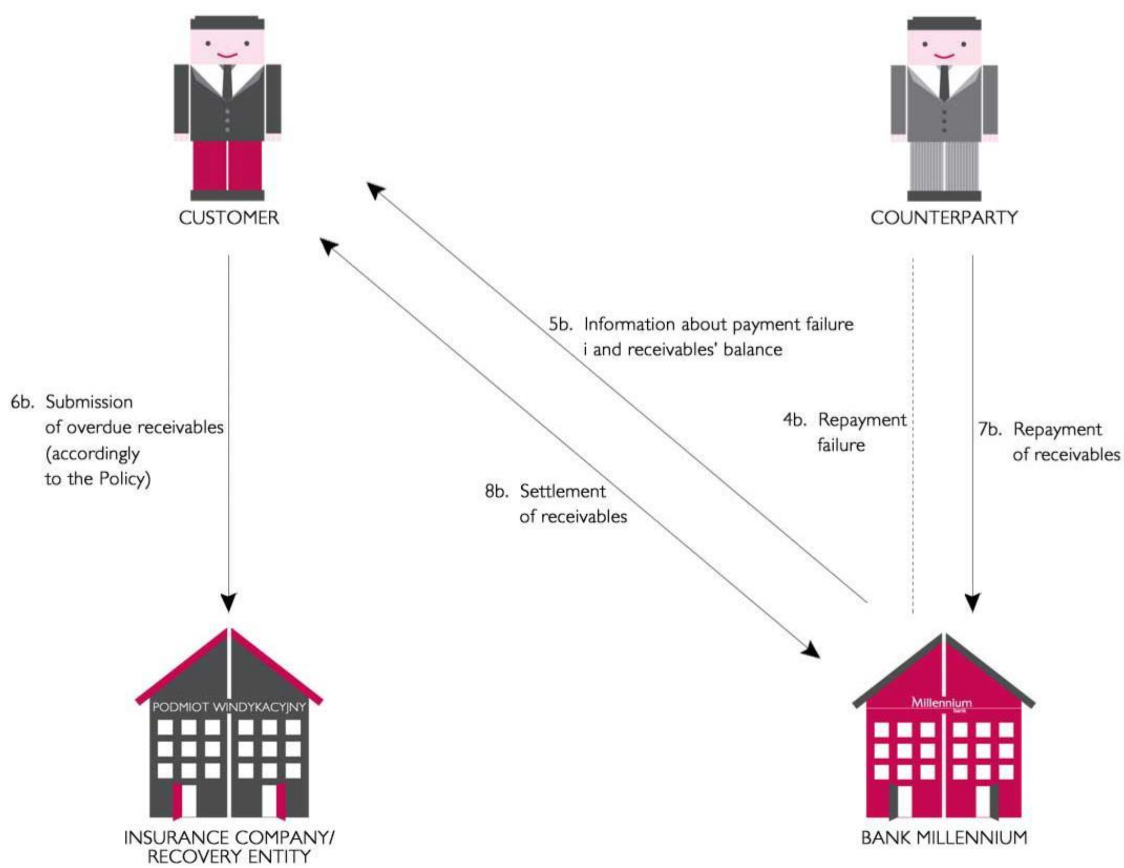




1.**<u>RECOURSE FACTORING:</u>**[8]

In this type of factoring, the factor has recourse to the client (seller of goods) if importer(buyer of goods) become insolvent. In other words, risk of account receivables purchased from client becoming bad is borne by client himself.

2.NON – RECOURSE FACTORING



In this type of factoring, factor has no recourse to the client if the debt / account receivables purchased turns out be bad or irrecoverable. Factor can not claim the amount from the client. As factor bear the risk of non payment, commission charged for the services is higher than recourse type of factoring.

3. ADVANCE AND MATURITY FACTORING

Advance

Factor pay the advance varying between 75-85 percent of the value of receivables or invoice factored. The balance is paid upon collection or on the guaranteed payment date

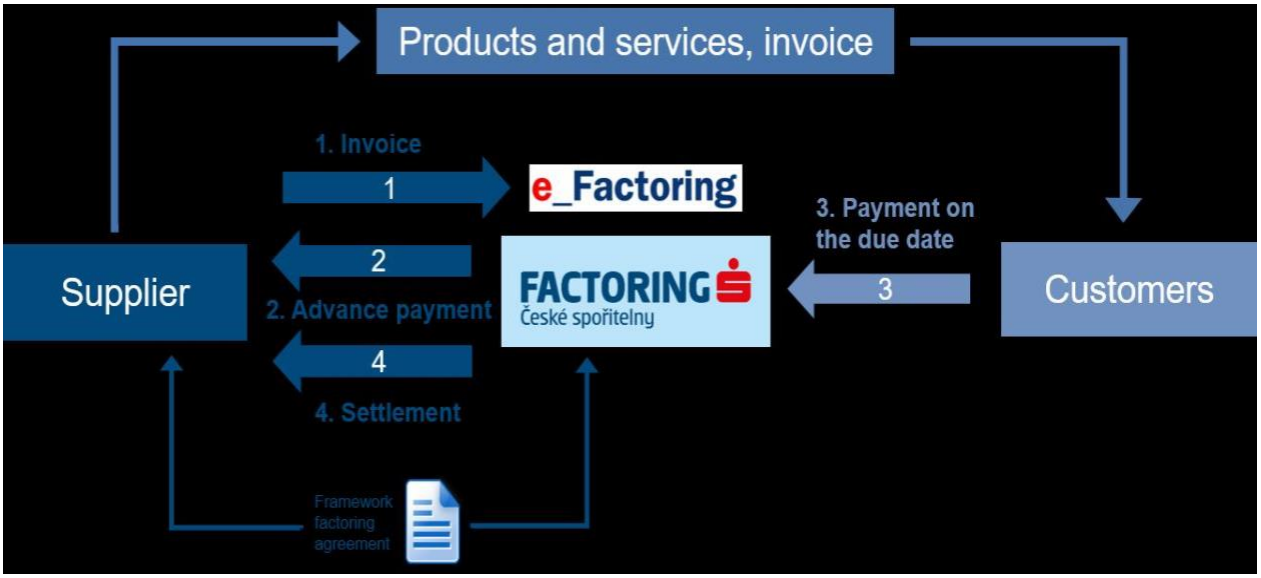
MATURITY

No advance payment is made by the factor to client. Factor pay the client only after collection of account receivables/ debt or on a guaranteed payment date. The guaranteed payment date is usually fixed taking into account the previous ledger experience of the client and a period for slow collection after the due date of the invoice.

4. Full Factoring

_Also known as Conventional Factoring, it combines the features of both non recourse and advance factoring arrangement. Full factoring provides theentire spectrum of services – collection, credit protection, sales-ledger administration and short-term finance.

5. Domestic and Cross Border Factoring :



The basic difference in domestic and cross border factoring is on account of number of parties involved in factoring process.

In domestic factoring, three parties are involved –

▪ seller (client),

▪ Factor,

▪Buyer

cross border or export factoring,

four parties are involved in transaction –

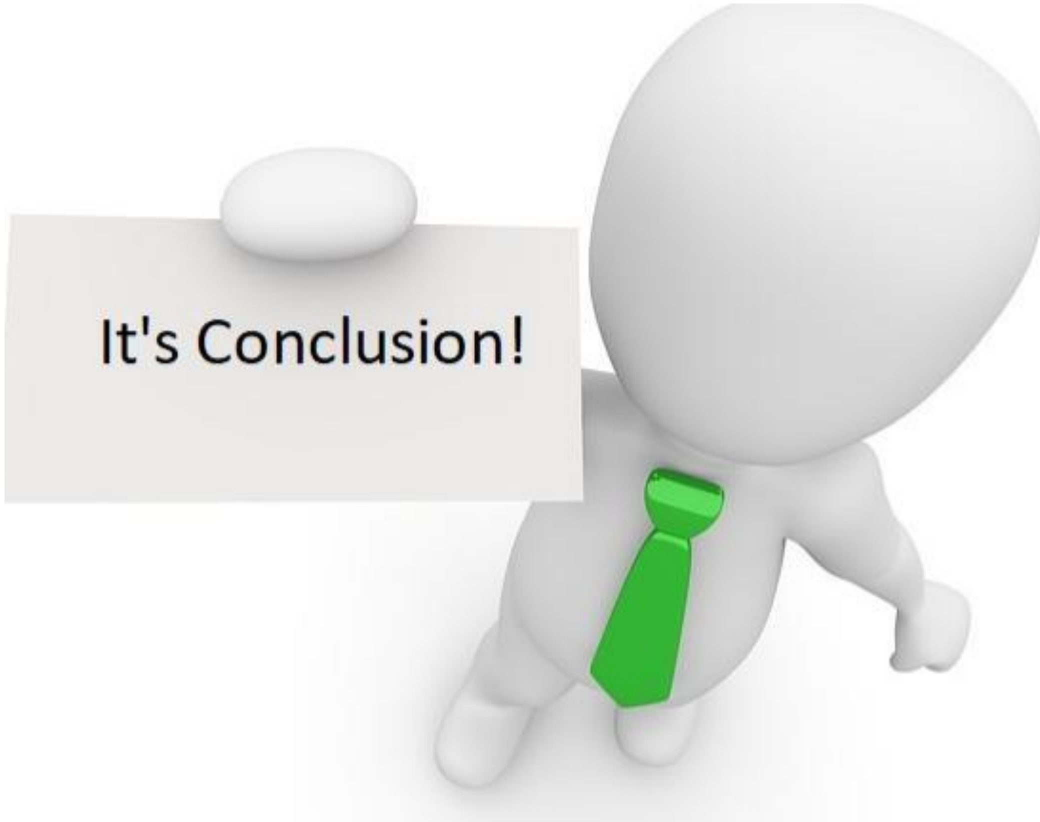
▪**Exporter (Seller/client),**

▪ **Importer (buyer),**

▪**Export Factor,**

▪ **Import Factor.**

It is also known as **Two Factor system of Factoring a**s there are two factors involved in the transaction.



Factoring forms an important part of a business, especially those businesses which are big in size. However, if used wisely and to the benefit of the company, it can help the business to grow significantly.

GLIMPSES OF BASANT PANCHMI, PERFORMANCE BY COMMERCE & MANAGEMENT STUDENTS

Biyani Group of Colleges celebrated Basant Panchmi with much fun and enthusiasm. The students of Commerce & Management participated in various activities, viz Speech, Dance & Singing.
Sharing some glimpses of the event.

A) Speech by Commerce & Management students

May goddess Saraswati burn the darkness of evil with the glow of knowledge. Happy Saraswati Puja and Basant Panchmi from us to you.

B) <u>Dance Performance by Commerce & Management students</u>

C<u>). FLOWERS DISTRIBUTION BY STUDENTS</u>-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3. Leasing

Meaning of Leasing :

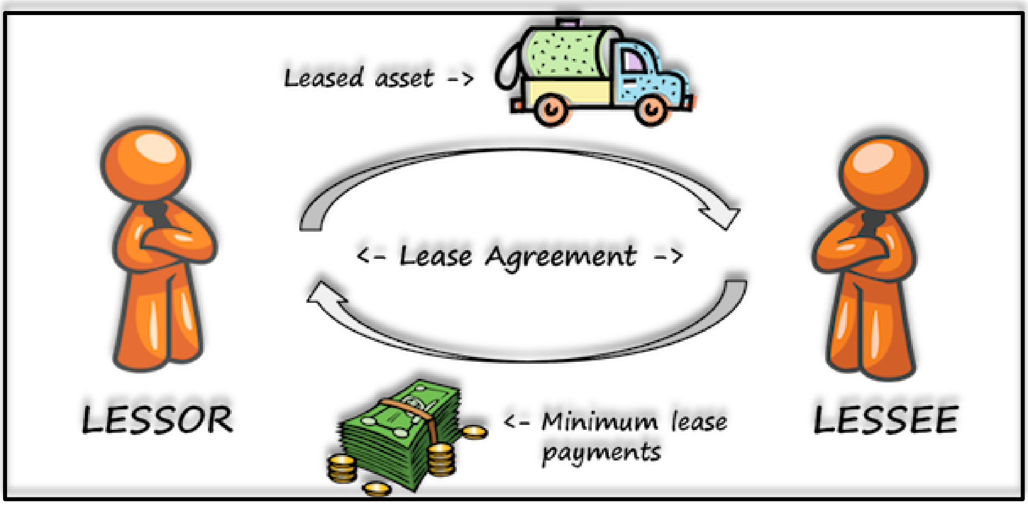
A leasing is a written agreement/contract under which a property owner or landlord(lessor) allows the tenant (lessee) to use the property or equipments for a specified period of time. Tenant(lessee) agrees to pay the number of fixed or flexible installment's over an agreed period to landlord (lessor), who remains the owner of assets throughout the period of the lease.

It is a contract which lasts over the number of years, usually between 2-10 years, depending on cost and usable life of the product. It is similar to renting. Lessee have the right to have full use of property or equipments without having to pay the full cost of the equipment item in one go.

- **Lease Agreement :**

In this document, landlord and tenant set forth the right and obligation of each party with respect to consideration of the payment of property which is used by the lessee to the lessor or owner of the property .

Parties Involved in Leasing are:



- **Benefits of leasing are:**

1. Easy Source of Finance.

2. Enhance the Liquidity.

3. Quality Assets.

4. Tax Benefits.

- **<u>Types Of Leasing</u>**

- **Finance Lease :**

Finance Lease is also know as **Capital Lease** it is a non-cancelable contract where the lessor recevies the lessee payments to covers its ownership cost. The lessee is responsible for the maintance, insurance and taxes of the equipments. These contracts are of long term usually of 99 years.

A finance lease is a type of lease in which a company is typically the legal owner of the asset for the duration of the lease, while the lessee not only has operating control over the asset, but also have some share of the economic risks and returns from the change in the valuation of the underlying asset.

Usually businessmen use the finance lease because in businesses the equipments are used is of high cost and for some businessmen it is not possible to purchase the equipments or parts so they switch to finance lease.

- **Operating Lease :**

Operating Lease is also known as **Service Lease.** Operating lease is **a contract that permits the use of an asset without transferring the ownership rights of said asset**. The lessor is responsible for the up keeping and maintance of the asset.

The contract period between lessor and lessee is for limited period, it may be 1month, 6month or 1 year. The operating lease contract can be cancellable by lessor or lessee both.

➢ Sale and Lease Back :

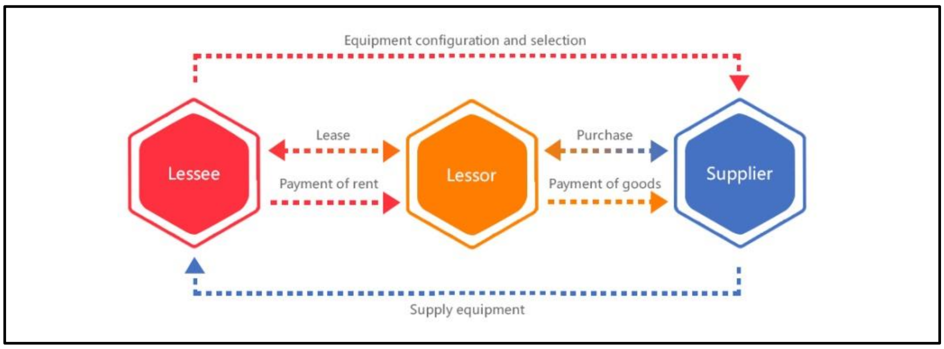
Sale and lease back is a sub-part of finace lease. In this, the owner of an asset sells the assets to a party (buyer) who in turn lease back the same asset to the woner in consideration of a lease rental.

Under this agreement, the assets are not physically exchange but it all happen in records only. The onwer switch to this type of leasing because of their financial conditions.

➢ Direct Leasing:

Direct leasing is a **two-party transaction** that involves an equipment supplier (manufacturer or dealer) and the asset's user (lessee), whereby the equipment is produced or purchased by the supplier and then leased directly to the customer by the supplier, either as an operating or finance lease .

The ownership of the asset leased out remains with the manufacturer itself. This type of lease may be arranged by the manufacturer or financial institutions.



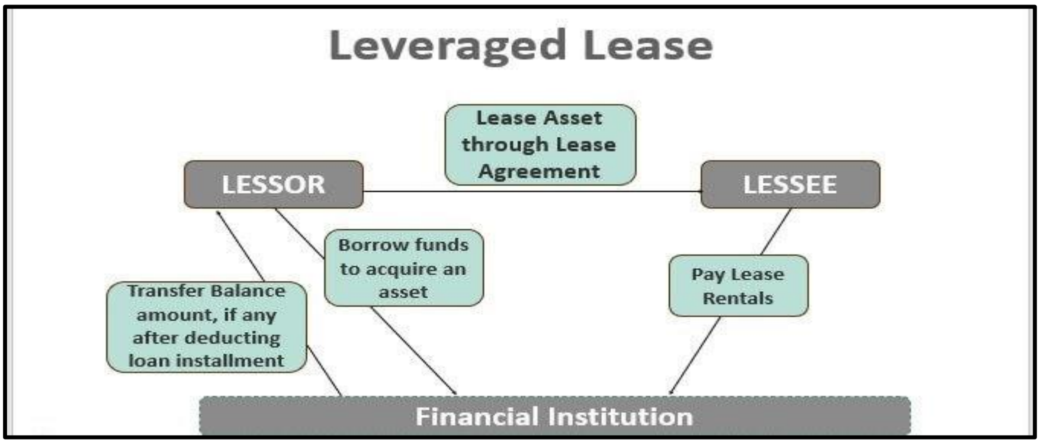
➢ Leveraged Leasing :

In leveraged leasing, a third party is invovled besides lessor and lessee i.e., **Financial Institution.** In “leveraged lease”, the lessor invest some money from his pocket to purchase an asset and arranges for the rest of the money required from a financial insitution, i.e., bank.

A leveraged lease is a lease agreement that is financed through the lessor with help from a third-party financial institution. In a leveraged lease, an asset is rented with borrowed funds. The asset purchased is held as a security against the loan to the financial institution or bank.

Leveraged lease is a lease agreement wherein the lessor acquires an asset partially financed by the financial institutions and lease out the same to the lessee for the agreed lease payments. The lessee transfer the lease rentals directly to an escrow account maintained with the financial institution by the lessor.

Let’s understand this with an example, Mr. A wants to purchase a machinery of Rupees 10 lakh but he only have 2 lakh so he went to the bank which is third party, and took a loan of rupees 8 lakh , purchased the asset and hold it as a coletral security to bank and lease it to an lessee with consideration of rental payment.



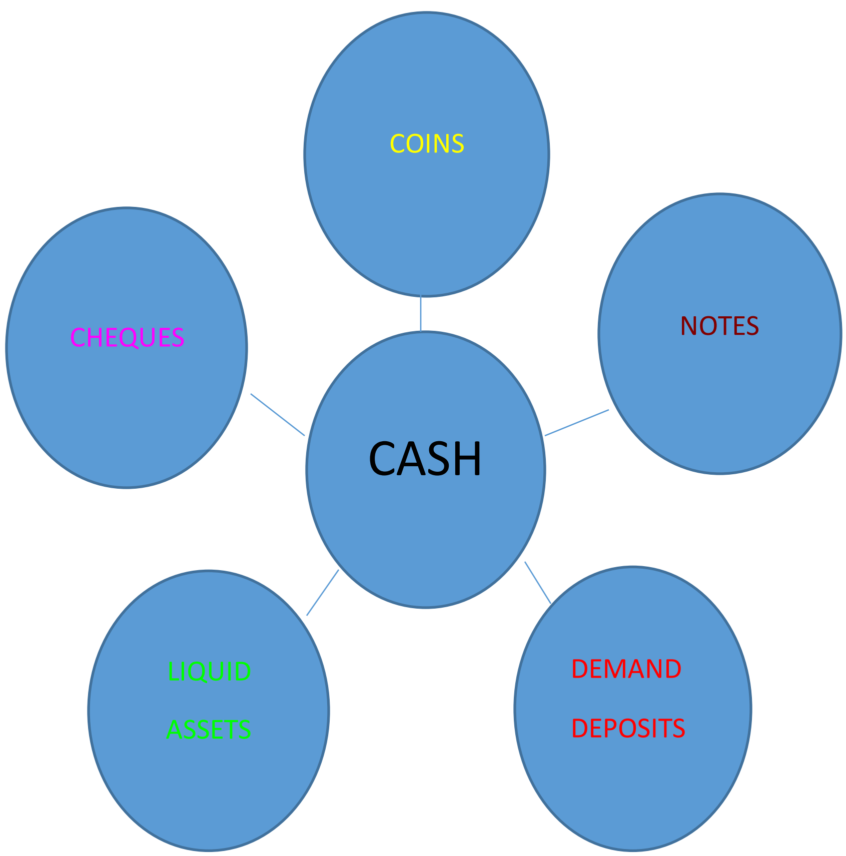
4. A CASH MANAGEMENT IN A SUPERMARKET STORE

What is Cash?

- Cash is money that you can access and use.
- Business get cash by selling their products and services.
- Cash equivalents are short-term investments that can be readily converted into a known amount of cash.
- A business considers cash equivalents to be the same as cash in the bank.

Meaning of Cash Management

- Cash management refers to optimum utilization of cash to ensure liquidity and profitability of business.
- It is thus concerned with the collection, disbursement and investment of cash in efficient manner.



Objectives of Cash Management

- Optimum cash balance.
- Prompt collection from debtor.
- Investment of excess cash to earn profitability.
- Controlling cash inflow and outflow.
- Meeting payment schedule.

Functions of Cash Management

1. Receivables Management
2. Inventory Management
3. Payables Management
4. Short Term Investments
5. Forecast & Planning

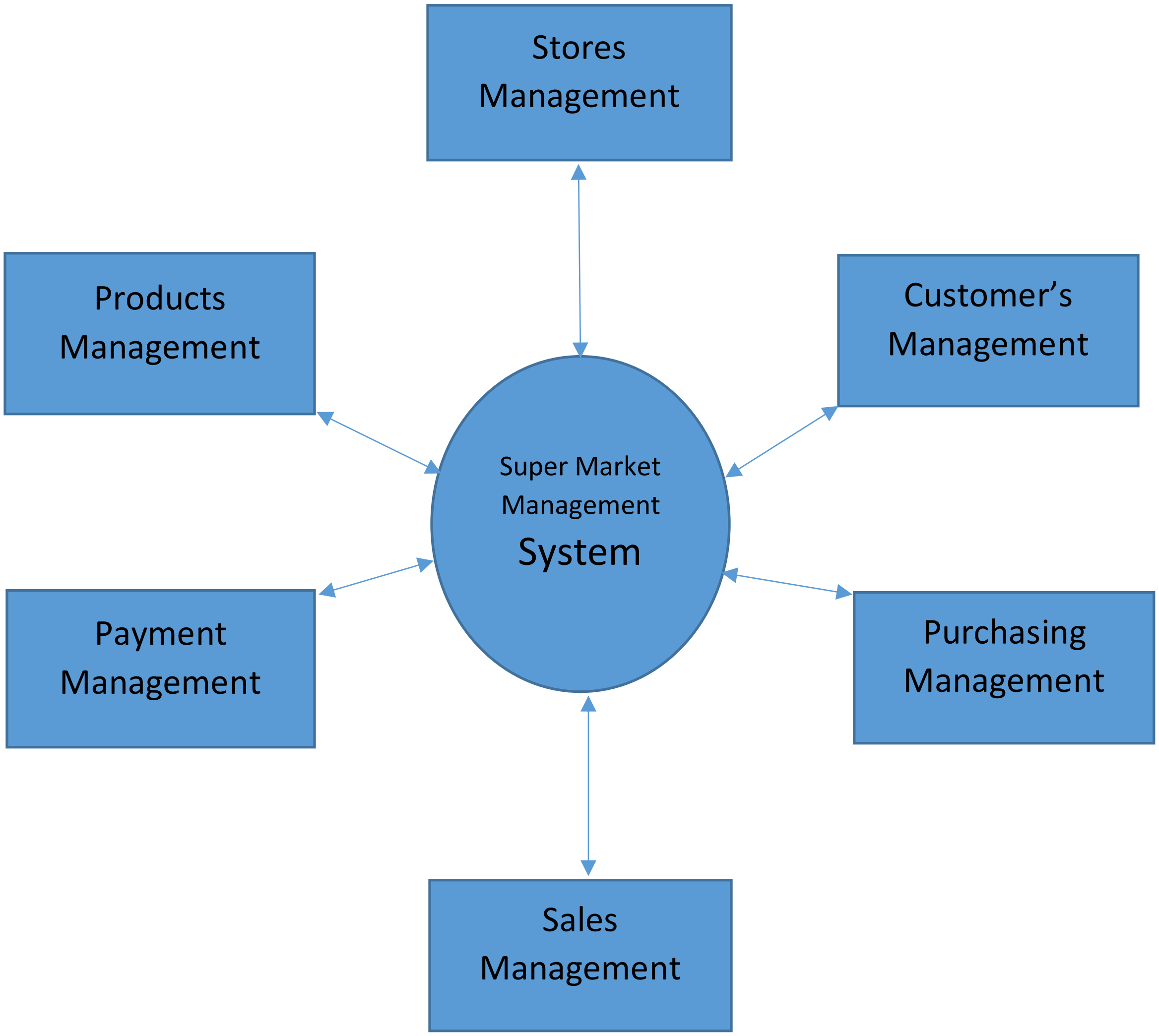
Tools for Cash Management

- Cash Budget – The Cash Budget is a budget Prepared to estimate the cash inflows and Outflows during a specific period of time in future.

- Cash Flow Statement – The Cash Flow Statement is a financial statement that summarizes the cash inflows and outflows through three major activities (Operating, investing and financing).

- Ratio Analysis – Liquidity ratios like current ratio, quick ratio and cash ratio measures the financial strength of company in terms of cash and marketable securities available in the company to pay off short term obligations.

SUPER MARKET MANAGEMENT SYSTEM



Benefits of Cash Management

Ensuring liquidity and optimal use of cash resources by

- ✓ Having enough cash on hand at the right time in order to fund core business operations and improve working capital position.
- ✓ Visibility into expected cash needs and forecasted cash receipts.
- ✓ Ability to analyze enterprise-wide cash requirements and currency exports.
- ✓ Daily cash position and projected cash forecasts to minimize idle cash.
- ✓ Explicit segregation of duties.
- ✓ Real time cash positioning for preventing bank balance overdrafts.

Cash Management –

- Cash is a company's most important liquid asset.
- Controlling and managing cash is one of the most important areas that a company needs to focus on.
- It is very important that it is properly controlled, managed and available for the company to meets its obligations. Effective cash management ensures the timely provision of cash resources necessary to support the company's operations.
- Controls are built for cash management to optimize enterprise-wide liquidity and ensure that cash is accounted, safeguarded and reported correctly.

Cash Management Process

The cash flow timeline includes the total time interval beginning with the first phase of the operating cycle, when resources are purchased, until the last step when receipts are collected.

MATERIAL PURCHASES

COLLECTION OF SALES RECEIPTS

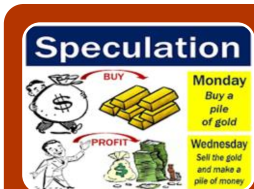
PAYMENT FOR RESOURCES

SALE OF INVENTORY

Motives for Holding Cash

Transaction Motive - Cash is required in business to meet operationl expenses like utility bills, salary and wages, travelling expenses, repair and maintenancr, accounting expenses, taxes etc.

Precautionary Motive - Cash is required as provision to meet unexpected contingencies in shorter period of time.



Speculative Motive - Cash should also be kept to grab portable apportunities of investments to profit as and when the prices are low or favourable.

Cash Management – Sources of Cash

+ Sales
+ Receipts
+ Borrowings
+ Investment maturity

INFLOW

- Purchases – Raw Material, Goods
- Expenses – Marketing, Other
- Inventory
- Repay Borrowings
- Investments
- Credit Given

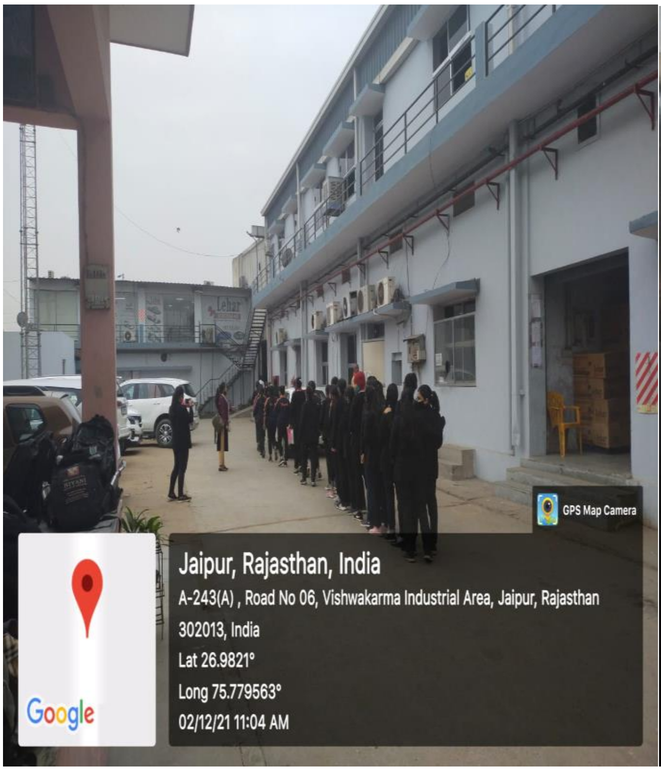
OUTFLOW

“Industrial Visit- Lehar Footwear”

Biyani Group of Colleges, Jaipur successfully organised an Industrial visit to “Lehar Footwear” of BBA and B.com- 2nd & 3rd year students. Approximately 75 students had explored the visit.

Mr. Pramod Agarwal(Concerned Person) have enlightened the students about the process of shoe making. He also explained about the background of Lehar industry, its turnover, future prospects, outsourcing and exports.

Students had learnt a lot from this visit. After that, a group photograph was taken.

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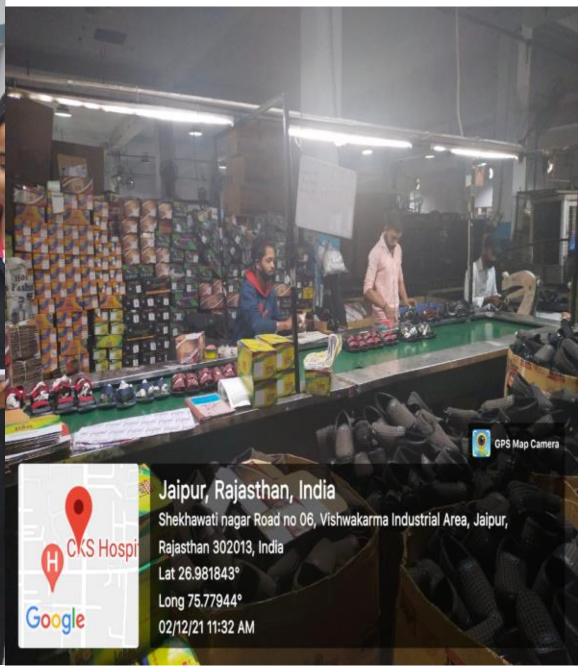
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INDUSTRIAL VISIT AT SOAP INDUSTRY

Biyani Group of Colleges, Jaipur successfully organized an Industrial visit to "Shree Nath International – soap factory" of MBA (1st & 3RD SEM), B.com part 1, BBA part 1 students. Approximately 76 students had explored the visit.

Mr. Jagdish Somani (Concerned Person) has enlightened the students about the process of soap making. He also explained about the background of the firm, its turnover, future prospects, outsourcing and exports.

Students visited three units. Firstly, they were taken to cleaning soap industry where they learnt about production and packaging process. They also visited the detergent factory where they learnt the various chemical compositions of detergent powder.

Lastly, they explored the toilet soap industry where they were given the knowledge of the respective process. The officials were very supportive and students learnt a lot form the visit.

Overall, the visit was a great success.