



Department of Management Studies

“Creating Samrajya”

If anyone can do, we will also do; if nobody can do, we shall do ←←←

July 2021 to December 2021

DIRECTOR’S DESK

“Have faith that the future will be bright
But don't lose the will to work for it today.
Appreciate praise as it will motivate you
But don't reject criticism as it will guide you.
Listen to what people have to say”



Dear friends,

I am happy to communicate to you all through this edition of the MBA Newsletter. I am indeed happy to note that the MBA Department has been making steady and sustained progress through various programs. On June 16 2021 NDLI -Awareness webinar has been conducted many of you participated and knew the importance of digital library and learning resources. In this six months period, we organized 1 Marketing Lecture, one Entrepreneurship Lecture, 1 Finance lecture, 1 IIC Start up Lecture for the benefit of the budding managers. I appreciated Ms. Sivapriya for awarded 3rd prize in an “International Level online Drawing competition” organized by Government of Tamilnadu. This newsletter brings together the accolades and memories of the events organised during the last six months in this odd semester..

Dr.G.Sridevi

FINANCE

What is a Mutual Fund?

Mutual fund is a financial instrument that pools money from different investors. The pooled money is then invested in securities like stocks of listed companies, government bonds, corporate bonds, and money market instruments.

As an investor, you do not directly own the company stocks that mutual funds purchase. However, you share the profit or loss equally with the other investors of the pool. This is how the word mutual is associated with a mutual fund.

You get the advantage of the expertise of the fund manager and regulatory safety of the Securities Exchange and Board of India (SEBI). The professional fund manager ensures a maximum return to investors.

Now you get the understanding about mutual funds. Let explore how it works.

Different Types of Mutual Funds Based on Asset Class

Investors should pick mutual funds based on their financial objectives and risk appetite. Proper mutual fund selection helps you meet your life goals in the defined time period.

Mutual fund type depends on the defined objective and the underlying asset. The three broad categories of mutual funds are:

1. Equity Mutual Funds

Equity mutual funds invest the pooled money majorly in stocks of different companies. Hence, equity mutual funds have an inherent higher market risk. Factors like earnings, revenue forecasts, management changes, and company & economic policy impact price movements and the returns. Returns from equity mutual funds have high fluctuations. Hence, you should invest, if you have a fair understanding of the asset class risks associated with equity.

Types of Equity Funds:

Equity fund can be further categorized depending on market capitalization and sectors.

Based on Market Capitalization

Large-cap Equity Funds Invest in shares of large-cap companies that are well-established with a track record of performing consistently over a longer time period. These companies have sound fundamentals and are least affected by business cycles.

Mid-cap Equity funds Invest in shares of mid-cap companies. Mid-sized companies have relatively lower stability in terms of performance. But have the potential to grow more than the large-cap companies.

Small-cap Funds Invest in shares of small-cap companies. Small-cap companies have the highest potential to grow or fail. Thus, small-cap funds have a high-risk exposure but also offer an opportunity to generate the highest returns.

Multi-cap funds Invest in a defined proportion across all market caps. Based on cues and trend analysis, the fund manager allocates aggressively to capitalize on the volatility.

Sector Based Equity Funds:

Sector-based equity funds invest in stocks of a specific sector. For example, sectors like FMCG, technology, and pharma. Sector funds are prone to business cycle risk and sector getting out of focus.

2. Debt Mutual Funds

A debt mutual fund invests a major portion of the pooled corpus in debt instruments like government securities, corporate bonds, debentures, and money-market instruments. The bond issuers borrow from investors by giving an assurance of steady and regular interest income. Thus, debt funds are less risky compared to equity funds. The debt fund manager ensures that the fund is invested in the highest-rated securities. The best credit rating signifies the creditworthiness of the issuer in terms of regular interest payments and principal repayment.

Who Should Invest in Debt Funds?

Debt funds have less volatility and range bound returns as compared to equity funds. Thus, debt funds are safer for conservative investors who are looking to grow wealth with minimal risk.

In fact, the interest income and maturity amount are known beforehand. Thus, debt funds are best for short-term (3 to 12 months) and medium-term (3 to 5 years) investment horizon.

Type of Debt Funds

Following are the debt funds available in India:

Dynamic Bond Funds: Dynamic bond fund investment basket comprises of both shorter and longer maturities. The debt fund manager aggressively tweaks the portfolio composition based on changing interest rate regime. This aggressiveness makes the debt fund dynamic, hence the name.

Liquid Funds: The short maturity of the underlying securities (not more than 91 days) makes the liquid funds almost risk-free. It is better than parking funds in saving bank accounts as it gives better returns with much-needed liquidity. You can redeem liquid funds almost instantly. If you are short-term investors then debt funds like liquid funds could be better as you get returns in the range of 6.5 to 8%. Liquid funds are an effective tool to meet emergency fund needs.

Income Funds: Fund managers invest majorly in securities with longer maturities to have more stability and regular interest income flow. Most of the income funds have an average maturity of 5 to 6 years.

Short-Term and Ultra Short-Term Debt Funds: There is another category in the maturity range of 1 to 3 years. The fund manager takes a call on interest rate regime and invests in securities with maturity of the said range. This is suitable for those investors who are risk-averse and looking for interest rate movement safety.

Gilt Funds: Gilt funds invest only in high-rated government securities. Since the government rarely defaults, it has zero risks. You can park your money in this instrument to have assured returns in longer maturity range.

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HUMAN RESOURCES MANAGEMENT

RECRUITMENT AND SELECTION PROCESS

Recruitment and Selection is an important operation in HRM, designed to maximize employee strength in order to meet the employer's strategic goals and objectives. It is a process of **sourcing, screening, shortlisting and selecting the right candidates for the required vacant positions.**



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MARKETING

DISTRIBUTION OF MARKETING CHANNELS

Rags to rich stories

Kailash Katkar: Quick Heal

Among the top Rags to Riches Stories of Indian Entrepreneurs, Kailash Katkar has a very humble beginning. He had no particular expertise in studies and hence, he opted to work after matriculation. He started as a calculator and radio repairer in a repairing shop. This job helped him a lot from getting knowledge in the technical field and also got sufficient accounting skills. Soon, he got a good hold over his sillies and decided to start his own business. And, he started his own calculator repair shop.

It was the time when the newly merging software boom hit him and Kailash Katkar decided to involve in the software field. He started with CAT computer services along with his repair business. During these days, Kailash found that a large number of machines coming for repairing were infected with the virus.

Ideas struck Kailash and he persuaded his young brother, a computer science engineer to create antivirus software. The software developed and they named it Quick Heal and sold it for Rs. 700, one of the cheapest options available. And from then, he keeps growing. Today, they have their business in more than 50 across the world.

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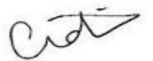
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