



ARKA JAIN University, Jharkhand

2nd Semester Final Examination - 2017-18

Subject : Organizational Behavior

Course: BBA

Time : 3 Hours

Full Marks : 70

Pass Marks : 28

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Three Parts –A,B,C & D**
- **Part-A & D** is compulsory.
- **Part- B** contains **SIX** questions out of which **FOUR** questions are to be answered.
- **Part- C** contains **SIX** questions out of which **THREE** questions are to be answered.

PART A

Q.1) All questions are compulsory

A) Multiple Choice Questions :

(5x1=5)

a) Contribution of Psychology field of OB **does not** include:

- Motivation
- Communication
- Perception
- Leadership

b) The other personality traits includes:

- Risk Taking
- Agreeableness
- Openness
- Extroversion

c) A new employee is immediately assessed by others **not** on the basis of:

- Employee efficiency
- Employee interview
- Employee efforts
- Employee loyalty

d) The need for being free of physical danger is:

- Social Need
- Safety Need
- Esteem Need
- None of these

e) Factors influencing Organizational Climate includes:

- Nature of Business
- Company Values
- Structure
- Leadership Principles

B) Very Short question

(5x2=10)

- Explain the interdisciplinary approach of OB.
- Define MACHIAVELLIANISM?
- Who is a MOTIVATION SEEKER?
- Explain NURTURING PARENT ego state.
- Define GROUP NORMS.

PART B

Q2. Answer any four:

(4x5=20)

- i) What are the different DETERMINANTS of personality?
- ii) Explain Vroom's Expectancy Theory.
- iii) Describe the different steps of ORGANIZATIONAL DEVELOPMENT.
- iv) Differentiate between Organizational Culture and Organizational Climate.
- v) Explain different STAGES of Group Development.
- vi) Describe child ego state. Also mention its different forms.

PART C

Answer any three:

(3x10=30)

Q.3) Explain the different CONTINGENCY MODELS of OB along with their differences.

Q.4) What are the different PERSONAL factors that influences Personality?

Q.5) Mention the different FORCES for CHANGE.

Q.6) What are the different LEADERSHIP STYLES. Differentiate between them.

Q.7) Explain different ANALYSIS OF TRANSACTIONS.

Q.8) Distinguish between hygiene factors and motivation factors. To what extent is the Herzberg's theory of motivation useful in practical management?

PART D

Q.9) Case Study:

(3x10=30)

John is a father of two young children with a wife who is a stay at home mom. The company he works for pays him a wage that is enough to support his family, however, he has just found out his wife is expecting another child. John has to now reassess his needs. Perhaps John needs a larger house, a larger vehicle, and more importantly, a larger income. He has currently met the highest income potential in the current position he is currently working in and is aware that there is not sufficient room for promotion to a higher position within the company because all of the positions are filled. Unless another employee loses his or her job, John is stuck in his current position.

Additionally, with the current economic situation, the company has stopped performance bonuses and restricted overtime to save money. In order to meet his need for a higher income, John needs to be promoted or seek employment elsewhere. John is considered to be a good employee and his supervisor does not wish to lose him. However, John's personal needs outweigh the need his employer has to keep him employed in his current position without a promotion. His supervisor must make a decision based on how much they need John as an employee and what they are willing to do to keep him a part of their company. John needs to decide how much of a higher income is necessary to meet his needs, and how he plans on fulfilling that need.

- i) Which Maslow need is being satisfied from John's present job? Explain.
- ii) The situation mentioned in the above case is pushing John towards which need and why?
- iii) Using Maslow Need Hierarchy theory, explain the different levels of needs being discussed in the above case.
- iv) Apart from Maslow Need Theory, which theory can be related to John's situation and how?



ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

Subject : Macro Economics

Time : 3 Hours

Course: BBA/B.Com

Full Marks : 70

Pass Marks: 28

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- **Part-A & D** are compulsory.
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PART A

Q.1) All questions are compulsory

(5x1=5)

A] Multiple Choice Questions:

- a) Sugarcane purchased by a sugar mill producing sugar is what type of good?
- Final good
 - Consumption of fixed capital
 - Intermediate good
 - Consumer good.
- b) Paper notes and coins are called
- Flat money
 - Fiat money
 - Legal tenders
 - Both ii & iii
- c) What is narrow money ?
- M₁
 - M₁ + M₂
 - M₁ + M₂ + M₃
 - M₁ + M₂ + M₃ + M₄
- d) When price rises at an extraordinarily fast rate it is called
- Disinflation
 - Deflation
 - Inflation
 - Hyperinflation
- e) What is meant by 'Consumption of fixed capital' in economics?
- Investment
 - Value Added
 - Depreciation
 - Production flow

B] Very Short question

(5x2=10)

- Differentiate between Net National Product and Gross National Product.
- Explain the concept of comparative statics.
- What is Stagflation?
- How central bank acts as a clearing agent?
- Explain Two functions of Commercial Bank?

PART B

Q2. Answer any four:

(4x5=20)

- i) What is the difference between GDP & GNP? Which one is the better measure of income? Why?
- ii) How Micro economics & Macro economics are interdependent on each other?
- iii) What is inflation? Explain the various degrees of inflation.
- iv) Explain the expenditure method of calculating National Income?
- v) What are trade cycles? Discuss their characteristics in brief.
- vi) Distinguish between Stock and Flow variables.

PART C

Answer any three:

(3x10=30)

Q.3) What is double counting? Enumerate the measures to avoid double counting in National Income Estimation.

Q.4) What is demand pull inflation? What are the factors that contribute to demand pull inflationary situation in an economy?

Q.5) Explain the monetary measures adopted by the Central Bank in controlling the volume of credit in an economy?

Q.6) What are the objectives behind Nationalization of commercial Banks in India? Have they been achieved and to what extent?

Q.7) Explain the circular flow of income in a four sector economy.

Q.8) 'Loans create deposits and deposits create loans'. Explain?

PART D

Q.9) Case Study :

(1x5=5)

Read the following extract and then answer the questions that follow.

At a recent doctor's appointment I told my physician about a story I'm working on that involves the securitization of loans in which the underlying collateral is housing, evoking the dreaded term "mortgage-backed securities."

My doctor's reaction was something I've heard several times from friends and family lately: "They're doing the same things that caused the financial crisis!"

In a lot of ways that is true; much of the financial machinery that produced mortgage-backed securities and their derivatives are still in place, churning out the same products that wreaked havoc on the global economy.

But there a few key differences between the housing market then and the housing market today that make another global financial calamity, or at least one that mirrors the previous one, unlikely.

While highly complex debt instruments such as mortgage-backed securities, collateralized debt obligations and credit-default swaps are what turned the housing crash into a financial crash, the underlying problem was ultimately quite simple: Low- and moderate-income people were given mortgages on which default wasn't just possible or even probable, but inevitable.

In the early 2000s, the construction sector churned out houses at a dizzying pace, leading to an oversupply of single-family homes. To get people into these homes, lenders extended credit to people who shouldn't have gotten it, and the terms of the mortgages were such that the interest rates would "reset" after a couple years.

The process was egged on by Wall Street, which catered to intense global demand for mortgage-backed securities from investors both foreign and domestic. The explosion of these securities created demand from hedge funds and insurance companies for credit-default swaps and other derivatives, which served as insurance policies against their mortgage-backed securities.

The frenzy pushed home prices up, and everyone in the chain was getting rich on transaction fees without regard for whether the mortgage payments actually came in. When the interest rates on subprime mortgages began to "reset" to higher rates in 2007, defaults sky-rocketed, the securities failed, and the whole system came crashing down.

Today, all this financial machinery still exists, with one key difference—subprime mortgage loans with adjustable rates aren't being written at anywhere close to the same volume. This isn't necessarily the result of newfound restraint by mortgage lenders and Wall Street bankers; it's more a reflection of a housing market that's the inverse of the one that existed in the run-up to the collapse.

Subprime mortgage loans with adjustable rates aren't being written at anywhere close to the same volume [as in the early 2000s].

Instead of a housing oversupply that required creative lending to attract buyers, today we have a housing shortage that's creating an affordability crisis. Homes for sale in some of the hotter markets in the U.S. spark intense bidding wars usually won by the person with the most cash or the best credit. What realtor is going to sell a home to someone who needs a subprime mortgage when they can pick and choose between multiple offers that are more than likely going to include someone with good credit?

In addition, almost 90 percent of the mortgage-backed securities today are produced by the "government-sponsored" mortgage facilitators Freddie Mac, Fannie Mae, and Ginnie Mae, compared to roughly half in the run up to the housing collapse. Those enterprises now have strict credit guidelines for the mortgages they package into their mortgage-backed securities.

Most mortgage lenders don't hold the loans they write; they sell them to Fannie Mae or Freddie Mac so they can redeploy that money into a new loan. They make money off the transaction, not on the incoming mortgage payment. But they can't sell the mortgages to Fannie or Freddie if they don't conform to Fannie or Freddie's rules. For the most part, this forces banks and mortgage lenders into better lending practices.

While it looks like things are stable now, that doesn't mean it can't change in a hurry. One of the remarkable things about the financial crisis is how quickly the bubble was inflated. Bad, adjustable-rate loans started seeping into the market in 2005, and three years later the economy was in free fall.

Already we're seeing an uptick in subprime mortgage bonds produced by private lenders, although it's grown from barely a tiny blip into a slightly larger tiny blip. In 2014, \$100 million in mortgage-backed securities was issued. In just the first half of 2017, \$2.6 billion in subprime mortgage-backed securities were issued in the \$53.5 billion mortgage-backed securities market. Even if all the new subprime mortgage bonds failed, financial markets would hardly notice. In 2006, there was almost \$1.5 trillion in outstanding subprime mortgage debt.

Today's housing bubble isn't a bubble at all, but a reflection of an incredible supply and demand imbalance.

In the run up to the crisis, easy credit created an artificial demand for housing that pushed

prices up, creating a bubble that ultimately burst. Today, millennials looking to become first-time home buyers are flooding a housing market that's starved for supply. Low supply and high demand means high prices. One could argue that today's housing bubble isn't a bubble at all, but a reflection of an incredible supply and demand imbalance.

There are so many institutions and industries that depend on home prices going up that there are intense institutional and policy forces causing just that. If they haven't already, those forces may push prices beyond the real value of the asset. Wall Street being Wall Street, it's found new ways to squeeze every last dollar out of the housing market by leveraging big data and national online investor platforms such as those for home flipper loans and so-called iBuyers.

The financialization of housing by institutional capital has negative consequences, like inflating home values at a time when affordable housing is scarce to nonexistent. And as housing is such a bedrock of the U.S. economy, the well-being of housing and the economy are tethered such that if one goes down, the other goes down with it.

It may over the next few years turn out that these forces inflate a housing bubble—and that bubble might burst, causing an economic down turn. The inverse could happen, too. But given changes to lending practices and the mortgage securitization chain, the bubble probably won't burst in the same way it did last time around.

- a) . What led to the oversupply of houses? (1)
- b) . What are the negative consequences of financialization of housing?(1)
- c) . What do you mean by "Housing Bubble"? (3)



ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

Subject: Business Accounting -II

Course: BBA

Full Marks:70

Time: 3 Hours

Pass Marks: 28

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- Question Paper is divided into **Three Parts –A,B & C**
- **Part-A** is compulsory.
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PART A

Q.1) All questions are compulsory

[A] Multiple Choice Questions:[1 mark each]:

[10x1=10 marks]

- The maximum number of members in a private company is :
(a) 10 (b) 20
(c) 50 (d) 200
- Balance of Forfeiture Shares Account after its re-issued is transferred to :
(a) Reserve Fund (b) Capital Reserve
(c) General Reserve (d) Statement of Profit & Loss
- According to SEBI guidelines, a company will have to create debenture redemption reserve equivalent to what percentage of debenture amount :
(a) 25% (b) 50%
(c) 75% (d) 100%
- Outstanding salary is a/an:
(a) income (b) expense
(c) asset (d) liability
- Accounting treatment of goodwill is governed by Accounting Standard :
(a) 3 (b) 10
(c) 16 (d) 13

Fill in the blanks by choosing one of the two alternatives given in the bracket:

- A new company cannot issue its shares at(Discount / Premium)
- Profit on re-issue of forfeited shares is transferred to
(Capital Reserve/Revenue Reserve)
- Debenture holders are entitled to get (Dividend / Interest)
- Specific Donation is a -----(Capital Receipts/ Revenue Expenditure)
- Goodwill is a ----- (Current Assets / Intangible assets)

[B] Very Short Answer Type Questions [2 mark each]:

[5x2 =10 marks]

- What is Secured of Debentures ?
- State the meaning of Non-Trading Organizations.

- iii) What is cumulative preference share ?
- iv) Write the formulae of super profit.
- v) State the nature of goodwill.

PART B

Q.2). Answer any four questions of 5 marks each.

[4x5=20 marks]

- i) What is equity share ?
- ii) What is Redemption of Debentures?
- iii) What is the difference between Reserve Capital and Capital Reserve ?
- iv) Distinguish between receipt and payment account and income and expenditure account.
- v) From the following information, find out the actual amount of salaries to be shown in Income and Expenditure Account :

<i>Particulars</i>	<i>31.3.2017</i>	<i>31.3.2018</i>
Outstanding Salaries	2,000	2,500
Prepaid Salaries	3,000	4,000

Salaries paid during the year 2017-18 ` 25,000.

- vi) Jain Ltd. earns average profit of ` 90,000. The normal rate of return is 10%. The assets and liabilities of company are ` 19,00,000 and ` 12,00,000 respectively. Calculate the value of goodwill by capitalization of average profit method.

PART C

Answer any three questions of 10 marks each.

[3x10=30 marks]

Q.3). From the following Trial Balance of a ARKA Club, prepare an Income and Expenditure Account of this Club for the year ending 31st March, 2018 and a Balance Sheet as on that date:

Furniture	5,000	Subscriptions	21,120
Billiard table	2,500	Sundry Receipts	3,486
Repairs	2,134	Sale of Tickets	6,468
Salaries	4,524	Entrance Fees	896
Cash at Bank	9,600	Capital Fund	8,000
Cash in hand	348	Creditors	5,200
Rent	6,388		
Electric Charges	3,236		
Miscellaneous Expenses	7,580		
Annual Dinner	1,520		
Debtors	2,340		
	45,170		45,170

Depreciate furniture @10% and Billiard Table @ 20%. Subscriptions amounting to ` 500 were in arrears.

Q.4) Gomat Ltd. purchased a running business from Som Ltd. for ₹ 4,50,000 and the purchase consideration was discharged by issuing 10% debentures of ₹ 100 each at a premium of 20% in full satisfaction.

The following assets and liabilities of Som Ltd., were taken over by Gomat Ltd. at their agreed value as shown below :

Building	₹ 270,000 ;	Machinery	₹ 155,000 ;	Debtors	₹ 85,000 ;
Stock	₹ 175,000 ;	Creditors	₹ 200,000 ;	Bills Payable	₹ 45,000 ;

Give journal entries in the books of Gomat Ltd. Also show the workings in details.

Q.5) Sarod Ltd. issued 20,000 shares of ₹ 10 each at a premium of ₹ 2 per share payable as follows :

On Application	₹ 2.50 ;
On Allotment	₹ 5.00 (including premium);
On First Call	₹ 2.50 and
On Final Call	₹ 2.00

Applications were received for 30,000 shares and allotment was made pro-rata to the applicants of 24,000 shares. The excess application money on 6,000 shares were returned and balance amount was retained for allotment. All the money was duly received with the exception of X, who was allotted 400 shares, failed to pay the allotment money and his subsequent failure to pay the first call, his shares were forfeited. Y, the holder of 600 shares failed to pay both the calls and his shares were also forfeited after the final call. Of these, 800 forfeited shares in which whole of X's shares being included, re-issued to Z for ₹ 9 per share as fully paid. Show necessary journal entries in the books of the company

Q.6) What do you know about business accounting? Discuss its objectives.

Q.7) What are Non-Trading Organizations ? Give its some examples. Distinguish between Non-Trading and Trading Organizations.

Q.8) Explain the different methods of valuation of goodwill.



ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

Subject: Business Communication - II

Course : B.B.A.

Time : 3 Hours

Full Marks : 70

Pass Marks : 28

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- Question Paper is divided into **Four Parts –A, B, C & D.**
- **Part - A & D** are compulsory.
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PART A

Q.1) All questions are compulsory

A] Multiple Choice Questions

(5x1=5)

- a) L.O.I Stands for
- i) Line of Indication
 - ii) Letter of Identification
 - iii) Letter of Indent
 - iv) Line of Indent
- b) Salutation in a letter is
- i) Greeting
 - ii) Complimentary close
 - iii) Subject
 - iv) None of these
- c) Group Discussion is aimed at
- i) Argument
 - ii) Winning
 - iii) Both of these
 - iv) None of these
- d) Identification mark in a letter is
- i) Reference
 - ii) Signature
 - iii) Copy to
 - iv) All of these
- e) Which one of these in an indented style of letter writing
- i) The Block Style
 - ii) The Complete Block Style
 - iii) Both of these
 - iv) None of these

B] Very Short answer type questions

(5x2=10)

- a) What do you mean by “Complaint Letter”.
- b) Define “Persuasive Letter”? Explain.
- c) What is a L.O.I.?
- d) What do you understand by Employment Message? Explain its components in brief.
- e) Explain the use of a “Proposal Letter” in business writing.

PART B

Q.2. Answer any four

(4x5=20)

- i) What are the advantages of a group discussion?
- ii) What are the inner essential qualities of a letter?
- iii) Differentiate between employment confirmation letter and offer letter.
- iv) Explain the different ways to form an argument and defend it, in a discussion.
- v) Write a report, as a student of management, on your latest industrial visit or a latest seminar which you have attended.
- vi) Explain, what is to be avoided at a job interview?

PART C

Answer any three.

(3x10=30)

Q.3) Explain, in detail, the structure of a business letter. Add suitable examples.

Q.4) Design an Offer Letter, to be issued to a candidate (a student of B.B.A.) whom you have selected for the post of Sales Executive.

Q.5) Write a cover letter for a job application for the post of Junior Accountant in a Private Firm in Jamshedpur.

Q.6) Write an inquiry letter to your supplier company, asking them the details of the quality checkups and procedure being adopted, before the goods are supplied.

Q.7) Issue a transfer letter to your employee, informing him/her about the transfer with the necessary details like, new place of posting, designation changes (if any), whom to report, reporting time, date and address and any other detail you may find fit.

Q.8) What are skills required to crack a job interview. Explain with suitable examples.

PART D:

Q.9) CASE STUDY

(1x5=5)

Design an employment message for a national newspaper, for the post of Marketing Manager, giving the details of your employment vacancy, name of the organization, designation, number of openings, age limit, nature of job, essential and desirable qualifications, essential and desirable experience and other details you find as a fitment to the case.



ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

Subject : Hindi

Time : 2 Hours

Course: BBA

Full Marks : 35

Pass Marks: 14

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PART A

Q.1) All questions are compulsory

A] Multiple Choice Questions :

(4x1=4)

a) फ़ौज मे भर्ती होकर जगत सिंह कहाँ गया ?

- अदन
- अरब
- रूस

b) 'कप्तान साहब' कहानी का शीर्षक है:-

- नायकाश्रित
- नायिकाश्रित
- घटनाश्रित

c) श्यामा किस कहानी की नायिका है ?

- मंत्र
- कप्तान साहब
- जिहाद

d) प्रेमचंद किस कहानी का रचयिता है ?

- जिहाद
- अनमोल
- परिवार

B] Very Short question

(2x2=4)

a) अर्थ स्पष्ट करें:-

- बोली एक अनमोल है, जो कोई बोलै जानि !
हिये तराजू तौलिके, तब मुख बहार आनि ॥

b) निम्नलिखित शब्दों के दो- दो पर्यायवाची शब्द लिखें !

i) आक्रमण

ii) कौशल

PART B

Q2. Answer any three :

(3x5=15)

a) अर्थ स्पष्ट करें:-

जाओ रानी याद रखेंगे ये कृतज्ञ भारतवासी,
यह तेरा बलिदान जगावेगा स्वतंत्रता अविनासी
होवे चुप इतिहास, लगे सच्चाई को चाहे फाँसी ,
हो मदमाती विजय, मिटा दे गोलों से चाहे झाँसी !
तेरा स्मारक तू ही होगी, तू खुद अमिट निशानी थी,
बुंदेले हरबोलों के मुँह हमने सुनी कहानी थी ,
खूब लड़ी मर्दानी वह तो झाँसी वाली रानी थी !

b) लिंग की परिभाषा लिखे उनके भेदों को उदाहरण सहित लिखे?

c) विपरीत शब्द लिखे:-

निरक्षर ,पुरस्कार, बंधन ,निंदा ,निश्चिंत,

d) स्थानान्तरण प्रमाण पत्र प्राप्त करने के लिए प्रधानाचार्य के पास आवेदन पत्र लिखिए ।

PART C

Answer any two:

(6x2=12)

Q.3) निबन्ध लिखे:-

नोटबंदी अथवा अनुशासन

Q.4) निम्नलिखित शब्दावली का हिन्दी में अनुवाद करें:-

ACT, CODE ,DRAFT ,BOARD ,ASSISTANT ,DEPUTY

Q.5) श्यामा का चरित्र-चित्रण करें ?



ARKA JAIN University, Jharkhand

2nd Semester Final Examination – 2017-18

BBA

Subject: Business awareness-II

Course: BBA/B.COM

Full Marks:35

Pass Marks: 14

Time: 2 Hours

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- Question Paper is divided into **Four Parts –A,B,C & D**
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PART A

Q.1) all questions are compulsory

[A] Multiple Choice Questions:

(6x1=6)

- In which stage does sales volume peak
 - Introduction
 - Growth
 - Maturity
 - Decline
- Which of the following is NOT an example of a political risk?
 - Government regulations
 - War
 - Civil unrest
 - Cost of production
- The Indian Companies Act was enacted in the year
 - 1921
 - 1947
 - 1956
 - 1950
- What is the 'O' in SWOT analysis?
 - Organization
 - Opportunities
 - Obstacles
 - None of the above
- The first Fortune 500 was published in the year
 - 1955
 - 1985
 - 2001
 - 2016
- Which Indian Company is at the top of the list of Global Fortune 500 List of Companies, 2017?
 - Tata Steel
 - Reliance Industries
 - Indian Oil Corporation
 - SBI

PART B

Q.2) Answer any Three:

(3x4=12)

- i) What is the final stage of PLC? Explain the three possible outcomes at this stage.
- ii) Classify the types of companies on the basis of liability.
- iii) Write a short note on corporate leadership.
- iv) Name the nations which participated in the Delhi Auto Expo, 2018.
- v) What is SWOT analysis? Explain with suitable examples.

PART C

Answer any two:

(2x6=12)

Q.3) Explain the Entrepreneurial Qualities of Mr. Sachin Bansal and Binny Bansal.

Q.5) What do you understand by an Incubator in the Startup context. Explain its role for the Startups.

Q.6) Design a V.M.G.O. Statement of an organization, justifying it with the nature of business and the sector to which the organization is catering to.

Q.8) Comment on the current status of E-commerce industry in India.

PART D

Q 9) Case Study

5 marks

For mobile wallet players, it's survival of the fittest, not the fastest

DELHI: Pictures might tell a story, but numbers instill life into it. Take, for instance, mobile wallet startup MobiKwik. Since last November, it's been adding 10,000 merchants every day. "We have doubled in last seven months," says Upasana Taku, cofounder of the Gurgaonbased firm, which claims to have 55 million users and over 1.5 million merchants. We have a field force of thousand people, each acquiring 10 merchants every day, claims Taku. It's not only MobiKwik; the entire wallet market has exploded from Rs 33.05 billion last November to `73.12 billion in March this year. The wallet volume, however, has grown at a faster clip: from 99.57 million last October to 307.45 million in March according to Reserve Bank of India data. The result, consequently, has been nothing short of spectacular for wallet players who have been aggressively adding users, and consumers who have been making the most of cashbacks and freebies. "It's a great Indian wallet tamasha," says Ashita Aggarwal, head of marketing at SP Jain Institute of Management and Research. "Might of wallet and fight for wallet have just begun,"

she adds. But as the scramble to catch users gathers pace, only the deep-pocketed will survive. And the first big one to bow out is Snapdeal-owned Freecharge, which has reportedly been on the block and might get snapped by rival Paytm. But for one every exit, there are many others either queuing up or who've just entered. Take, for instance, Swedish communication biggie Truecaller which tied up with ICICI Bank in March this year to launch a UPI-based mobile payment service from its app. Truecaller Pay will allow users to instantly create a UPI ID, send money to any UPI ID or mobile number registered with the BHIM app. It will also enable users to recharge their mobile numbers from within the Truecaller app, the bank said in a release. Then there is global payments major PayPal which has applied for mobile wallet license in India. Amazon recently received a prepaid payment instrument license, and WhatsApp too might take the plunge. Bhavik Vasa, chief growth officer of ItzCash, contends the market opportunity is huge as 85% of the population is still dealing with cash. "We have witnessed more than 6.5 lakh transactions a day," claims Vasa, adding that the digital payments company has so far raised about \$51 million from investors such as Matrix Partners, Intel Capital and Lightspeed Venture Partners. ItzCash, he asserts, is the only player in the industry to have turned profitable, driving a CAGR of nearly 40% for the fiscal 2016-17. "Wallet wars should be seen in the context of a big shift in India ie privatisation of cash," says marketing expert Jessie Paul. While consumers would like to use a single wallet across transactions, the merchants would like to use the cheapest mechanism. Cash, she reckons, is the most popular and ubiquitous option, and other payment options are used either for convenience, credit or because there is a discount associated. "If the primary function of a wallet is payment then there is no opportunity for differentiation and consolidation is a must," contends marketing expert Jessie Paul. A case in point is when online payments service provider PayU bought Mumbai based rival Citrus Pay for \$130 million (Rs 865 crore) last September. "Smaller players will find it difficult to survive against the power of capital dumping," says Jitendra Gupta, managing director of digital payments provider PayU India, which claims to have seen almost 2X jump post demonetisation. While for consumer business, capital plays an important role, customer behaviour is heavily influenced by incentives. "However, in the long run, product and customer experience will win," he avers, adding that the fate of even a well-funded e-commerce players can't be taken for granted, hinting at Snapdeal's impending buyout by Flipkart. "Wallets will face tough competition from UPI," he predicts. It will more or less become an engagement platform at low cost. "The platform has potential to transform in to a full service financial services player," he adds. This is what Paytm is trying. Starting as a mobile wallet player, it has morphed into a payments bank. The company last week roped in Japanese internet and telecom conglomerate SoftBank, which pumped in \$1.4 billion at a valuation of \$7 billion. Marketing experts reckon that while Paytm has managed to pip its ecommerce and fintech peers in valuation and visibility, and has also pocketed strategic investors like Alibaba and SoftBank, what is yet to be seen how it pares its losses and turns profitable as Indian ecommerce players continue to bleed heavily on the back of aggressive advertising,

marketing and promotional expenses. Paytm reportedly saw its net losses climb four-fold to Rs1,549 crore for the year ended March 31, 2016, according to documents filed with the Registrar of Companies. Paytm declined to comment on the story. While so far all the players have kept themselves busy shaping strategies to load their wallet with VC funding, what will help them survive and grow would be an equal emphasis on loading their wallets with profits. "Till that happens, it's well begun, but half done," says Aggarwal of SP Jain Institute of Management and Research.

"It's a great Indian wallet tamasha," says Ashita Aggarwal, head of marketing at SP Jain Institute of Management and Research. What do you understand by her statement? (2)

Discuss the current scenario of the mobile wallet industry. (3)