

# ASTUTE

e-newsletter

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## JAPANESE MANAGEMENT TECHNIQUES

Japanese management style or Japanese management techniques came to be known collectively in the post-World War II, but their origins can be traced to at least the latter part of the 19th century.

### TRADITIONAL JAPANESE MANAGEMENT PRACTICES

Japanese traditional management techniques include:

- In-house training of managers
- Consensual and decentralized decision-making
- Extensive use of quality control methods
- Carefully codified work standards
- Emphasis on creating harmonious relations among workers
- Lifetime employment and seniority-based compensation

It is important to note that these are generalizations according to a conventional formula. There have always been variations and some aspects of these practices have been increasingly reconsidered in recent years.

### MANAGEMENT EDUCATION

The education of managers in Japan traditionally takes place on a relatively informal basis within firms. The percentage of Japanese chief executives who have attended university is high, similar to that in the United States and Western Europe. However, very few Japanese executives have attended graduate schools compared to their U.S. and European counterparts.

Firms take their hiring decisions less on a recruit's knowledge than on general attributes such as character and ambition. Firms do not hire recruits to fill specific occupations. Rather, recruits are expected to be malleable, identifying with the general interests of the firm rather than with their specific role within it. The mentor system is widely used in the early training of management recruits and involves middle-level and senior managers serving as teachers and role models.

The emphasis on in-house education is related to the traditional lifetime employment system, in which management recruits are hired each April following university graduation; they typically would stay with the firm until retirement. The lifetime-employment system makes it probable that a firm will benefit from its investment in training, and also enables the firm to develop long-range plans for training recruits.

Management training is based on regular rotation through a broad range of a firm's operations. Management recruits also frequently begin their careers as ordinary workers on a production line. The pattern of regular rotation enables managers to develop a detailed understanding of a number of varied operations, and thus over time to attain a rich general knowledge of the firm.

Linked with the lifetime-employment system is the emphasis on seniority in compensation and promotion—often over what Americans would take to be "qualifications" for the job. This results in a higher average age and less variation in age among top executives in Japan. Compared to the United States

and Europe, for instance, relatively few company presidents are under age 50. This practice is believed to equip Japanese executives with an intricate knowledge about their particular business.

Japanese managers typically take a more long-term interest in their firms than do their American counterparts, partly a result of the lifetime employment and seniority systems. In the United States, managers are typically compensated on the basis of their divisions' performance. This bonus system is not used for Japanese managers, as it is considered detrimental to a long-term perspective and an interest in the firm as a whole.

### **CAPITAL AND PRIORITIES**

The long-term view of Japanese managers is also based on sources of finance. While American firms rely heavily on capital from the stock markets, Japanese firms tend to rely more heavily on borrowing from banks and generally have much higher debt-to-equity ratios. Consequently, Japanese managers are under less pressure to maximize short-term earnings to please shareholders. By contrast, in the United States there is intense market pressure for companies to meet quarterly earnings expectations—even exceed them—or else face a sell-off of their shares. In general, Japanese firms are more likely to focus on productivity, growth, and market share, whereas U.S. firms are more inclined to concentrate first on profitability.

### **CORPORATE GOVERNANCE**

While directors from outside the company are common in the United States, they are rare in Japan. The decision making process in Japanese firms is highly decentralized. In publicly held U.S. corporations, power is concentrated in a board of directors, with

each director having one vote. In Japan, both middle and senior management serve as directors. Japanese directors typically retain production-line responsibilities. For example, in the early 1970s, 14 of Hitachi's 20 directors were engineers. This represents another facet of the strong production orientation of Japanese management.



**Prof. Sangeeta Rajput**

## Analysis of Intraday Market by Using Accurate Trading Tips

### Introduction

If you're a beginning investor in Intraday Trading, you, no doubt, have many questions about the way the stock market operates. There is much information available on the web today related to the day trading or short term Investment, but finding the right information can be difficult. However, you are in luck, because this article will give you the satisfied intraday information that you need, to better understand the intraday stock market and its intricacies.

One of the finest things in Intraday trading that you can do to stay ahead of the curve is talk with a stock expert. Stockbrokers or friends who succeed with stocks are good people to speak with, as they often know which companies are the best to invest in. Learn from the experts to become one you!

### Best Suggestions for Day Trading

It may seem counter-intuitive, but the best time to buy your intraday investments is when they have fallen in value. Buy Low/Sell High is not a worn out adage. It is the way to success and prosperity. Do your due diligence to find sound investment candidates, but don't let fear keep you from buying when the day trading market is down.

Be prepared for the long haul. Serious and successful intraday traders consider a stock's long-term possibilities in both bull and bear markets. Patience is an absolute must if you are going to be able to resist the urge to part with stocks prematurely. If you panic-sell a stock and it rises higher, you're only going to be sorry.

Stay away from purchasing too much stock in the company you work for intraday stock market. There is a great deal of risk involved with investing in the

company you work for. For instance, if the company's profits start to decline, both your monthly paycheck and the value of your investment portfolio could decrease significantly. The only time you should consider purchasing stock in the business you work for is when shares are being discounted for the employees because you might have a great bargain.

### How to Trade in Future's Day trading

Do not chase last year's hot stocks. Frequently in Intraday stock or mutual fund will do well one year, only to do poorly or just average thereafter. Try to invest in day stocks or mutual funds that perform consistently well in both up and down Intraday markets. This will allow you to steadily accumulate wealth.

Do your homework, but do not rely on just your knowledge. Informed decisions do come from research and doing your own leg work. However, financial experts and advisors do exist because they have already learned a lot, too. By relying on both them and yourself, you are getting the best of both worlds for the best possible position to make perfect intraday investment choices.

Now that you've finished this article, you should have a better understanding of the way the intraday stock market works and how you can use it to your financial advantage with perfect investment in Day trading. Take heed of this practical advice, and you'll be on your way to making wise intraday investment decisions that will prove to be profitable.

- Prof. Smarjeet Das, IIMS Pune

## Corporate Jokes

### All Is Fair In Business

A shopkeeper was dismayed when a brand new business much like his own opened up next door and erected a huge sign which read 'BEST DEALS.'

He was horrified when another competitor opened up on his right, and announced its arrival with an even larger sign, reading 'LOWEST PRICES.'

The shopkeeper panicked, until he got an idea. He put the biggest sign of all over his own shop. It read: 'MAIN ENTRANCE'

### The Requirements Of This Job

Employer: "In this job we need someone who is responsible."

Applicant: "I'm the one you want. On my last job, every time anything went wrong, they said I was responsible."

### Self-esteem

Employee 1 : If the boss doesn't take back what he told me yesterday, i will leave the company.

Employee 2 : Why ? What did the boss tell you ?

Employee 1 : Leave the company.

### Hot Shot

A young businessman had just started his own firm.

He rented a beautiful office and had it furnished with antiques. Sitting there, he saw a man come into the outer office. Hoping to look like a hot shot, the businessman picked up the phone and started to pretend he was working on a big, important business deal.

He threw huge figures around and made giant commitments. Finally he hung up and asked the visitor, "Can I help you?"

The man said, "Yeah, I've come to activate your phone lines."

### The Raise

Sam walks into his boss's office and says "Sir, I'll be straight with you, I know the economy isn't great, but I have over three companies after me, and I would like to respectfully ask for a raise."

After a few minutes of haggling the boss finally agrees to a 5% raise, and Sam happily gets up to leave. "By the way," asks the boss, "Which three companies are after you?"

"The electric company, water company, and phone company!"

## Term of the Month

### Escrow Account

An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties.

**Definition:** An escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties. This is a temporary account as it operates until the completion of a transaction process, which is implemented after all the conditions between the buyer and the seller are settled.

**Description:** In real estate, the fund flows for the development of the project from any source is kept in the escrow account and the funds utilised for the same are also generated from the escrow account. Even the buyers of the housing units in a project transfer the home price to the escrow account and the amount is not transferred to the seller until the project is completed.

Sometimes the construction linked payments are disbursed to the seller from the escrow account so that the builder has sufficient funds for completion of the project. Sellers also benefit from the prioritization mechanism, also called waterfall mechanism, wherein the priority based payments are made to the concerned parties.

Gajanan Sherkhane	23 July
Mahadev Bhuuimbar	24 July
Dr. Sandip Sane	25 July
Neeraj singh Bhadoriya	1 July
Ashish Patidar	1 July
Narendra Patidar	5 July
Mehul Chauhan	6 July
Neeraj lohar	8 July
Sagar Joshi	12 July
Ayushi Dixit	26 July



## Institute News

- Prof. Vilas Navle has become the Director In charge of IIMHRD(W).
- Prof. Anu Alex got the PhD. Registration form University of Pune in Human resource Management stream.
- SBES society felicitated Dr. Nitin Ranjan on 9/06/14 for being awarded the PhD degree.
- SBES welcomed three new members Prof. Anil Varma, Prof. Ana Madeen and Prof. Sweeja Rodriquez, who has joined the SBES family in various positions.
- SBES celebrated marriage of two of the its staff members Mr. Girish Chavan and Ms. Pooja Karekar.
- SBES conducted a four days Faculty Development Program from 10 June onwards. The resource person Prof Manish R. Mundada, (founder president of SBES) taught the case study teaching methodology to the faculty members. Which was followed by case study writing and case study presentations by the faculty members.
- On 28th June 2014 SBES organized Alumni Meet, on the occasion many of the ex-students of SBES gathered together to enjoy the evening. Alumni also shared their experiences and enjoyed the DJ night.

## **Congratulations**

- SBES Congrates Dr. Nitin Ranjan for being awarded the PhD in Management
- Congratulations to Prof. Anu Alex for her PhD registration in University of Pune
- Congrats Prof. Pooja and Prof. Girish for their wedding
- Congrats Dr. Tripti Sahu for getting research paper published in the "Asian Journal



## **Air India Joins Star Alliance**

Air India on Tuesday joined the Star Alliance, which might help the airline to increase its revenue by 4-5 percent.

Minister for Civil Aviation, Ashok Gajapathi Raju Pusapati, while announcing Air India's inclusion into Star Alliance, said that Air India will get benefit out of this association as a wider reach and access to existing facilities for the members of the world's biggest grouping of airlines would now be available to the passengers of Air India also.

Civil Aviation Secretary, Ashok Lavasa, Air India CMD, Rohit Nandan, and Star Alliance COO Jeffrey Goh were also present at the occasion. Air India's entry into the Star Alliance reflects the buoyancy in the aviation sector resulting from some of the recent initiatives taken by the Government.



## **bullet trains**

The railway budget may bring some cheer to passengers who have been denied high-speed travel for decades despite promises in the past.

The railways are working on two proposals—introducing trains with speed of more than 300 kmph on dedicated corridors and running trains at speed of 130-150 kmph on the existing tracks.

An official said railway minister Sadanand Gowda is keen on the proposals aimed at fulfilling Prime Minister Narendra Modi's vision of constructing a "diamond quadrilateral" of high-speed trains and ensuring world-class facilities for passengers.



## **Union Cabinet approved pact with China for setting up industrial park**

The Union Cabinet on 25 June 2014 approved an in principle memorandum of understanding (MoU) between India and China for setting up industrial parks in the country. The approval came during a Cabinet meet that was headed by Narendra Modi, the Prime Minister of India. But, the details of the agreement will be available after the agreement is signed.

## **Union Government extended the deadline for implementing NFSA by three months**

Union Government on 26 June 2014 extended the deadline for implementing National Food Security Act by three more months. Food Security Act seeks to provide the right to highly subsidised foodgrain to nearly two-third of the population

## **Union Government reconstituted 6 Cabinet Committees**

Union Government on 19 June 2014 reconstituted six important Cabinet Committees of these four will be headed by Prime Minister Narendra Modi and remaining two by Home Minister Rajnath Singh. The six Cabinet Committees include Security, Political Affairs, Parliamentary Affairs, Economic Affairs, Accommodation and Appointments.

Of these six, the Prime Minister Narendra Modi will head four Cabinet Committees namely Security, Political Affairs, Economic Affairs and Appointment Committee of the Cabinet. Apart from this, the remaining two Cabinet Committees on Parliamentary Affairs and Accommodation will be headed by the Home Minister Rajnath Singh.

## **India became permanent signatory to Washington Accord**

India on 13 June 2014 became a permanent signatory to Washington Accord. The Accord was signed by National Board of Accreditation at a meet of International Engineering Alliance of WA member countries held in Wellington, New Zealand.

## **India's first One Stop Crisis Centre named Gauravi launched in Bhopal**

India's first One Stop Crisis Centre (OSCC) named Gauravi was launched in Bhopal, Madhya Pradesh on 16 June 2014. It was launched by the Bollywood actor Amir Khan. The centre is first of its kind in India for women who are victims of violence. It will provide help and assistance to rape survivors and victims of dowry harassment, domestic violence and other atrocities on women, all under one roof.

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Union Home Ministry decided not to allow visa free entry to Bangladeshi nationals

Union Home Ministry on 23 June 2014 decided not to allow visa-free entry to Bangladeshi nationals. The proposal to grant visa-free entry was mooted by Ministry of External Affairs. As per the proposal, MEA mooted to grant visa-on-arrival facility and visa-free entry to Bangladeshi nationals who are below 18 years of age and above 65.

# ALUMNI MEET—PUNE CHAPTER

28TH JUNE, 2014



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