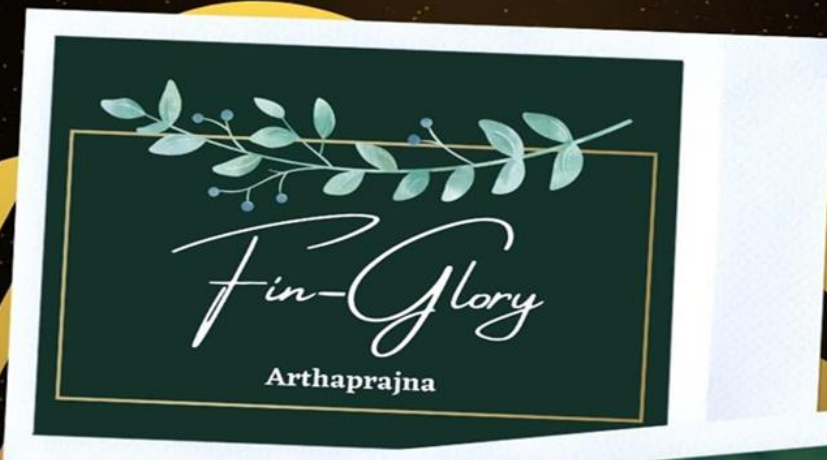


# Poornaprajna Institute of Management, Udupi

**Volume 13, Issue 15**

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# arthaprajna



"With a good perspective on history, we can have a better understanding of the past and present, and thus a clear vision of the future." – Carlos Slim Helu

# Fin-Glory

Greetings from PIM Family!

"Every day is a bank account, and time is our currency. No one is rich, no one is poor, we've got 24 hours each". –Christopher Rice.

With this quote, I extend a sincere greeting to all of you to the 15th issue of ARTHAPRAJNA (13). This issue has a blend of articles that gives divergent views about various financial aspects.

Amazon is an electronics-based technological company, including, business related to digital electronics, software, and internet-related services, such as e-commerce services. Cover story of this issue is mentioned in fin-tech, which explores strategies that allowed Amazon to expand faster, and minimize taxes.

Fin-fact discusses the relationship between gold rate and oil prices with stock market. Fin-personality for this issue is Pranav Atit, who is an Experienced corporate lawyer with a demonstrated history of working in the legal services industry.

Fin-App is the new attempt in this issue having Expensify app, that makes easy for individuals to track their transactions and submit expenses to their employer. Gross profit margin versus net profit margin is explained in Fin-term and updated FD rates of Bajaj Finance is analysed in Fin-trend column.

Likewise, you can also look forward as usual Fin-toon and Fin-Quiz. We await with delight for your significant feedback and replies at [arthaprajna@pim.ac.in](mailto:arthaprajna@pim.ac.in)

Warm regards.

Naveen R. Bhat

Chief Editor

Arthaprajna-2021

# FIN-TECH

## Amazon's contribution in fintech

Amazon has made several financial technology investments, primarily focused on international markets (including India and Mexico), where partners can help achieve Amazon's key strategic goal. Taken together these investment and product development decisions show that Amazon is not building a traditional bank that fits all. Instead, Amazon has taken the core components of a modern banking experience and tailored them to the needs of Amazon customers (both merchants and consumers).

In a way, Amazon is building a bank for itself, and that might be an even more compelling development than if the company were to create a deposit bank.

### Amazon Payments:

Amazon has invested aggressively in payment infrastructure and services in recent years which is not surprising since the payments experience is so close to Amazon's core e-commerce business. Making payment processes cash efficiency for Amazon and smoother for customers is a top priority.

Amazon's first known payment product, Pay with Amazon, was launched in 2007.

That same year, the company acquired TextPayMe, a mobile peer-to-peer (P2P) service, launched in 2011 as Amazon Web pay.

- Web pay failed to gain user traction and, unlike Venmo (now part of rival payment processor PayPal), was shut down in 2014. Amazon was probably too early for P2P payments.

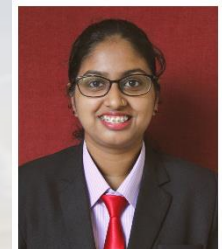


- In 2007, the company also invested in Bill Me Later (formerly I4 Commerce). Bill Me Later was one of the first fintech payment platforms on the market, giving large retailers the ability to offer flexible financing programs. Although

Bill Me Later was picked up by PayPal in 2008, Amazon has always focused on reducing checkout friction for customers.

- In recent years, Amazon has used a variety of techniques to improve its payments experience, including launching digital wallets via Amazon Pay, acquiring tech talent from failed mobile payments start-up Go Pago, creating a variety of in-house technologies and recent opening to partnering with business buyers outside of the Amazon marketplace.
- Today's iteration is Amazon Pay, a digital wallet for customers and a payments network for merchants and shoppers both online and offline.

By:



Srinidhi K.S

## FIN-FACT

### Connection between Stock market, gold and oil prices

#### Relationship between gold rate and stock price:



When there happens to be rise in gold prices, the stock price index comes down. There is a negative correlation between the two. Most investors refer gold as the safe haven because, it acts as a cushion for investors in case of market volatility. The gold and the stock market do not have any direct relationship, but are related inversely, which means that when there is an increase in gold rate, the prices in stock market will come down and vice versa.

As per the historical data, it is observed that when the stock market is pessimistic, the gold will perform well. The correlation between gold price and stock market is valid for all the economies. In case of bad performance of the stock market, the sale of gold coins, bars and ETFs is maximum.

When a country's GDP growth rate is unsteady, the demand for gold increases. People prefer to invest money in hard assets like gold, in such cases, stock market is the least preferred option.



### **Relationship between gold price and oil price:**

According to Market Realist, more than 60% of time, the gold and oil prices have a direct relationship, which means that when there is an increase in gold rate, there is also an increase in the oil price and vice versa.

### **Relationship between stock price and oil price:**



It is a belief that high oil prices have a direct and negative effect on the stock market. But, one of the recent studies has suggested that oil prices and stock market have a little correlation. Moreover, oil prices are determined by the supply and demand for petroleum-based products. In case of economic expansion, due to increased consumption, the prices may rise and may

decrease in case of stock prices, the changes are based on future reports and various other factors. It is possible for oil prices to affect few sectors to a large extent than the others, but as the stock prices are aggregated together, the affect cannot be seen to a larger extent.

**By:**



Yashaswini

## FIN-PERSONALITY

### Pranav Atit

Pranav Atit joins Trilegal's corporate practice as an accomplice. He is supposed to join Trilingual in the following couple of months. In April month, the firm had additionally advanced three direction in the corporate practice.

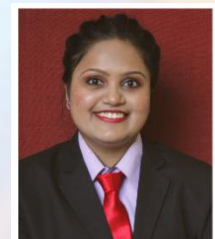
Nishant Parikh, Partner and individual from the administration board of trustees at Trilegal, said, "We are happy to welcome Pranav to the Partnership. Our corporate practice stays quite possibly of our quickest developing practice, and we hope to see critical development in guidelines from private value supports before very long. We accept Pranav's involvement with complex cross-line exchanges in the PE and M&A space will assist us with expanding our inclusion."



Pranav Atit has more than 10 years of involvement chipping away at cross-line M&A and PE exchanges.

He regularly prompts private value supports and key financial backers on their public and confidential M&A bargains. Eminently, throughout the long term, Reliance Industries Limited and Apex have been a portion of the key clients that he has had the valuable chance to address on a few arrangements. While Pranav's M&A work has been generally area freethinker, he has likewise dealt with bargains in the data innovation and foundation areas, including bargains including recorded framework speculation trusts (InvIT), having educated on the setting up regarding India Infrastructure Trust to get an outsider resource, special portion of India Grid Trust and the main support enlistment process for India Grid Trust. Other than his arrangement experience, Pranav has likewise exhorted clients on protections regulations, seaward flip designs, and managing SEBI on settlement and settlement hearings.

**By:**



Panchami Nayak

## FIN-APP

### Expensify

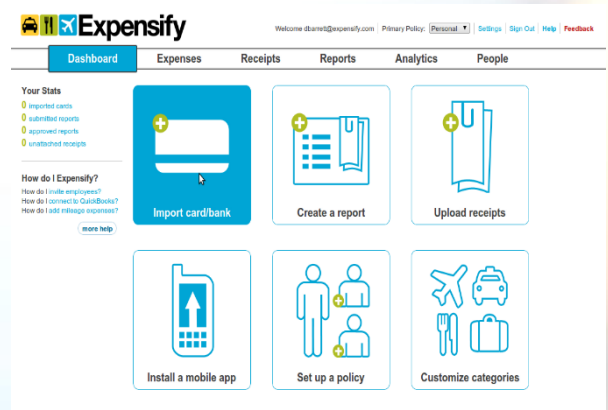
This high-rated app makes your expense reports easy and quick to do. The Expensify app makes it easy for individuals to track their transactions and submit expenses to their employer. With just one click, users scan their receipts through the app and Smart Scan; will read and automatically log their receipt details including the date, merchant and amount. Users can also email their receipts to [receipts@expensify.com](mailto:receipts@expensify.com) to have them coded and logged.



For any other transactions, Expensify links to your bank account and personal or company credit cards to automatically import those expenses. And when it comes to your mileage, Expensify connects to your GPS to easily track how much you drive for work. Expensify automatically categorizes your expenses (but users can customize) and displays a web dashboard that shows your spending by different categories with time references.

Expensify is an app designed to help you get your business expenses done in real time and quickly while on the go. Its website even claims that expense reports done through the app take 83% less time.

The app also offers features that make tracking expenses easy. Users can split their expenses by using the Expense Point feature in the app, send and receive money via Venmo, as well as connect to apps like Uber, Lyft and Hotel Tonight for automatic receipt import and transcription. Expensify will automatically generate and submit expense reports for as soon as next-day reimbursement, but if you need to meet with your manager to go over your expenses it will also allow you to share or print documents/expense reports from the app for review.



Expensify's security features include two-factor authentication so users input a generated code when logging in. Users' banking data is also protected by world-class

security standards compliant with Privacy Shield and General Data Protection Regulation (GDPR) requirements.

Expensify is free to use for up to 25 Smart Scans of receipts per month. For unlimited Smart Scans (plus more), pricing is as follows: six-week free trial; after that, the price ranges from \$4.99 per month for individuals and starts at \$5 per user, per month for groups/companies.

Here is a breakdown of the different plan options for individuals and groups/companies:

1. “Track” - \$4.99 per month, with unlimited Smart Scans, automatic mileage tracking and categorizing expenses.
2. “Submit”- \$4.99 per month and, in addition to the above, automatically submits reports for reimbursement, and submits receipts.

If you’re ever submitting expense reports for work, the Expensify app is worth looking into you for simple tracking and quicker reimbursement. By scanning receipts and logging all your transactions for you (including your mileage), you save time that can otherwise be spent on your actual job. The app provides a dashboard that makes it easy to review your work expenses and go over them.

By:



Pawan

## FIN- TERM

### **Gross Profit Margin versus Net Profit Margin**

These two ratio are used to evaluate the financial benefit of a company:

#### **Gross profit margin:**

Gross profit margin is expressed by dividing net sales less cost of goods sold by net sales.

Gross profit margin is the proportion of how much money being left over from the



revenue after accounting for the cost of goods sold.



Cost of goods sold include raw material and expenses similar directly with the creation of the company's primary product but excluding overhead costs such as rent, utilities, freight or payroll.

Gross profit divided by total revenue multiplied by 100 to bring out a percentage of income retained after accounting for cost of goods sold as profits.

### Net profit margin:

Net profit margin are expressed in terms of percentage and it measures profitability as compared to revenue for a period. Net profit margin excludes the value of interest taxes and operating expenses from net revenue to occur more conventional figure.

Net profit margin is also known as net margin. It is calculated as a percentage of net income to rise company's revenue. Income is bottom line for a company. Net profit margin takes all business expenses net cost of goods sold, net profit considered, the total revenue remained over outgoing cash flow and additional income including cost of goods sold and other operational expenses debt payment such as interest investment.



Net profit is calculated by dividing the total revenue and multiply by 100 to give a percentage of income that Residue after all expenses. For example apples revenue was dollar 61 billion and their cost of sales was dollar 37.7 billion, its gross profit margin was 38%.

Dollar 61 billion minus dollar 37.7 billion divided by dollar 61 billion into 100

Then Apple's net profit margin of 23% which means for every Dollar being generated by Apple in sales, the company will keep dollar 0.23 as profit.

Profit margin and net profit margin used to ascertain how well a company's management is making profit. It is important for an investor to analyze the profit margin over several period and upon the same industry within the company.

By:



-Sanjana Shetty

## FIN-TREND

### Bajaj Finance FD Rates Revised

Bajaj Finance has hiked interest rates on fixed deposits (FDs) by 20 basis points across tenures. The new rates are in effect from July 1, 2022.

After the latest interest rate hike, individuals can invest for a 44-month term and earn up to 7.50 percent annually.

Period in months	Cumulative	Non-Cumulative			
	At Maturity	Monthly	Quarterly	Half Yearly	Annual
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)
12 - 23	6.20	6.03	6.06	6.11	6.20
24 - 35	6.95	6.74	6.78	6.83	6.95
36 - 60	7.40	7.16	7.20	7.27	7.40

#### **Bajaj Finance senior citizen FD rates:**

Senior citizens can now 7.65 percent per year for 36 to 60 month FDs, and 7.20 percent per year for tenor of 24 to 35 months.

#### **Bajaj Finance special interest rate:**

Investors searching for larger returns and longer investment terms may also choose Bajaj Finance's special tenor FD. These special rates are available for terms of 15, 18, 22, 30, 33, and 44 months, according a press release issued by Bajaj Finance.

Period	Cumulative	Non-Cumulative			
	At Maturity	Monthly	Quarterly	Half Yearly	Annual
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)
15 months	6.40	6.22	6.25	6.30	6.40
18 months	6.50	6.31	6.35	6.40	6.50
22 months	6.65	6.46	6.49	6.54	6.65
30 months	7.05	6.83	6.87	6.93	7.05
33 months	7.15	6.93	6.97	7.03	7.15
44 months	7.50	7.25	7.30	7.36	7.50

By:



Vidyaabhusan M.

## FIN-TOON



By:



Sameeksha Prabhu

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