

ALUMNI - LETTER

Issue 2

In Search of Excellence

A News letter of Department of Management Studies JNNCE, Shivamogga-577201

Volume-2

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December-2022

12. What are the most important factors to consider for effective company audits?

Why do we make audits? Because it is like getting feedback: somebody asked a question on SOX control and accounting standards. In this particular audit, the auditors have their own check list. They call it PBC (provided by the client). I have a checklist of activities to be considered when I start an audit of any company. For example, under "revenue," what are the different types of revenue? Once revenue is captured, what are the expenses? We need to provide it so that it will help create a lot of opportunities as well as enhance your prospects.

13. What are the essential basic skills and knowledge required for jobs in the financial sector?

So for getting a job in the finance field, first and foremost, we have to choose which domain we want to work. Wherever you go three accounting principles that come handy, innovation, creativity, and skills of the individual makes them to be successful. In MBA, we will get a degree, but the practical approach that we implement in our career becomes significant in the profession. We must work through the practical aspects and solve problems of the business which gives them a sense of confidence.

14. What are the trends that you have observed in the finance field over these years?

When it comes to financial trends, I talked about GST earlier, but there is also going to be service tax, VAT, and many other things. There is now one nation and one tax. As a result, the GST has altered every business. The other areas, like interest rates, are also on the real estate sign and look at the Real estate market. Overall I can say that still lots of changes are expected to come in the field of finance

Alumni Accomplishments



Thank You



Class of 1998-2000

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Message from Editorial Team :

The Editorial team is delighted to present its unique creation in the form of Alumni Newsletter. There is now a sizable diaspora of JNNCE MBA graduates spread across the country. People who have in one way or another made us proud of their accomplishments. This newsletter is designed to celebrate the success stories of our alumni and also to provide Relationship of alumni directly to Students through interaction. December 2022, Volume.02, Issue 2 newsletter updated not only on the educational background of the alumni, it also covered interview process, best practices of the company and suggestions to their juniors. We would be looking forward to hear more about other alumni in terms of their achievements and their professional growth so as to provide a whole lot of motivation for the current students. We hope that the newsletter will offer some interesting readings to all stake holders of the department.

Editorial Team

ALUMNI PROFILE : Mr. Vijay Nagaraju



He is Mr. Vijay Nagaraju, an MBA graduate (finance) from the JNNCE Shivamogga [1998-2000] batch. He is currently employed as a Senior Manager in finance accounts at INFINERA India Pvt. Ltd., Bangalore, where he is in charge of accounting and reporting for the global company. He has been awarded for the successful implementation of the project. He is dealing with intercompany, general ledger accounting, prepayments, and cash management.



1. What factors influenced your decision to pursue an MBA program, and how did you go about it?

There were many opportunities, I chose the MBA programme because it gave me immense opportunity, not only in the form of working in finance and accounting but also in the form of exposure it provided in studying various subjects like statistics, accounting, marketing, and the like. Though there were a lot of opportunities to join other courses, but I had planned them out and analyzed through a SWOT analysis and put those thought processes into that bucket, which led me to choose the MBA Programed.

2. Could you share any happy moments or memories of college life during your MBA?

We don't know how we spent those 2 years of the MBA journey; it was the first batch of VTU. The entire system was very new for us, even the Faculty, friends, and subjects. We had very good faculty members at that time, and we used to enjoy each moment of the class in college. We also had very good batch mates in the sense that if someone is not good at a particular subject, we used to sit together whenever we were free, and we used to learn by sharing our knowledge and ideas with others, so it helped a lot to create a strong bond relationship with my mates, and we used to enjoy a lot of the greenery of nature while wandering around the campus, and it was a great experience to be a part of the JNNC MBA department.

3. Is an MBA in finance required or useful to manage global finance and accounts? If yes, what are the growth opportunities one can get in finance and accounting job?

Any finance or accounting job requires a strong technical background with a strong foundation in accounting principles, as well as exposure to finance-related activities that will relate to their real-world experience. Having a deep knowledge of new trends in the market and being able to interpret them will play an important role. We have a few applications that can help you build your knowledge of finance, such as Microsoft Intelligence and Power BI. You also need to perform well in all the operations, which will enhance your opportunity to grow to a higher position, and the success rate of the individual will be at a higher price.

4. In your opinion, what are the most important factors to consider when accounting for Intercompany transactions?

Let me put it this way: Suppose Pearlite Company has a branch in Shimoga, and they may have some branches in Davangere, some branches in Chitradurga, and some branches in Belgaum, there may be customer requirement in Belgaum, but the Belgaum unit does not have that type of product. Now, the product has been moved from Shivamogga to Belgaum unit, it is as if Rs 10 has been transferred from the shirt pockets to the pant pockets; no monetary traction has occurred. Here in the company, it is not being sold directly to any other organization. These transactions have to be recorded, and they are treated as intercompany transactions. Intercompany transactions can be recorded using different methodologies, and each company works in a different way. In a nutshell, we simulate our financials and ensure that whenever intercompany transactions take place, the net effect must be zero. The company is like a pyramid structure, and what happens in pyramid structure is that the top layer is a holding company, which holds the rest of the organization; the main is a subsidiary, so once they integrat their financials and books of accounts, the net effect of the intercompany transactions on the assets or liabilities must be zero.

5. What are things that should be considered when creating a budget?

To talk about budgeting, normally, the CEO or CFO of the organization decides to have a particular turnover for the year, and then other things will be considered. For example, HP has different streams of revenue recognition. The time management system (TMS), where time and material will be considered, is the fixed bill revenue method. Like this, many methods are used to project the revenue and expense parts. We include monthly revenue in the fixed bill and other projected items in the budget.

6. What is the accounting standards followed for the company accounts?

When we talk about accounting standards, there are three accounting principles based on which those standards are made. We don't go through all of the accounting standards by opening the book every day, but our framework is SOX control, so the other way to answer the question is yes, we do use them, but in the form of SOX control.

7. How will your company handle the month-end process?

I will give a brief, on month-end activity. We prepare a month-end check list for our company. My team begins a month-end process seven days before the beginning of the following month. Here we classify the transactions as intra-company or intercompany; for example, the interest schedule starts with whether it is an intercompany-related interest or one borrowed from the financial institutions. This is how we start our month-end process. Once this work is completed, we prepare bank reconciliation statement. We reconcile the bank book with the company's general ledger. The workday zero is bank reconciliation, and then we work on accruals, which is +3 days of the next month. The month-end process has workdays of (-7), (+3), and 0.

8. Could you please explain the accruals to us?

During this month, you would have taken the survey for which you have not received the invoice before you closed your accounts for this month. There will be subcontractor charges. They will render the survey, but the invoice will not be received on time during the month, and this is one of the accruals. Secondly, if you have borrowed money from the bank, you have to pay it back next month. Since you're not paying at the month's end, you have to make an accrual of the particular amount. Similarly, audit fees are not something you will pay every month. Prepaid expenses and outstanding expenses are called as accruals.

9. How do you determine your daily cash requirements? What are the techniques that you use?

For example, I have booked 3 vendors in my ledger: one is for the audit fees, one is for subcontract charges for utility maintenance, and one is for diesel for vehicles. This can be prepared in two ways, the first being the direct cash flow method, which is required for financial planning, and the other being cash flow forecasting. Every week, we need to prepare for the cash flow requirement. For example, if there are 10 customers, their billing days will be 30 days, and their vendor payment days will be 15 days in their cash flow. Using the invoice details, we forecast the cash flow required for the payment. The inflow of each will be the customer, and the outflow of cash will be the vendor.

10. What effect does GST have on today's finance and accounting system?

Actually, the GST is a good tool for tax regulation and has made many things mandatory for companies.

11. What are the scope and challenges of automation in the field of finance and accounting?

Using various upgraded technologies has many advantages, and the results will be more accurate, like with SAP and Power BI. Various industries have been embracing automation for some time. On the one hand, industrial manufacturing companies have been using automation; where giant robots are being used to assemble products, create armor, etc. Automation is one of the most exciting technologies in business today. There is a lot of scope for development in career growth, and automation.